



25<sup>th</sup> January 2011

Companies Announcements Office  
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### **New Gold-Silver-Base Metal Discovery at Garaina**

Pacific Niugini Limited (ASX:PNR) is pleased to advise that following receipt of its latest round of assay results, it considers that it has made a new Gold-Silver-Base Metal discovery on its Garaina tenement in Papua New Guinea.

Pacific Niugini Limited reported a successful initial field mapping program in the September 2010 quarterly report, outlining confirmation of historical grab sample results and discovery of outcropping mineralisation. Geological mapping identified sheeted and linear stock work veins with coarse galena + chalcopyrite + sphalerite + quartz + carbonate veins. Gold assays up to 4.5 g/t were reported in outcrop and creek float samples. Additional high-grade assays have now been received and include:

- 23.7 g/t Au, 0.27 % Cu in sample 10597 (float)
- 13.9 g/t Au, 23.3 g/t Ag, 0.11% Pb and 7.77% Zn in sample 10589 (outcrop)
- 10.6 g/t Au, 44 g/t Ag, 2.14% Pb, 0.49% Zn in sample 623633 (outcrop)
- 9.29 g/t Au in sample 10533 (float)
- 8.73 g/t Au, 52 g/t Ag, 0.94% Pb, in sample 10532 (float)
- 6.86 g/t Au, 156 g/t Ag, 0.20% Cu, 4.05% Pb, 12.6% Zn in sample 623653 (outcrop)
- 1.65 g/t Au, 106 g/t Ag, 0.10% Cu, 5.22% Pb & 0.12% Zn in sample 623626 (outcrop)
- 1.52 g/t Au, 31.6 g/t Ag, 0.45% Pb, 5.54% Zn in sample 633372 (outcrop)
- 1.24 g/t Au, 47.9 g/t Ag, 2.53 % Pb, 2.15% Zn in sample 633359
- 0.56 g/t Au, 64.7g/t Ag, 5.13% Pb, 4.17% Zn in sample 623620 (float)
- 0.43 g/t Au, 80.7 g/t Ag, 12.2 % Pb, 10.2% Zn in outcrop 623662 (outcrop)

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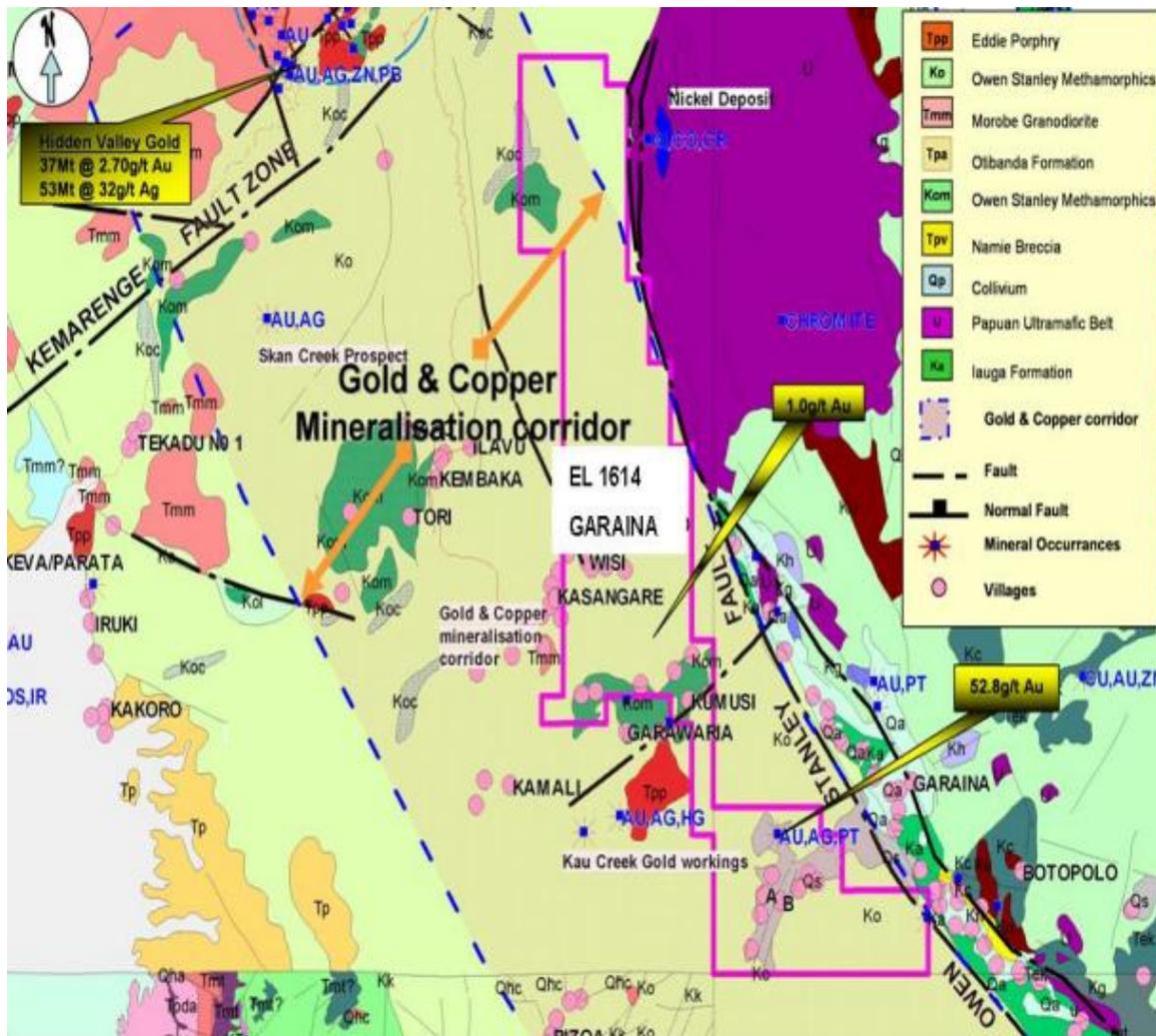
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In addition to rock chip sampling several shallow trenches were manually excavated, also returning significant results:

