

PACIFIC NIUGINI LIMITED

(formerly Chrome Corporation Limited)

AND ITS CONTROLLED ENTITIES

ABN 30 003 207 467

CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED

31 DECEMBER 2009

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CORPORATE DIRECTORY

Directors

Peter Cook - Chairman
David Osikore - Director
Andrew Waller – Non-Executive Director

Auditors

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008
Tel: (08) 6382 4600
Fax: (08) 6382 4601

Company Secretary

Dennis Lovell

Share Registry

Computershare Investor Services Pty Ltd
Level 19,
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Brisbane QLD 4000
Tel: (07) 3237 2100
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Registered Office

Suite 14, 46 Douglas Street
Milton QLD 4064
Tel: (07) 3367 3996
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Head Office

Suite 14, 46 Douglas Street
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Home Stock Exchange

Australian Securities Exchange Limited
Level 5
Riverside Centre
123 Eagle Street
Brisbane QLD 4000

ASX Code: **PNR**

Website

www.niugini.com.au

PACIFIC NIUGINI LIMITED
(formerly Chrome Corporation Ltd)
AND ITS CONTROLLED ENTITIES
ABN 30 003 207 467

DIRECTORS' REPORT

Your directors present their report together with the consolidated financial report of Pacific Niugini Limited (formerly Chrome Corporation Ltd) for the six months ended 31 December 2009.

DIRECTORS

The directors of the Company at any time during or since the end of the interim period are:

Peter Cook – Chairman (Appointed 31-08-2009)
David Osikore – Non-Executive Director (Appointed 31-08-2009)
Andrew Waller – Non-Executive Director
Richard Linnell - Non-Executive Chairman (Resigned 01-09-2009)
Brian Thomas - Managing Director (Resigned 30-11-2009)

Unless otherwise indicated all directors were in office from the beginning of the financial period until the date of this report.

REVIEW AND RESULTS OF OPERATIONS

The consolidated entity incurred an operating profit after tax of \$127,274 for the half-year ended 31 December 2009 (2008: operating loss after tax \$4,220,399).

Key Highlights:

- **Acquisition of PNG gold and copper explorer, Pacific Niugini Minerals Ltd (PNM), by the issue of 35.9 million ordinary shares and 17.9 million 20 cent options expiring 30-6-2014;**
- **Major changes to the Company board and management following the PNM acquisition including the appointment of Peter Cook as executive chairman and David Osikore (Managing director of PNG operations) as non-executive director;**
- **Change of Company focus to PNG exploration;**
- **Change of Company name from Chrome Corporation Ltd to Pacific Niugini Ltd and relocation of head office from Perth to Brisbane;**
- **The agreement for the sale of the Ruighoek Chrome Project in South Africa to AMCOL International Corporation for US\$26.4 million on deferred terms was finalised in February 2009. See below for progress details.**

PNG Operations

The company has established an office in Lae, PNG that is staffed and managed entirely by PNG geologists, technical specialists and administration staff all answering to PNG geologist and managing director David Osikore. The Company has continued to progress exploration activities on its PNG mineral tenements during the interim six month period.

Full details of the PNG operations can be obtained from past company announcements on the ASX website www.asx.com.au (ASX Code is PNR) or on the company website www.niugini.com.au

Ruighoek Chrome Project – North West Province, South Africa

The Ruighoek Chrome Project was sold to AMCOL International Corporation in February 2009. The progress details of the deferred sale and ongoing key terms of the sale agreement are:

