

Nicolsons Project Update

The Board of Pacific Niugini Limited (PNR) is pleased to provide a project update for its 80% owned Nicolsons Project.

Processing Plant Commissioning

Commissioning of the Nicolsons CIP plant (nominal capacity of 150,000tpa) is nearing completion. So far approximately 1,000 tonnes of low-grade ore have been processed and the plant has operated continuously for the past 72 hours. All major components of the processing plant have now been successfully commissioned and operated. The final item for commissioning is the gold room and furnace which will be commissioned during the next two days.

Mine production to date has placed approximately 3,000 tonnes of high-grade development ore on the ROM. Approximately half of this has been crushed and its processing will commence in the ensuing days. This should conclude the pre-production and commissioning of the plant culminating in the milestone of our first gold bar.

Underground Development

The decline continues to be advanced through fresh rock with no further issues from the semi-oxidised zones that slowed initial progress. The material near the first level has however continued to deteriorate in the first level cross-cut with some heavily oxidised zones causing first level operations to cease last night whilst remedial works are undertaken to maintain integrity of the main decline. This could further slow ore development and stoping from this first level. Ore planned to be mined from the first level could be accessed from the second level below if necessary.

The second level (2210 Level) access is currently progressing through fresh rock and ground conditions to date have been good. The level access drive is currently approximately 20m from the ore zone. Development in the 2210 level access is expected to resume upon completion of decline remedial works in the coming days, allowing ore development to re-commence.

The company will continue to keep the market informed as works are progressed.

Enquiries

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