- KSTC08: 10m @ 1.73 g/t Au, 20.92 g/t Ag, 0.42% Pb, & 0.59% Zn
- KSTC14: 2m @ 1.68 g/t Au,
- KSTC12: 4m @ 1.58 g/t Au
- KSTC16: 14m @ 1.34 g/t Au
- KSTC04: 2m @ 0.50 g/t Au, 23.0 g/t Ag, 0.89% Pb, & 1.85% Zn
- KSTC18: 9m @ 0.43 g/t Au, 20.52 g/t Ag, 1.0% Pb & 0.77% Zn
- KSTC03: 4m @ 0.30 g/t Au, 0.88% Pb, & 0.45% Zn
- KSTC02: 14m @ 0.14 g/t Au, 13.59 g/t Ag, 0.65% Pb, & 0.18% Zn

### EL1614 - Garaina



EL1614 is 150km southeast of Wau Town in the Morobe Province of PNG.

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The area has had limited modern day exploration. The Bureau of Mineral Resource (BMR) investigated parts of the current EL1614 area for mineral occurrence in the 1950s. In the more recent times, Highland Gold Limited explored for nickel and gold in the late 1980s at an area to northeast of Garaina Station. Both previous investigations showed evidence of nickel, gold and copper occurrence. Pacific Niugini Limited considers the tenement has potential for discovery of gold, copper and nickel laterite deposits.

The tenement area covers the suture zone between the Owen Stanley Metamorphic thrust to the west and the Papuan Ultramafic to the east, with most of EL underlain by the Owen Stanley metamorphic complex.

Alluvial gold continues to be worked by local villagers with crude equipment at Gerepo, Kamusi, Bapi and Garaina. To date no source of the alluvial gold had been located.

### **The Kusi Prospect**

The initial field program at Garaina was focused on the Kusi prospect in the central portion of EL 1614. The Kusi prospect is defined by a magnetic high with consistent gold, silver, copper, lead and zinc occurrences. Mineralisation has been noted to occur in quartz/carbonate sheeted veins, within hydrothermal breccias, in faults zones hosted in porphyry and at faulted contacts of metasediment and granodiorite.

