

20 January 2015

Nicolsons Gold Project Funding Completed and Operations Underway

Pacific Niugini Limited “PNR” is pleased to advise that it has completed its funding package for the Nicolsons Gold Project near Halls Creek in Western Australia. The funding was completed in two tranches: a 1 for 4 rights issue which raised \$3.92 million before costs, and a gold pre-pay facility of \$9.2 million with Commonwealth Bank of Australia (“CBA”).

In addition, a gold hedge of 15,076 oz at a fixed price of \$1,568/oz was also completed through CBA to underwrite the returns from the project through the funding re-pay period.

Pacific Niugini is also pleased to advise that site works at Nicolsons commenced during the past week.



The recent rise in Australian dollar gold price has been beneficial for the funding package. The structure of the funding package however is in line with the terms announced on the 5th of December 2014. With the assistance of Pacific Niugini, the 20% equity share JV partner was also funded by CBA.

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Details of the funding package for PNR's 80% interest in Nicolson's are:

- A Gold pre-pay facility of \$9.2 million, re-payable in 6,524 ounces of gold.
- A Hedge facility of PNR Facility 15,076 ounces at a fixed price \$1,568 per ounce.
- Both the gold loan and hedge facilities are satisfied by the delivery of physical gold for a period of 22 months, commencing in November 2015.

Pacific Niugini's Managing Director, Paul Cmrlec said:

"The board is delighted that the funding package is now complete and we can get on with the business of gold mining. The stronger gold price provided an opportunistic window for better outcomes from the funding package and much improved overall economics for the project"

"Works on site have commenced with open pit dewatering and remediation of the open pit underway. We expect to cut the underground portal and commence plant refurbishment early in March and plan to commence production within six months."



Agreement with Bulletin Resources

Pacific Niugini assisted Bulletin in receiving a similar funding package from CBA proportional to its equity. Following execution of the CBA facilities, Pacific Niugini now holds an 80% project interest. In accordance with the Heads of Agreement announced on the 8th of December 2014, Pacific Niugini have loaned BNR the initial equity required under its facility with CBA. The loan is to be repaid within 45 days with interest applied at 12% per annum. If BNR fail to repay their equity funding (\$654,000) within 45 days, the loan will be cancelled and BNR's project ownership interest will reduce to 13%.

Bulletin is also contributing to its 20% share of costs from the 1st of January 2015 in accordance with the agreement, which cancelled PNR's sole funding obligations.

Ends

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