

The Company provides the following additional information regarding the proposed private placement announced on November 2, 2016.

The Company believes the ReGen technology is the first in the world to re-refine used motor oil ("UMO") to produce Group III base lubricating oil (synthetic grade oil) in marketable quantities. Group III base lubricating oil sells for approximately 50% more than current re-refinery produced Group II products. The ReGen process utilizes common technologies in use throughout the world, but in a unique configuration and at specific temperature and pressure settings.

By virtue of the forbearance agreement the Company entered into with VeroLube Inc. on April 4, 2016, the Company owns a non-exclusive perpetual world-wide license to use the patented ReGen[®]; re-refining technology which:

1. Has been successfully tested in a 5 barrel per day prototype plant that ran for several thousand hours proving the technology from concept to a full working scale model.
2. Was extensively reviewed by the US Department of Energy's independent consultant Oakridge Laboratories, who reported the ReGen technology is derived from proven existing technologies and can successfully produce a re-refined Group III synthetic grade base lubricating oil from UMO at a lower cost than current refining operations.
3. Was subsequently reviewed by Wood Group Mustang Engineering and Tetra Tech Engineering who independently concluded the ReGen technology is technically sound and commercially viable.
4. Was further investigated by ILF, Stantec and WSP Engineering who independently updated a preliminary construction cost estimate prepared by Mustang to reflect the cost of construction of a refinery if built in a specifically selected site in Alberta. The average all-in construction price as estimated by ILF, Stantec and WSP Engineering is approximately \$85MM for a 2,800 bpd plant.

The engineering pre-FEED study proposals to be obtained from ILF, Stantec and WSP Engineering will form part of the Company's use of proceeds under the private placement. Those studies will enable the Company to validate the throughput of the second stage of the process, which previously estimated between 45% and 53% Group III oil from the initial volume of UMO feedstock. The remaining first and third stages of the ReGen process will produce traditional re-refined products including Group II base oil, ultra-low sulphur diesel fuel and asphalt flux used in the roofing industry; all of which are stable commodity priced products. The Company expects that these studies should provide the Company with the definitive information required to proceed with detailed engineering design for the construction of a re-refined base oil plant.

The Company has identified:

1. A currently permitted refinery site in central Alberta, which could include an off-take agreement for the finished products from the proposed plant. This refining location has infrastructure in place that could save the Company approximately \$10MM in construction costs;
2. Potential other customers who also could enter into off-take agreements for the purchase of the full production of the proposed plant site;
3. Federal and Provincial government loans and grants, which could cover a portion of the cost (estimated to be up to \$10MM) for the construction of the plant;
4. Key management personnel for the project;
5. Environmental consultants to quantify the greenhouse gas credits that could be generated by the plant, estimated to be approximately \$10MM per year and;
6. UMO feedstock suppliers for the plant. Feedstock is readily available from the more than 50% of currently collected UMO that is sold in North America today as low cost burner fuel.

The pre-FEED engineering studies are not to prove that the technology works, but rather to mitigate off-take; production; and Group III or Group III+ volume risk. A subsequent FEED study will be undertaken to mitigate plant cost over-run risk, providing what the Company believes will be a project payback within the first year of production.

Following completion of the pre-FEED and FEED studies the Company's Board of Directors will release the results and determine if the Company should pursue this initiative and proceed with a change of business application to the TSX Venture Exchange ("TSXV").

Update on Consolidation

The Company is pleased to announce that it has received conditional acceptance of the TSXV in respect of its previously announced consolidation of five (5) old common shares for one (1) new common share. The consolidation will be made effective on November 11, 2016. The CUSIP for the new common shares is 69353A402 and the new ISIN is CA69353A4028. Each fractional common share equal to or greater than 0.5 common shares will be rounded up to the nearest whole common share and each fractional common share less than 0.5 common shares will be rounded down to the nearest whole common share. Upon completion of the consolidation, the Company will have approximately 26,233,674 common shares issued and outstanding (without taking into account the private placement). The Company's transfer agent, Computershare Investor Services will mail registered

shareholders a letter of transmittal to facilitate the exchange of old common shares for new common shares.

On Behalf of the Board of PNG Gold Corporation

Greg Clarkes, Chief Executive Officer

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Certain information set forth in this news release may contain forward-looking statements that involve substantial known and unknown risks and uncertainties, certain of which are beyond the control of [PNG Gold Corp.](#) These include, but are not limited to, completion of the Financing, completion of the Consolidation, the receipt of TSXV acceptance of the Financing, the proposed use of proceeds of the Financing, the estimated construction costs of a processing plant, the validation of the throughput of the second stage of the ReGen process, the future production of oil products, the potential results of engineering studies, potential savings that may accrue from a potential plant location, potential offtake agreements, the availability of potential carbon credits, the potential payback timeline for a potential plant. 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. The Company assumes no obligation to update forward-looking statements, except as required by applicable law.

Contact

[PNG Gold Corp.](#)

Greg Clarkes
Chief Executive Officer
(604) 374-6783