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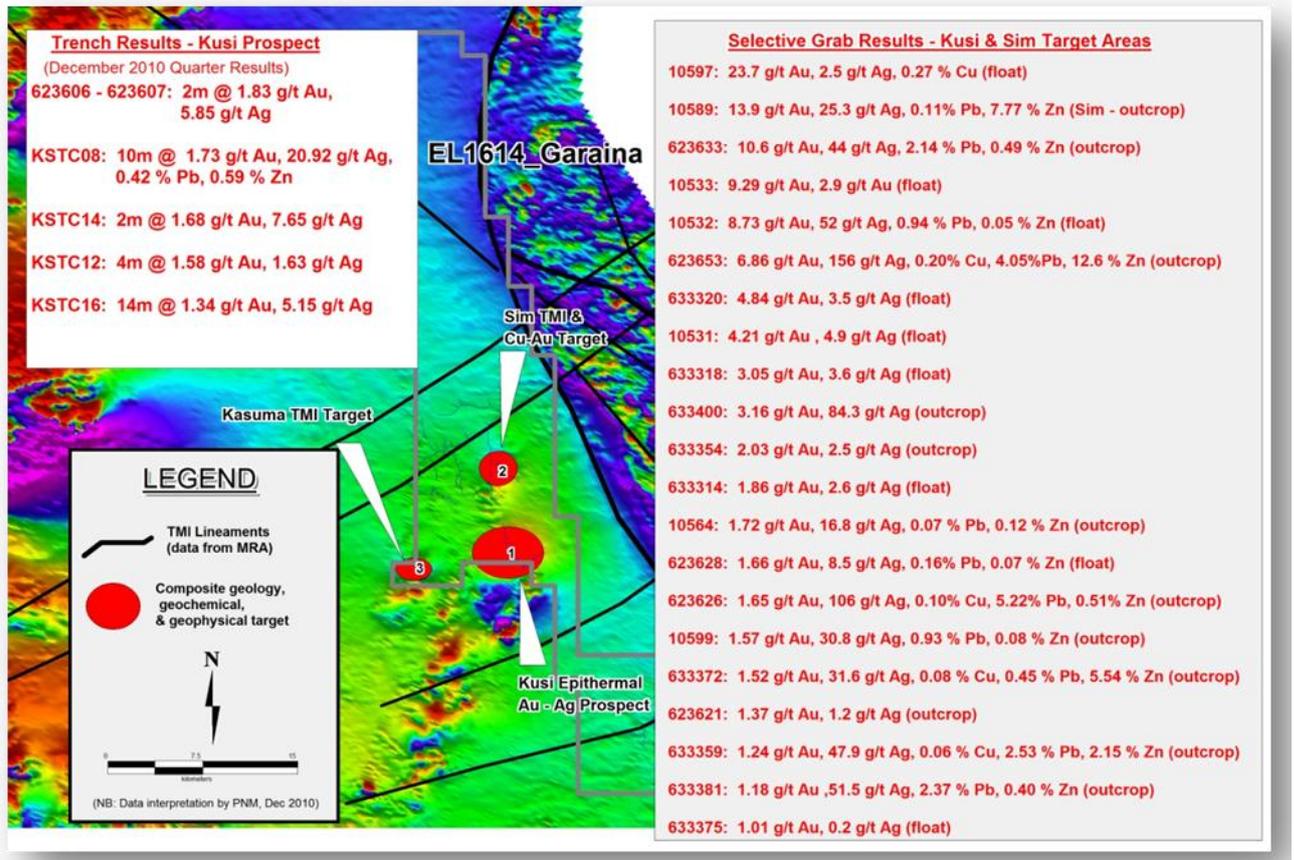
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The Kusi area is underlain by Cretaceous metamorphic rock consisting largely of phyllite, limestone and marble. The basement cover rocks are variably intruded by Miocene granodiorite batholiths. Both basement rocks and the granodiorite are later intruded by Pliocene Porphyries of andesitic and dacitic composition.

Gold, copper and base metal mineralisation within the Wau – Hidden Valley – Bulolo corridor is known to be spatially related to the Pliocene (Edie Porphyry) intrusive event.

The occurrence of contact metasomatism suggests potential occurrence of replacement/skarn style mineralisation within the area.