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DIRECTORS' REPORT

1. AMCOL purchased 53% of The Ruighoek Chrome Project (Ruighoek) for consideration of US\$14 million in February 2009 ("Stage 1 Completion") and AMCOL now have full operational control of the Ruighoek Chrome Project and continue the open cut mining of chrome ore;
2. Pacific Niugini (PNR) repaid an outstanding US\$6 million loan to AMCOL upon Stage 1 Completion;
3. AMCOL was granted a call option to purchase the remaining 47% equity in Ruighoek from PNR for US\$12.4 million exercisable at any time for a period of 24 months from February 2009 (the purchase by AMCOL of the remaining 47% equity in Ruighoek from PNR, whether by call option or put option, to be referred to as "Stage 2 Completion");
4. PNR to be paid a monthly option fee of US\$75,000/month for the first 12 months and US\$150,000/month for the second 12 months;
5. PNR was granted a put option to sell the remaining 47% equity in Ruighoek to AMCOL for US\$12.4 million for a one-off option fee of US\$300,000, which fee is payable if the put option is exercised by PNR. The put option can only be exercised after expiry of the 24 month period that commenced in February 2009.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration under section 307c of the Corporations Act 2001 is set out on page 5 and forms part of the directors' report for the six months ended 31 December 2009.

Signed in accordance with a resolution of the Board of Directors.



Peter Cook
Chairman
Perth, Western Australia
Date: 10 March 2010

12 March 2010

Directors
Pacific Niugini Limited
Unit 14, 46 Douglas Street
Milton QLD 4064

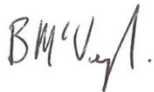
Dear Sirs

DECLARATION OF INDEPENDENCE BY BRAD MCVEIGH TO THE DIRECTORS OF PACIFIC NIUGINI LIMITED

As lead auditor of Pacific Niugini Limited for the half-year ended 31 December 2009, I declare that to the best of my knowledge and belief, there have been:

- No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Pacific Niugini Limited and the entities it controlled during the period.



Brad McVeigh
Director



BDO Audit (WA) Pty Ltd
Perth, Western Australia

**PACIFIC NIUGINI LIMITED
AND ITS CONTROLLED ENTITIES
ABN 30 003 207 467**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 31 DECEMBER 2009**

	Note	31 December 2009 \$	31 December 2008 \$
Continuing Operations			
Revenue			
Other revenue		691,641	7,896
Employee benefit expense		(235,053)	(286,020)
Depreciation expense		(18,198)	(3,544)
Consultants fees		(114,141)	(424,000)
Legal fees		(22,333)	(45,853)
Administration expenses		(343,048)	(805,189)
Other expenses		(19,898)	-
Foreign exchange differences		-	(2,445,660)
Share based payments expense		(121,500)	-
Share of profit (loss) of equity accounted investee		309,804	-
		<hr/>	<hr/>
Profit (loss) from continuing operations before income tax		127,274	(4,002,370)
Income tax expense		-	-
		<hr/>	<hr/>
Profit (loss) for the period from continuing operations after income tax		127,274	(4,002,370)
Loss from discontinued operations	6	-	(218,029)
		<hr/>	<hr/>
Profit (loss) attributable to members of the parent entity		127,274	(4,220,399)
		<hr/>	<hr/>
Other comprehensive income			
Exchange differences on the translation of foreign operations		(5,400)	105,921
		<hr/>	<hr/>
Other comprehensive income (loss) for the period, net of tax		(5,400)	105,921
		<hr/>	<hr/>
Total comprehensive income (loss) for the period attributable to members of the parent entity		121,874	(4,114,478)
		<hr/> <hr/>	<hr/> <hr/>
Continuing Operations			
Profit (Loss) per share - basic (cents per share)		0.07	(2.71)
Earnings per Share			
Profit (Loss) per share - basic (cents per share)		0.07	(2.86)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

**PACIFIC NIUGINI LIMITED
AND ITS CONTROLLED ENTITIES
ABN 30 003 207 467**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2009**

