

ASX Limited Level 5 Riverside Centre 123 Eagle Street Brisbane QLD 4000 4th July 2011

Dear Madam,

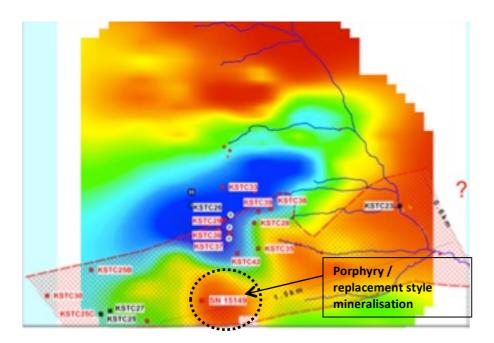
Clarification of results - Garaina

As you are aware, Pacific Niugini Limited released a number of costean sample, and continuous rock chip samples on the 4th of July 201l.

The results reported reflect what the company views as being the most significant continuous intercepts within the long costeans excavated to date. As would be expected, samples have been excavated across mineralized zones as topography allows, and as such a number of samples exist outside of the strongly mineralised envelopes reported.

Only mineralized envelopes with an average grade in excess of 2g/t Au, and of potentially minable width were reported, and the intervals were calculated by taking the weighted average grade of both Au and Ag over the selected interval. In all cases, intervals of low-grade mineralisation occur within the high-grade envelope. The low-grade intervals are included in the overall weighted average grade of the reported mineralised envelopes.

With regard to the continuous rock chip samples collected in the newly identified copper rich zone, these samples were the only 4 samples collected in a reconnaissance visit to the magnetic high area indicated below. The chip samples were taken across a one metre interval at four locations within the area indicated. There area of magnetic high appears to be approximately 300m in diameter.



Further exploration in the form of grid based geochemical sampling, continuous rock chip sampling, and costeaning is either planned or underway in both the gold/silver zone, and the gold/copper zone. Further significant assay results will be reported as they become available.

Regards,

Paul Cmrlec Managing Director Pacific Niugini Limited

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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