

17th of August 2011.

Pacific Niugini Limited (“PNR”) advises that it has reached agreement with Eldore Mining Corporation Limited (“EDM”) to acquire back a 100% interest in the Mt Hagen Project in PNG. EDM was previously earning a 60% interest in the project by funding A\$2million in exploration over a 4 year period.

Surface exploration and drilling programs undertaken during the last 12 months at Mt Hagen have shown positive signs for the discovery of a porphyry copper-gold system. PNR will continue to explore and evaluate the wholly owned Mt Hagen Project as part of its porphyry copper exploration strategy, in conjunction with its other wholly owned Gusap Prospect in the Finistere Ranges, northeast of Barrick’s Kainantu Project.

PNR also advises that it has commenced diamond drilling at the 100% owned Kusi Prospect at Garaina, southeast of Hidden Valley. Highly exciting gold, silver, and base metal assays were received in reconnaissance sampling and trenching from Kusi and have previously been released to the market.

In addition, equipment for bulk sampling at the historic Bulolo Goldfield is en route to PNG, with sampling expected to commence in the current month. Bulolo was the first goldfield in PNG and has been a prolific producer with historic production of over 2 million ounces of gold using dredging techniques. PNR’s seismic evaluation interprets substantial volumes of gold-bearing gravels remain to be processed. PNR also advises that it is in detailed discussion regarding contesting land-use with PNG Forest Products (PNGFP) who holds pastoral and grazing rights over some areas of gold bearing gravels at Bulolo. While an agreement is not yet in place, PNGFP and PNR are working to resolve an outcome to the mutual benefit of both parties, without involvement of the courts.

End.

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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