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[PNG Gold Corp.](#) ("PNG Gold") (TSX VENTURE:PGK) announces it has entered into a forbearance agreement (the "Forbearance Agreement") with VeroLube Inc. ("VeroLube"). VeroLube is a private Alberta corporation and the owner of a technology for the re-refining of used oil known as ReGen. Gregory Clarkes, the CEO of PNG Gold, is a director and approximately 5% shareholder of VeroLube. On February 16, 2016, PNG Gold announced it would not be proceeding with its previously announced reverse takeover of VeroLube, although it remains very interested in the potential of the ReGen technology and is therefore continuing to pursue alternative transactions involving the ReGen technology and potentially VeroLube.

As of February 29, 2016, pursuant to previously announced loans, VeroLube is indebted to PNG Gold in the approximate amount of \$771,565, of which \$612,613 is principal and \$158,952 is interest. The loans bear interest at the rate of 20% per annum, and are past due. The loans are secured by a charge against all present and after-acquired assets of VeroLube, including the patents related to the ReGen technology (the "Patents"). Under the Forbearance Agreement, PNG Gold has agreed to forbear from exercising its rights and remedies under the loan documents, conditionally upon VeroLube assigning the Patents to PNG Gold and issuing 305,875 common shares of VeroLube to PNG Gold on or before May 31, 2016. If VeroLube does not fulfill those conditions, PNG Gold will be free to exercise its rights and remedies under the loan documents as it sees fit. The Forbearance Agreement provides that if VeroLube does fulfill those conditions, it shall repay the loans on or before December 31, 2016. If VeroLube repays the loans by such date, then PNG Gold will reassign the Patents to VeroLube, and VeroLube will grant PNG Gold a non-exclusive, perpetual license to use the ReGen technology worldwide. If VeroLube does not repay the loans by such date, PNG Gold will retain ownership of the patents and shall be able to exercise any and all remedies and recourses which are available to it against VeroLube. While it is the assignee of the Patents, PNG Gold will be responsible for paying all reasonable expenses associated with the maintenance of the Patents, and for retaining a lawyer to review the Patents for matters such as validity and jurisdiction, and such expenses shall be added to the amount of the indebtedness.

Certain information set forth in this news release may contain forward-looking statements that involve substantial known and unknown risks and uncertainties. Examples of such statements are statements relating to VeroLube's performance of the terms and conditions of the Forbearance Agreement and repayment of the loans. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the control of PNG Gold, including, but not limited to, VeroLube's ability to obtain financing and the impact of general economic conditions and industry conditions. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. VeroLube may not obtain financing, and if so it is very unlikely the loans will be repaid.

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