	Note	31 December 2009 \$	30 June 2009 \$
Assets			
Current Assets			
Cash and cash equivalents		2,979,720	3,072,044
Receivables		2,143,074	2,013,813
Held for trading financial assets		294,683	413,858
Total Current Assets		5,417,477	5,498,715
Non-Current Assets			
Other receivables		1,744,220	1,744,220
Property, plant & equipment		142,577	38,430
Investment in equity accounted investee	6(d)	2,524,872	2,215,068
Capitalised exploration expenditure	5	4,731,141	171,939
Total Non-Current Assets		9,142,810	4,169,657
Total Assets		14,560,287	9,668,372
Liabilities			
Current Liabilities			
Trade and other payables		88,800	121,170
Provisions		6,813	66,982
Total Current Liabilities		95,613	188,152
Non-Current Liabilities			
Deferred tax liability		1,240,810	-
Total Non-Current Liabilities		1,240,810	-
Total Liabilities		1,336,423	188,152
Net Assets		13,223,864	9,480,220
Equity			
Issued capital	4	121,979,494	119,394,679
Reserves		2,229,503	1,197,948
Accumulated losses		(110,985,133)	(111,112,407)
Total Equity		13,223,864	9,480,220

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

**PACIFIC NIUGINI LIMITED
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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 DECEMBER 2009**

	Issued Capital \$	Option Reserve \$	Share Based Payment Reserve \$	Accumulated Losses \$	Foreign Exchange Reserve \$	Total Equity \$
Balance at 1 July 2008	117,905,498	647,040	550,908	(115,448,770)	174,718	3,829,394
Loss for the period	-	-	-	(4,220,399)	-	(4,220,399)
Exchange differences on translation of foreign operations	-	-	-	-	105,921	105,921
Total comprehensive loss for the period				(4,220,399)	105,921	(4,114,478)
Transactions with owners in their capacity as owners:						
Shares issued during the period	1,518,185	-	-	-	-	1,518,185
Transaction costs	(21,018)	-	-	-	-	(21,018)
Balance at 31 December 2008	119,402,665	647,040	550,908	(119,669,169)	280,639	1,212,083
Balance at 1 July 2009	119,394,679	647,040	550,908	(111,112,407)	-	9,480,220
Loss for the period				127,274		127,274
Exchange differences on translation of foreign operations				-	(5,400)	(5,400)
Total comprehensive loss for the period				127,274	(5,400)	121,874
Transactions with owners in their capacity as owners:						
Shares issued during the period	2,584,815					2,584,815
Options issued during the period		915,455				915,455
Director share options-value of services			121,500			121,500
Balance at 31 December 2009	121,979,494	1,562,495	672,408	(110,985,133)	(5,400)	13,223,864

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

**PACIFIC NIUGINI LIMITED
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**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2009**

	Note	31 December 2009 \$	31 December 2008 \$
Cash Flows From Operating Activities			
Payments to suppliers and employees		(862,173)	(1,204,858)
Interest received		45,450	28,650
Other income received		516,287	51,124
		(300,436)	(1,125,084)
Net Cash inflow (outflow) from Operating Activities			
Cash Flows From Investing Activities			
Payments for exploration expenditure		(176,639)	-
Payments for investments		-	(67,417)
Payment for property, plant and equipment		(95,290)	(56,690)
Loans to other entities		-	(58,954)
Payments for deposits		(6,825)	-
Proceeds-sale of investments		149,075	-
Cash on acquisition of subsidiary	8	337,791	-
		208,112	(183,061)
Net Cash inflow (outflow) from Investing Activities			
Cash Flows From Financing Activities			
Proceeds from share and option issues		-	1,518,185
Payment of share issue expenses		-	(21,019)
Proceeds from borrowings		-	407,087
		-	1,904,253
Net Cash inflow (outflow) from Financing Activities			
Net (decrease)/increase In Cash		(92,324)	596,108
Cash at beginning of the financial period		3,072,044	757,695
Cash at the end of the Financial Period		2,979,720	1,353,803

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Reporting entity

Pacific Niugini Limited (Formerly Chrome Corporation Limited) (the "Company") is a company domiciled in Australia. The consolidated half-year financial statements of the Company as at and for the six months ended 31 December 2009 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associates and jointly controlled entities.

