

PAU to Acquire Carried Interest in Highly Strategic, Open-Pit Iron Ore Project in Saudi Arabia

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Advanced Iron Ore Project with Low Transportation Costs and Excellent Access to Regional Markets

KELOWNA, BRITISH COLUMBIA -- (Marketwired - Apr 7, 2015) - [Papuan Precious Metals Corp.](#) (the "Company") (TSX VENTURE:PAU) is pleased to announce that it has entered into a letter of agreement to form a joint venture with Juniper Capital Partners Limited to acquire a 25% carried interest in the highly strategic Wadi Sawawin Iron Ore project in Saudi Arabia. The open pit mining project is located close to the Red Sea port of Duba. With low transportation costs, the project can become one of the few regional sources of Direct Reduction ("DR") pellets for DRI steel plants, which provide 90% of steel production in the Middle East and North African region.

Project Highlights Include:

- Open-pit iron ore project
- Close to the deep water port of Duba, in the kingdom of Saudi Arabia - low transport costs and easy access to domestic and regional markets
- Full bankable feasibility study complete

Dev Randhawa, Chairman and CEO for Papuan Precious Metals, commented, "The prospects for this near-term production project are excellent. Wadi Sawawin is a large open pit iron ore project in close proximity to an industrial, deep water port. Growth potential includes a pellet plant that will provide a regional source of DR pellets for the DRI steel plants, which account for 90% of steel production in the Middle East and North Africa. With very low transport costs, it will have a strong competitive advantage over competing Brazilian and European supply."

Key Agreement Details

The joint venture will acquire [London Mining Plc's](#) contractual rights to the 25% carried interest in the National Mining Company ("NMC") in Saudi Arabia. NMC owns the Wadi Sawawin Iron Ore project. The Company is obligated to provide an initial funding to the Joint Venture in the amount of US\$375,000 and then Juniper and the Company will contribute additional funds to the Joint Venture pro-rata so that each partner will provide one-half of the additional funds required by the Joint Venture.

Juniper has agreed to manage the Joint Venture's interests in the project for a minimum of two years. Juniper is a natural resources focused investment and advisory business with offices in Singapore, London and representation in Riyadh.

Additional Project Information

The Wadi Sawawin Project is an open-pit iron ore mining project in the north-west of the Kingdom of Saudi Arabia targeting production of Direct Reduction (DR) pellets.

NMC holds Exploration licences for each of the Western, Eastern and Al Hamra Blocks and a 30 year Exploitation licence for part of the Western block where the main deposit is located. Within the Western Block, the project hosts Algoma-type Jaspilitic iron ore which forms a bedded deposit in a sequence of volcanoclastic and sedimentary rocks whose primary iron mineral is hematite (Fe₂O₃) and secondary iron mineral is magnetite (Fe₃O₄).

London Mining commissioned a full bankable feasibility study (BFS) led by Worley Parsons, which was completed in 2010. The quality of the iron ore allows for the production of DR pellets, which are the highest quality of iron ore product. The pelletising process proposed utilises industry standard, well understood and

proven technology. The processing/beneficiation and pelletising plant will be located on the Red Sea coast, approximately 52 km from site, and is ideally situated to enable export of the product via one of the world's major shipping lanes. DR pellets are used by the electric arc furnaces which predominate in the gulf region.

The Company intends to review all aspects of the project with a view to assisting Juniper and the Joint Venture in continuing [London Mining Plc](#)'s work with NMC on the Wadi Sawawin Project.

ON BEHALF OF THE BOARD

Dev Randhawa
CEO

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