

8 December 2014

Pacific Niugini and Bulletin Resources agree to advance Financing for Nicolsons Project

The Board of Pacific Niugini Limited (“PNR” or the “Company”) is pleased to advise that it has entered into a Heads of Agreement with Bulletin Resources Limited (“Bulletin”), the part owner of the Nicolsons Project near Halls Creek.

Under the terms of the Heads of Agreement, PNR has undertaken to assist Bulletin by seeking to secure 100% of the financing requirements for the Nicolsons Project and to extend the same financing terms to Bulletin. Bulletin will undertake to contribute their equity share to financing repayments, hedging requirements and their share of any equity required to be spent prior to drawing loan funds. Bulletin and PNR will also allow its financier to secure the facility over 100% of the project.

In return, Bulletin will transfer to PNR a further 15% interest in the Nicolsons Project (taking PNR to 80% ownership) immediately upon execution of a binding agreement.

PNR will continue to sole fund project expenditure until 1 January 2015, after which Bulletin will contribute pro-rata to costs in accordance with their remaining 20% interest. Pacific Niugini will no longer be required to sole fund the first \$4 million of expenditure in the Nicolsons Project prior to earning an 80% interest and Bulletin’s cost contribution date will be brought forward.

Execution of a formal agreement is subject to approval by the financier secured by Pacific Niugini. Bulletin Resources remains able to source alternative funding and the terms of the Acquisition Agreement under which PNR is earning its interest will remain in force before and after completion of the proposed agreement.

Commenting on the agreement, Managing Director Paul Cmrlec said

“This agreement is a constructive and beneficial step in the development of the Nicolsons Project. Pacific Niugini will realise substantial savings by bringing the contribution date of Bulletin forward and in reducing pre loan draw down equity requirements. Bulletin will benefit from superior loan terms compared to those likely to be secured as a minority party. The agreement also benefits the financier by enabling full security over the project tenements.

We look forward to working with Bulletin to generate substantial value for our respective stakeholders.”

Pacific Niugini also advises that it has continued to advance the proposed financing of the Project with the Commonwealth Bank (**PNR Secures Gold Prepay Financing Proposal from CBA for Nicolsons Gold**; ASX announcement 5 December 2014; Appended).

Ends

Enquiries – Paul Cmrlec, Managing Director, (08) 9215 6005

5 December 2014

PNR secures Gold Prepay Financing Proposal from CBA for the development of the Nicolson's Gold

Pacific Niugini Limited "PNR" is pleased to advise that following receipt and evaluation of several mine financing proposals, PNR has agreed to a financing proposal from the Commonwealth Bank of Australia "CBA" for the Nicolson's Project near Halls Creek in Western Australia.

Under the proposal PNR has mandated CBA to complete a Secured Gold Prepay and Mandatory Hedge Facility to enable the refurbishment and development of the Nicolson's Project. Under the mandate and current agreed terms, CBA will provide a Gold Prepay Facility of up to A\$11.5 million subject to PNR's ultimate ownership share in the project.

As part of the financing package PNR will be required to fund an amount of equity normal for secured facilities of this nature. As such, the company will complete a 1 for 4 rights issue at 5 cents per share. If fully subscribed, the rights issue will raise approximately A\$3.93M. The issue is not underwritten, however the Board reserves the right to place any shortfall and pay usual brokerage fees to any party assisting in placement of any shortfall.

Commenting on the funding facility, Managing Director Paul Cmrlec said:

"Pacific Niugini is delighted that CBA, through the proposed financing package, has shown its strong support for the project, management and the company. PNR is now in a position to accelerate activities on the site to ensure that production targets are met. Both parties are now working to ensure that due diligence and finance documentation is completed as a matter of priority.

"The proposed rights issue gives our loyal shareholders an opportunity to participate in the development of the project in order to maximise their direct benefit from the company's transition to production. The board has appreciated the fantastic support that it has received from its shareholders throughout the prolonged market negativity which has been endemic in the entire equities market."

Pacific Niugini Limited

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Key elements of the financing proposal include:

A Gold Prepay Facility, with fixed repayments in physical gold

The number of ounces re-payable is dependent on the AUD gold price at the date of financial close.

The number of ounces to be repaid will be varied up or down dependent on the spot gold price at the time of execution. The proposed repayment structure delivers 9,275 ounces based on a spot price of A\$1,370 per ounce. The Gold Prepay Facility is to be repaid monthly over twenty three months, commencing nine months from the date of financial close.

A mandatory Hedging Facility to provide cashflow certainty over the life of the Prepay Facility.

The Hedging Facility is for scheduled deliveries over the same period as the Gold Prepay Facility. Hedged ounces are to be finalized at the time of execution, and are expected to be approximately 20% of forecast production at current gold prices.

The Hedging Facility requires quarterly gold deliveries commencing nine months after the execution of loan documents.

Conditions Precedent to Financial Close

Conditions precedent to Financial Close are usual for a facility of this nature and include satisfactory completion of technical and legal due diligence, finalisation of approvals processes, facility documentation and the required equity component to be contributed by PNR.

Ends

Enquiries: Paul Cmrlec, Managing Director, (08) 9215 6005