

# OTTERBURN TARGET K92 RECEIVES MINING LEASE RENEWAL NOTIFICATION FROM BARRICK GOLD CORP.

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- **Otterburn Resources Corp. announces Mining Lease renewals**
- **Mining lease renewals trigger sale completion between Barrick and K92**
- **Project includes existing mill, mine development and substantial infrastructure**

VANCOUVER, BRITISH COLUMBIA—(Feb. 20, 2015) – Otterburn Resources Corp. (“Otterburn”) (TSX VENTURE:OBN) is pleased to announce that K92 Holdings International Limited (“K92”) has received notification from Barrick Gold Corp (“Barrick”) that the Kainantu Mine mining lease renewals sought by Barrick’s wholly owned subsidiary Barrick Kainantu Limited (“BKL”) have been obtained.

With the mining leases now renewed for 10 years from June 14, 2014, as per BKL’s application to the Mineral Resource Authority (MRA) of Papua New Guinea, and with all required cash payments from K92 to Barrick having been made to complete the transaction, the sale of BKL to K92 Holdings (PNG) Limited (wholly owned by K92) has been triggered. The sale completes in ten business days and the control of the Kainantu Mine Property transfers to K92 at the end of the ten day period.

The Kainantu property covers a total area of 410.74 square kilometres and is located in the Eastern Highlands province of Papua New Guinea, approximately 180 kilometers via paved road, west-northwest of the town of Lae, Papua New Guinea. Papua New Guinea is a democratic commonwealth country with a population of approximately 7.4 million people, and a land area of 462,840 km<sup>2</sup>. Mining is a major source of economic activity with multiple large mines operated by major mining companies. Mining and petroleum contribute more than one-third of all government revenue. While there is constant investment news from the mining sector in Papua New Guinea, including the recent announcement of Anglo America’s proposed multimillion dollar joint venture with Highlands Pacific Limited at Star Mountains, the most recent news garnering attention is the recent decision by Newcrest to proceed to feasibility of its Golpu copper-gold deposit with a proposed life of mine capital expenditure of approximately USD \$3.1 billion. The Golpu deposit is situated approximately 110 km east south-east of the Kainantu Mine.

Within K92's mining lease, there is an historical inferred resource of 1.8Moz at 11.8 g/t Au Eq. and an indicated resource of 340,000 oz. Au at 17.7 g/t Au Eq\*. Please refer to the Company's news release of August 25, 2014. Otterburn has commissioned a NI 43-101 compliant technical report to review and confirm these historic resource estimates, and anticipates filing this report shortly. Otterburn will be embarking on an expansion drilling program designed to target additional mineralization throughout 2015 and 2016, via the expansion and definition of previously drilled mineralized areas. Onsite, there exists fully developed infrastructure including an operational mill, camp, offices, access roads, reliable hydro supply via a dedicated power line, a life of mine tailings facility, and extensive underground mine development. Barrick purchased the project from Highland Pacific Ltd in December 2007 for USD \$141 million and invested capital in regional exploration, definition drilling of the Kora deposit and mine development at the Irumafimpa deposit.

Mineralization on the property includes gold, silver and copper occurring in intrusive related gold telluride veins; copper-gold-silver sulphide veins and related porphyry copper-gold systems; and alluvial gold. The Irumafimpa-Kora vein deposit is the most advanced project at Kainantu, with past modern mining activity in the Irumafimpa area. The Irumafimpa-Kora deposit occupies a broad northwest-trending mineralized zone more than 2.5 kilometres long and up to 60 metres wide.

Mr. Doug Kirwin, K92 Advisor, notes *"The structures hosting the lodes strike for several kilometers and have known vertical extents of hundreds of meters, and are open beyond this. This indicates significant potential to add to the existing resource, and the probability of discovering parallel lodes is high."*

Upcoming activities planned by K92 onsite include the refurbishment of the existing mill and the Irumafimpa Mine underground infrastructure; underground and surface drill testing from Irumafimpa to Kora; definition drilling in other zones of mineralization discovered but not yet defined as a resource; and exploration targeting the discovery of new high grade deposits. Future plans, dependent on available financing, include an underground incline drive from the Irumafimpa deposit to the Kora deposit, and additional upgrades to the mine and mill.

K92 Chief Executive Officer, Mr. Ian Stalker, states *"Today's mining lease renewal news is in many ways a starting point for K92. However, it is also the culmination of a period of hard work by both our team in Papua New Guinea and by Barrick personnel. I thank both groups for their dedication to this process to this point and to the upcoming transition process onsite. K92's focus is to fast track the restart of mining and milling operations onsite, and commence exploration with the goal of identifying and defining further high grade resources. Our business model, developed by an outstanding team of mining professionals, is based on a foundation of low and well defined Capital Expenditure requirements, high grade resources and a strong existing infrastructure."*

*The team advancing K92, and their intended positions with Otterburn, includes:*

*R. Stuart (Tookie) Angus, Chairman and Director*  
*Ian Stalker, Chief Executive Officer and Director*  
*Bryan Slusarchuk, President and Director*  
*Brian Lueck, Chief Operating Officer and Director*  
*Mark Eaton, Director*  
*Saurabh Handa, Director*  
*Alex Davidson, Advisor to K92*  
*Douglas Kirwin, Advisor to K92*  
*Andrew Vigar, Advisor to K92*  
*Daisy Taylor, Director (Papua New Guinea)*  
*Justin Blanchet, Chief Financial Officer*

The renewal of the Mining Lease was granted on the conditions that BKL (i) comply with the PNG *Mining (Safety) Act*; (ii) comply with all other relevant legislation applicable to the Mining Lease; (iii) complete the change of control of the Kainantu mine [ownership of BKL] within three months; (iv) refurbish the mine and mill to operating status as existed prior to being placed under care and maintenance, by December 31, 2015; and (v) commence operations and production on the Kora deposit by June 30, 2018.

Brian Lueck, B.Sc. Geo., a “qualified person” within the meaning of NI 43-101, reviewed and participated in the preparation of the technical information disclosed in this news release.

## ON BEHALF OF THE BOARD

### **Brian Lueck, President & CEO**

*\* A qualified person has not done sufficient work to classify the historical estimates as current mineral resource or mineral reserves. The disclosure is based on information provided by Barrick (2014) based on their prior work on the property. The disclosure is considered both relevant and reliable based on the Company’s review of the data. The Company’s NI 43-101 compliant technical report on the resource estimates will be available for disclosure shortly. The Company is not treating the historical estimate as current mineral resources or mineral reserves as defined in NI 43-101. The Company cautions the reader that the historical estimates disclosed in this news release should not be relied upon. There have been no assumptions made as to metal prices or recoveries in the mineral resource estimates other than gold equivalents that are calculated for  $AuEq = Au\text{ g/t} + Cu\% \times 1.7308 + Ag\text{ g/t} \times 0.0185$ .*

*Completion of this transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and disinterested shareholder approval. The transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.*

*Investors are cautioned that, except as disclosed in the Filing Statement or Management Information Circular to be prepared in connection with the transaction, any information released or received with respect to the reverse take-over may not be accurate or complete and should not be relied upon. Trading in the securities of Otterburn Resources Corp. should be considered highly speculative.*

*The TSX Venture Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.*

*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.*

**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION:** This news release includes certain “forward-looking statements” under applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to: the terms and conditions of the proposed transaction with K92 and BKL; the terms and conditions of the proposed private placement; future exploration and testing; use of funds; and the business and operations of the Resulting Issuer after the proposed transaction. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Otterburn disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

## CONTACT INFORMATION

Otterburn Resources Corp.

Darren Devine

604-638-8063