The consolidated annual financial statements of the Group as at and for the year ended 30 June 2009 is available upon request from the Company's registered office at Suite 14, 46 Douglas Street Milton QLD 4064 or at www.niugini.com.au

2. Statement of compliance

The consolidated half-year financial statements are general purpose financial statements which have been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

The consolidated half-year financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated annual financial statements of the Group as at and for the year ended 30 June 2009 and any public announcements made by the Company during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

This consolidated half-year financial statements were approved by the Board of Directors on 10 March 2010.

3. Significant accounting policies

The accounting policies applied by the Group in these consolidated half-year financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 30 June 2009 and previous corresponding half-year period, except as set out below:

Business combinations

Change in accounting policy

The Group has adopted the revised AASB 3 *Business Combinations (2008)* and amended AASB 127 *Consolidated and Separate Financial Statements (2008)* for business combinations occurring in the financial year starting 1 July 2009. All business combinations occurring on or after 1 July 2009 are accounted for by applying the acquisition method. The change in accounting policy is applied prospectively and had no material impact on earnings per share.

The Group has applied the acquisition method for the business combination disclosed in Note 8.

For every business combination, the Group identifies the acquirer, which is the combining entity that obtains control of the other combining entities or businesses. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control the Group takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Measuring goodwill

The Group measures goodwill as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquire, less the net

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measure as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquire, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquirer that are replaced mandatorily in the business combination (see below). If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

Transaction costs

Transaction costs that the Group incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees, are expensed as incurred.

Segment reporting

The Group has applied AASB 8 *Operating Segments* from 1 July 2009. AASB 8 requires a "management approach" under which segment information is presented on the same basis as that used for internal reporting purposes. Operating segments are now reported in a manner that is consistent with the internal reporting to the chief operating decision maker ("CODM"), which has been identified by the company as the Chief Executive Officer and other members of the board of directors.

Presentation of financial statements

The group has adopted the revised AASB 101 "*Presentation of Financial Statements*" which has changed the presentation of some primary statements.

Financial Assets

The group has adopted the revised AASB 9 *Financial Instruments* on in March 2010 and will apply the revised provisions to financial assets for the half-year commencing 1 July 2009.

As allowed by AASB 9, if early adopted, the group has elected not to restate prior periods. Any adjustments between the previous carrying amounts and the carrying amount as restated have been recognised in the opening retained earnings at 1 July 2009.

Recognition

The group recognises receivables on the date that they are originated. All other financial assets are recognised initially on the trade date at which the group becomes a party to the contractual provisions of the instrument.

Financial assets are classified based on the objective of the group's business model for managing the financial assets and the characteristics of the contractual cash flows.

The group derecognises a financial asset when the contractual cash flows from the asset expires, or it transfers the rights to receive the contractual cash flows such that substantially all the risks and rewards of ownership of the financial asset are transferred.

The group has the following financial assets:

Held for trading financial assets

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Held for trading financial assets are those that are acquired principally for selling in the near term.

Held for trading financial assets are measured initially at fair value which includes transaction costs directly attributable to the acquisition of the financial asset. They are measured subsequently at fair value with movements in fair value being recognised in profit or loss.

Dividends from equity investments are included in profit or loss.

Profit or loss arising on the sale of equity investments is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. Equity Securities Issued

	2009	2008
	\$	\$
Issues of ordinary shares during the six months- \$ value		
Opening balance at 1 July	119,394,679	117,905,498
Issued on placement at 11 cents each	-	209,000
Issued on placement at 6 cents each	-	1,309,185
Issued on acquisition of Pacific Niugini Minerals Ltd at 7.2 cents each	2,584,815	-
Transaction costs on share issue	-	(21,018)
Closing balance at 31 December	121,979,494	119,402,665

