

Niko Announces Agreements with Certain of its Senior Lenders and Noteholders to Support Strategic Plan

- *Allows Niko to maintain its core assets for an expected minimum period of two years until value of these assets can potentially be enhanced for the benefit of the Company's stakeholders*
- *Noteholders that consent to amendments will be paid a fee equal to their pro rata share of US\$1.5 million*

CALGARY, ALBERTA (March 14, 2016) – Niko Resources Ltd. (“Niko” or the “Company”)(TSX – “NKO”) announces that it has executed a support agreement with its institutional lenders (the “Lenders”) holding approximately 85% of the senior term loan facilities (the “Term Loan”) and a support agreement with noteholders (the “Noteholders”) holding approximately 60% of the Company’s 7% senior unsecured convertible notes due December 31, 2017 (the “Notes”), each in support of the Company’s strategic plan of maintaining its core assets until the value of these assets can be enhanced for the benefit of all of the Company’s stakeholders. The support agreements include a term sheet reflecting the key terms of the proposed new interim agreement (the “Interim Agreement”) that would amend the terms of the Term Loan and outlines the proposed amendments (the “Indenture Amendments”) that are required to be made to the indenture governing the Notes (the “Indenture”) (together referred to as the “Hold Proposal”).

The support agreements have been approved by the board of directors (the “Board”) of the Company. In reaching its conclusion, among other considerations, the Board reviewed and considered a fairness opinion from PricewaterhouseCoopers LLP that concluded that, based upon and subject to the matters set out in the opinion, including the scope of review, limitations and assumptions, PricewaterhouseCoopers LLP was of the opinion that, as at March 10, 2016, the Hold Proposal is fair, from a financial point of view, to the shareholders of the Company, the Noteholders and the unsecured creditors of Niko determined on an unconsolidated basis. **Copies of the support agreements and fairness opinion will be filed on the Company's SEDAR profile at www.sedar.com.** The Company may elect to terminate the support agreements on or after April 15, 2016 if all the Lenders do not agree to the terms of their support agreement.

Support Agreements - Summary

On the date (the “Implementation Date”) that the Amendments become effective, the Company will not be required to make interest payments (including interest then owing) under the Term Loan or the Notes during the term of the Amendments (the “Hold Period”), with the Hold Period expected to be a minimum of two years. Assuming that the Amendments become effective, the Company believes that it will have sufficient liquidity to fund the cash requirements of its operating subsidiaries in India and Bangladesh and its corporate general and administrative expenses during the Hold Period.

Required Approvals and Consent Fee for Noteholders

The proposed Amendments will be subject to the approval of:

- the Board of the Company;
- the Toronto Stock Exchange;
- all of the Lenders; and
- Noteholders holding (i) 66 2/3% of the principal amount of the outstanding Notes (obtained either by written resolution or through a consent solicitation process), or (ii) 66 2/3% of the principal amount of

the Notes present at a meeting of the Noteholders. It is expected that Noteholder approval will be obtained by way of a consent solicitation. Noteholders that consent, on a timely basis, to the Indenture Amendments will be paid a fee equal to their pro rata share of US\$1.5 million based on the principal amount of the Notes held. Further details regarding the process for seeking the requisite consent of the Noteholders will be announced on or before March 24, 2016.

No assurance can be made that the proposed Amendments will be implemented or that any other strategic plan can be accomplished at all or on a timely basis. The failure to effect a transaction pursuant to a strategic plan on a timely basis will likely prove to be unsatisfactory for stakeholders, which would have a material adverse impact on the value of their interest in the Company. The timing of the Implementation Date will depend upon the length of time required to settle the implementation documents and to obtain all required consents.

Key Terms of the Proposed Amendments

The key terms of the proposed Amendments will be as follows:

- The Lenders may elect, at any time on or after the second anniversary of the Implementation Date and with 90 days prior written notice, to require the Company to commence a marketing and sale process (a "Sales Process") for its interest in the D6 production sharing contract (the "D6 PSC"). Under certain specified circumstances (including the failure of the Company to maintain a minimum cash balance of US\$5 million or the decision of the D6 PSC contractor group to commit to capitalizing new development projects), the Lenders may require the commencement of the Sales Process prior to the second anniversary of the Implementation Date. At any time, the Company shall have the right to commence a Sale Process in respect of the D6 PSC or any of its assets;
- Extension of the waiver of certain financial covenants and undertakings under the Term Loan and waiver of certain covenants under the Indenture during the Hold Period;
- Elimination of the requirements to pay cash interest on either the Term Loan or the Notes during the Hold Period;
- Accrual of cash interest on the Term Loan and the Notes at the previously defined non-default rates of interest (15% for the Term Loan and 7% for the Notes);
- Entitlement of the Lenders to additional capitalized interest ("PIK Interest") on the Term Loan calculated on a notional principal amount of US \$168 million (less any proceeds distributed to the Lenders) at a simple rate of 6% per annum;
- A requirement for the Company to make a principal repayment of US\$12 million on the Term Loan upon the Implementation Date;
- A requirement for the Company to pay a consent fee upon the Implementation Date of up to US\$1.5 million on a pro-rata basis to the Noteholders that approve the Indenture Amendments on a timely basis;
- A reduction in the required minimum cash balance of a reserve account specified in the facilities agreement from US\$20 million to US\$10.3 million. Use of the funds in this reserve account would be restricted to payment for specified potential expenditures by specified dates, subject to the approval of the majority of the Lenders. Any excess amounts in the reserve account after payment of any specified expenditures will be distributed in accordance with the waterfall noted below;