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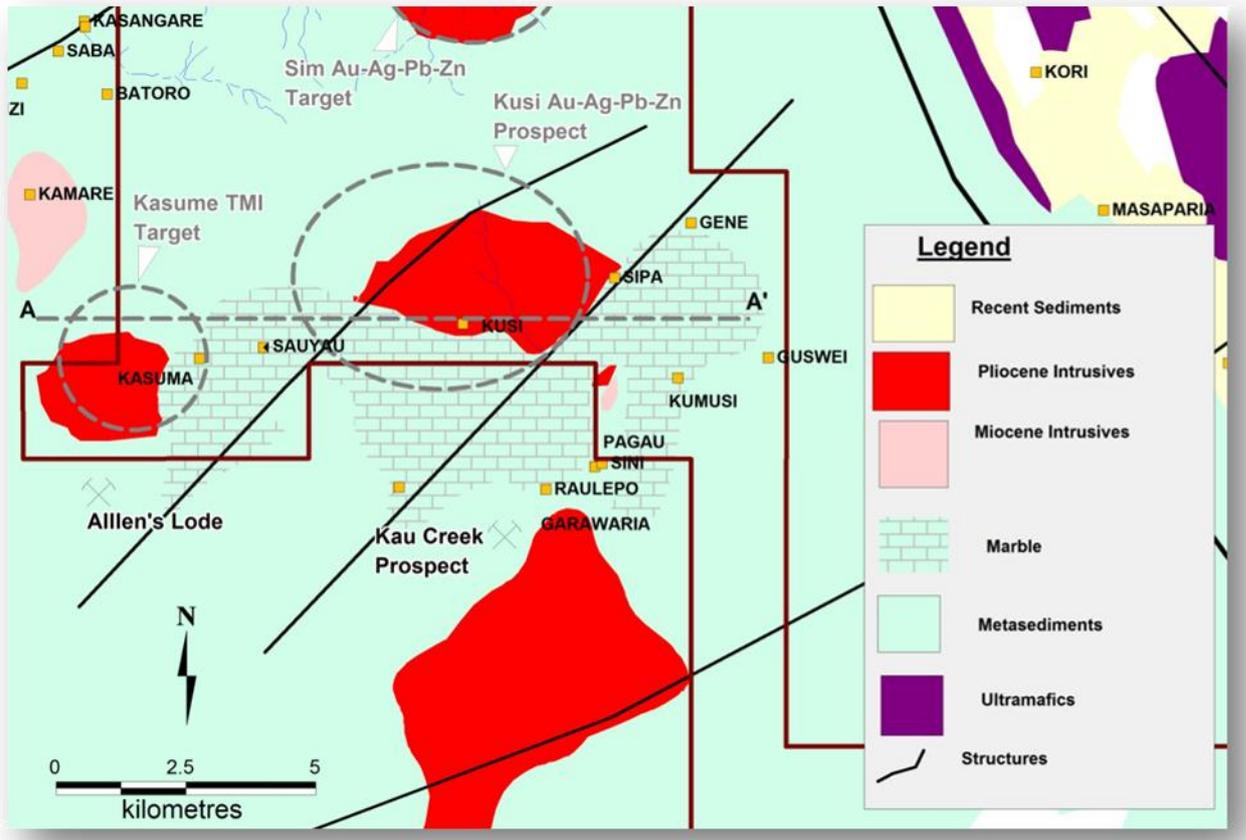
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Managing Director of Pacific Niugini's wholly owned subsidiary Pacific Niugini Minerals (PNG) Ltd, David Osikore said "The company and its geological team are very excited about this new discovery during our first reconnaissance program into this grossly under-explored area. The mineralization appears to be relatively homogeneous and appears to be related to the same intrusive event as other world class deposits such as Hidden Valley. We have our geological teams in the area focussing on delineation of drill targets."

Enquiries:  
Mr. David Osikore  
Executive Director

Mr. Peter Cook  
Non-executive Chairman

*The information in this report that relates to exploration, mineral resources or ore reserves is based on information compiled by Mr. David Osikore (B.Sc. Geol.) MAusIMM who is a full time employee of Pacific Niugini Limited. Mr. Osikore has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a competent person as described by the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Osikore consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.*

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