



16 July 2015

Dear Shareholder

Pacific Niugini Ltd Non-Renounceable Entitlement Issue

As announced to ASX on 14 July 2015, Pacific Niugini Limited (ACN 003 207 467) (**Company**) is undertaking a non-renounceable entitlement issue offer of one (1) fully paid ordinary share in the capital of the Company (**Share**) for every four (4) shares held by shareholders on 21 July 2015 (**Record Date**) at an issue price of \$0.05 per Share to raise up to \$4,905,674 before costs (**Rights Issue**). The Rights Issue includes one attaching option for every two (2) shares subscribed, with an exercise price of \$0.06 and expiry date two years after issue, and an offer of any entitlements issues shortfall at the same issue price for Shares under the Rights Issue (**Shortfall Offer**) (the **Offers**).

The Offers can be accepted any time up to the Closing Date.

The Rights Issue is accompanied by an offer for shortfall Shares at the same issue price for Shares under the Offer (**Shortfall Offer**).

The Company lodged a prospectus for the Offers (**Prospectus**) with ASIC and ASX on 14 July 2015 and a copy is available at the Company's website www.niugini.com.au or under the ASX Code PNR on the ASX announcements website <http://www.asx.com.au/asx/statistics/announcements.do>

Eligible shareholders will receive a copy of the Prospectus including an application form which will provide instructions how to participate in the Rights Issue and apply for shortfall shares.

Set out below is the anticipated timetable for the Rights Issue.

Event	Date
Lodgement of Prospectus with and ASX	14 July 2015
Lodgement of Appendix 3B with ASX	14 July 2015
Notice sent to Optionholders	15 July 2015
Notice sent to Shareholders	16 July 2015
Ex date	17 July 2015
Record Date for determining Entitlements	21 July 2015
Prospectus sent out to Shareholders & Company announces this	24 July 2015
Last day Company can extend Closing Date	4 August 2015
Closing Date*	7 August 2015
Securities quoted on a deferred settlement basis*	10 August 2015
ASX notified of under subscriptions*	12 August 2015
Issue date/ Securities entered into Shareholders' security holdings*	14 August 2015
Official Quotation of Shares issued under the Offers*	14 August 2015

*This timetable is indicative only. Subject to the ASX Listing Rules, the board of directors of the Company reserve the right to vary the dates for the Offer at their discretion. Should this occur, then the extension will have a consequential effect on the anticipated date of issue and normal trading of the new Shares.

As required by the ASX Listing Rules, the key information relating to the Offer is set out below:

- the Rights Issue is non-renounceable and is being undertaken on the basis of one (1) new Share for every four (4) Shares held by Shareholders on the Record Date;
- the Shortfall Offer will be offered to eligible Shareholders under the Rights Issue and other parties determined by the Company in its discretion;
- the record date to determine entitlements for eligible Shareholders is 5.00pm (WST) on 21 July 2015 (**Record Date**);
- only Shareholders with a registered address in Australia and New Zealand as at the Record Date are eligible to participate in the Rights Issue. Shares commence trading without the entitlement to participate in the Rights Issue on 17 July 2015 (the **Ex Date** for the Rights Issue being 2 business days prior to the Record Date);
- each new Share will rank equally with and be issued on the same terms and conditions as those quoted fully paid ordinary Shares already issued by the Company, including in respect of dividends from the date of allotment. Application for quotation of the new Shares offered under the Rights Issue was made by the Company on 14 July 2015;



- for the purpose of determining your entitlement, fractional entitlements will be rounded up to the nearest whole number of Shares;
- GMP have been appointed as Lead Managers to the Offers and are entitled to receive a fee of 6% of the amount raised under the Offers;
- holdings on different registers will not be aggregated for determining entitlements;
- entitlements under the Rights Issue are not transferrable, accordingly rights to entitlements will not be tradable on ASX or otherwise transferable. Shareholders who do not take up their entitlements in full will not receive any value in respect of that part of their entitlement that they do not take up. Shareholders who are not eligible to receive entitlements will not receive any value in respect of entitlements they would have received had they been eligible;
- a maximum of 98,113,481 Shares and 49,056,741 Options will be issued pursuant to this Offer (assuming that no options to acquire Shares are exercised or any performance rights or convertible notes are converted prior to the Record Date). This number is subject to reconciliation of entitlements and rounding. Based on that number the maximum number of listed ordinary Shares on issue following the Rights Issue will be 490,567,405 Shares and 55,706,740 Options.
- no Shareholder approval will be required for the Rights Issue;
- the Company does not have a dividend policy and does not intend to declare one in the near future; and
- the Rights Issue will raise up to \$4,905,674 before costs and is not subject to a minimum subscription. The proceeds from the Rights Issue intend to be applied as follows:

Item	Proceeds of the Offer	Full Subscription (\$)	%
1	Nicolsons mine development, in-mine exploration and mine working capital	\$3,000,000	61.2%
2	Halls Creek regional exploration	\$1,000,000	20.4%
3	Garaina (PNG) project development	\$250,000	5.1%
4	Expenses of the Offers	\$340,000	6.9%
5	Working capital and corporate costs	\$315,674	6.4%
	Total	\$4,905,674	100%

Pursuant to the Rights Issue there are a number of actions eligible Shareholders may:

- take up some or all of your entitlements;
- take up all of your entitlements and apply for additional Shares under the Shortfall Offer; or
- not participate in the Rights Issue and if so, you do not need to take any action.

If you are eligible and wish to participate in the Rights Issue, it will be necessary for you to complete and return the personalised Entitlement and Acceptance Form (that will accompany the Prospectus expected to be sent to eligible shareholders on 24 July 2015) in accordance with the instructions on that form. You will need to ensure your application money for the entitlements you wish to take up is received by Computershare Investor Services Pty Limited by no later than 5.00pm (WST) on 7 August 2015.

You should consider the Prospectus in full if you are considering apply for Shares under the Prospectus.

If you have any questions concerning the Rights Issue or Shortfall Offer, or the actions you are required to take to subscribe for Shares, please contact your financial advisor or please contact David Okeby, Company Secretary, on +61 (08) 9215 6005 or by email to admin@niugini.com.au.

Yours faithfully,



David Okeby
Company Secretary