- A requirement to distribute any proceeds of potential transactions (sales of assets, settlements of insurance, arbitration and/or tax claims, excess operating cash above an agreed cash flow forecast, etc.) to the Lenders, Noteholders and the Company on the following basis:
 1. First Tranche of the first US\$168 million:
 - (i) 100% to the Lenders
 2. PIK Interest of up to US \$12 million:
 - (i) 100% to the Lenders
 3. Second Tranche of the next US \$100 million:
 - (i) 62.67% to the Lenders,
 - (ii) 29.33% to the Noteholders, and
 - (iii) 8.00% to be retained by the Company
 4. Third Tranche of the next US \$120 million:
 - (i) 40% to the Lenders,
 - (ii) 40% to the Noteholders, and
 - (iii) 20% to be retained by the Company
 5. Fourth Tranche of any proceeds above the Third Tranche:
 - (i) 20% to the Lenders,
 - (ii) 20% to the Noteholders, and
 - (iii) 60% to be retained by the Company.

The cumulative proceeds distributed to each of (i) the Lenders shall not exceed the total principal and interest amounts outstanding to the Lenders as at the Implementation Date plus interest accruing at a rate of 15% per annum from the Implementation Date plus any amounts owing under the D6 Royalty Agreement plus any PIK Interest, and (ii) the Noteholders shall not exceed the total principal and interest outstanding to the Noteholders as at the Implementation Date plus interest accruing at a rate of 7% per annum from the Implementation Date. All funds retained by the Company under the waterfall will be retained free from the security (and claims for payment) held by the Lenders and Noteholders.

- Issuance of a preferred share to the Agent of the Lenders, with the following terms: (i) one vote, (ii) the right to appoint up to two nominees to the Board, (iii) an annual preferential cumulative dividend, if declared by the Board, at the rate of 0.00001% per annum on the redemption price of \$1.00, and (iv) distribution of capital of \$1.00 in priority to the holders of the common shares of the Company in the event of the liquidation, dissolution or winding-up of the Company;
- Extension of the maturity date of the Term Loan and the Notes to December 31, 2025; and
- The Notes will be secured by certain assets of the Company, with such security subordinated to the Term Loan.

For further information, please contact:

Niko Resources Ltd. (403) 262-1020, Glen Valk, VP Finance & CFO, or visit the Company's website at www.nikoresources.com

Forward-Looking Information

Certain statements in this press release constitute forward-looking information. Specifically, this press release contains forward looking information relating to the ability of the Company to successfully implement the Interim Agreement (including obtaining the requisite approvals of regulatory authorities, the Lenders and Noteholders), the impact of achieving that goal and the sufficiency of the Company's liquidity during the Hold Period. Such forward-looking information is based on a number of risks, uncertainties and assumptions, which may cause actual results or other expectations to differ materially from those anticipated and which may prove to be incorrect. There can be no assurances that the Company will be able to obtain the required approvals to give effect to the Interim Agreement and the Indenture Amendments or to otherwise successfully complete its strategic plan on a timely basis, or that the Company's liquidity will be sufficient during the Hold Period. The failure to meet or satisfy any of the foregoing is expected to have a material adverse impact on the Company and could significantly impair the value of security holders' interest in the Company. Undue reliance should not be placed on forward-looking information. Such forward-looking information reflects the Company's current beliefs and assumptions and is based on information currently available to the Company. This forward-looking information is based on certain key expectations and assumptions, many of which are not within the control of the Company. The reader is cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be incorrect. Actual results may vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors and such variations may be material. Such risk factors include, but are not limited to, the ability of the Company to reach an agreement on a timely basis with the Lenders and the Noteholders and the risks discussed under "Risk Factors" in the Company's Annual Information Form for the year-ended March 31, 2015 and in the Company's public disclosure documents, and other factors, many of which are beyond the Company's control. Niko makes no representation that the actual results achieved during the forecast period will be the same in whole or in part as those forecast.

The forward-looking information included in this press release is expressly qualified in its entirety by this cautionary statement. The forward-looking information included herein is made as of the date of this press release and Niko assumes no obligation to update or revise any forward looking information to reflect new events or circumstances, except as required by law.