	Number of shares	Number of shares
Issues of ordinary shares during the six months		
Opening balance at 1 July	167,284,722	143,564,977
Issued on placement at 11 cents each		1,900,001
Issued on placement at 6 cents each		21,819,744
Issued on acquisition of Pacific Niugini Minerals Ltd at 7.2 cents each	35,900,200	-
Closing balance at 31 December	203,184,922	167,284,722

	Number of options	Number of options
Options on issue during the six months		
Opening Balance – number of options on issue at 1 July	84,006,790	82,106,789
Options expired – 30 cents per share expiring 30 September 2009	(82,106,789)	-
Unlisted options issued at 30 cents per share expiring 30 September 2011	21,819,744	1,900,001
Unlisted options issued at 20 cents per share expiring 30 June 2014	17,950,100	-
Unlisted options issued at 20 cents per share expiring 26 November 2012	1,500,000	-
Closing Balance – number of options on issue at 31 December	43,169,845	84,006,790

5. Capitalised Exploration Expenditure

Movements are as follows:

	31 December 2009	30 June 2009
Opening balance	171,939	-
Expenditure on exploration	-	171,939
Acquisition of Pacific Niugini Minerals (PNG) Ltd	4,382,563	-
Expenditure on exploration in PNG for the period	176,639	-
	4,731,141	171,939

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. Discontinued Operation

In March 2008 the Group announced it had entered into an agreement with Amcol International Corporation (“AIC”) to purchase, subject to shareholder approval and South African regulatory approvals, the Group’s 74% interest in the Ruighoek Chrome Project in South Africa for US\$26.4 million. The transaction involved the sale of the Group’s South African 100% owned subsidiary Bonmerci Pty Ltd. Settlement of this transaction, in respect of the sale of 53% of the Ruighoek Chrome Project, occurred on 26 February 2009 for the amount of US\$14 million. The balance of the sale of the remaining 47% for the amount of US\$12.4 million is to occur at a later date, but is not expected to be later than March 2011. Accordingly the Group showed the South African operations as a discontinued operation in the income statement and balance sheet at 31 December 2008. Since February 2009 the remaining 47% investment in the Ruighoek Chrome Project has been reflected as an Investment in Equity Accounted Investee due to the uncertainty of the future settlement date- see (d) below.

	31 December 2009	31 December 2008
(a) Results of discontinued operation		
Revenue	-	77,657
Expenses	-	(295,686)
Loss for the period from discontinued operations	-	(218,029)

No income tax benefit or expense has been recognised in relation to discontinued operations.

	31 December 2009	31 December 2008
(b) Assets and liabilities held for sale operations		
Assets		
Trade and other receivables	-	144,471
Cash and cash equivalents	-	486,611
Plant and equipment	-	1,453,630
Deferred exploration & evaluation	-	8,754,281
Assets classified as held for sale	-	10,838,993
Liabilities		
Trade and other payables	-	150,074
Provision for rehabilitation	-	759,372
Borrowings	-	407,087
Liabilities classified as held for sale	-	1,316,533

(c) Cash flow information - held for sale operations		
Net cash used in operating activities	-	(434,890)
Net cash used in investing activities	-	-
Net cash used in held for sale operations	-	-

	31 December 2009	30 June 2009
(d) Holding cost of remaining 47% investment in the Ruighoek Chrome Project		
Investment in equity accounted investee	2,215,068	2,215,068
Add: Share of profit of equity accounted investee for half-year	309,804	-
	2,524,872	2,215,068
Other receivables	1,744,220	1,744,220
	4,269,092	3,959,288

Note: Upon settlement of the sale of the remaining 47% of the Ruighoek Chrome Project, the other receivables amount above is assigned to the purchaser.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. Segment Information

Management has determined that the group has two reportable segments, being the parent company in Australia (Pacific Niugini Ltd) and the subsidiary company in Papua New Guinea (Pacific Niugini Minerals PNG Ltd).

As the group is focused on mineral exploration, the Board monitor the group based on actual versus budgeted exploration expenditure incurred by area of interest and working capital available to meet the budgeted exploration program, taking into consideration the results of exploration work that has been performed to date.

This internal reporting framework is the most relevant to assist the Board with making decisions regarding the group and its ongoing exploration activities. As the exploration costs by which management monitor the entity have all been capitalised, no reconciliation back to loss for the period has been presented.

Relevant financial details of each reportable segment are as follows:

Australia	31 December 2009	30 June 2009
Working capital	5,257,074	5,310,563
Capitalised exploration expenditure	171,939	171,939

PNG	31 December 2009	30 June 2009
Working capital	64,791	-
Capitalised exploration expenditure	3,318,392	-

8. Business Combinations

Following the sale of its investment in the Ruighoek Chrome Project in South Africa, the company resolved to move its future focus to gold and copper exploration in Papua New Guinea.

On 31 August 2009 the company acquired 100% of the issued shares in Pacific Niugini Minerals Ltd, a company that owns 100% of Pacific Niugini Minerals (PNG) Ltd, a gold and copper explorer incorporated in PNG.

Details of the net assets acquired are as follows:

Purchase consideration:

Issue of 35,900,200 fully paid shares at fair value 7.2 cents per share	2,584,815
Issue of 17,950,100 20 cent 30 June 2014 options at fair value	915,455
Total purchase consideration	3,500,270

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The assets and liabilities arising from the acquisition are as follows:

	Book Value	Fair Value
		\$
Cash	337,791	337,791
Receivables	280	280
Property plant and equipment	26,885	26,885
Exploration and evaluation assets	246,530	4,382,563
Other financial assets	14,462	14,462
Payables	(13,241)	(13,241)
Provisions	(7,660)	(7,660)
Deferred tax liability	-	(1,240,810)
Net identifiable assets acquired	605,047	3,500,270

Exploration Revaluation Assets

The fair value amount has been valued by an independent valuation specialist.

Revenue and loss details of the Pacific Niugini Minerals Group since acquisition date included in the consolidated statement of comprehensive income for the reporting period:

Revenue	550
Loss	154,070

Revenue and loss details of the combined entity for the current reporting period as though the acquisition date for the Pacific Niugini Minerals Group had been as of the beginning of the half-year reporting period:

Revenue	1,227
Loss	200,351

Total expenses incurred in relation to the acquisition were \$23,004. These expenses are included within administration expenses in the consolidated statement of comprehensive income.

9. Contingent Liabilities

There has been no change in contingent liabilities since the last annual reporting date.

10. Related Parties

On 31 August 2009 the Company acquired 100% of Pacific Niugini Minerals Ltd, an Australian unlisted public company together with its wholly owned subsidiary company Pacific Niugini Minerals (PNG) Ltd, a gold and copper exploration company incorporated in Papua New Guinea.

At the same time Mr Peter Cook was appointed as Director/Chairman, Mr David Osikore was appointed as a Director and Mr Richard Linnell resigned as Chairman of the Company.

Mr D Osikore was issued with 1,500,000 director options exercisable at \$0.20 each expiring on 26 November 2012 at the company AGM on 26 November 2009.

Mr Brian Thomas resigned as managing director on 2 November 2009

Arrangements with other related parties continue to be in place. For details on these arrangements refer to the 30 June 2009 annual financial report and ASX announcements made by the Company since the date of that report. Company ASX code is PNR and ASX website link is www.asx.com.au

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11. Subsequent Events

There are no matters or circumstances which have arisen since the end of the financial period that have significantly affected the operations of the company or the results of those operations or the state of affairs of the company.

12. Dividends

No dividends were provided for or paid during the half-year

**CHROME CORPORATION LIMITED
AND ITS CONTROLLED ENTITIES
ABN 30 003 207 467**

DIRECTORS' DECLARATION

In the opinion of the directors of Pacific Niugini Limited ("the Company"):

- a) the financial statements and notes set out on pages 6 to 17 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2009 and of its performance for the six month period ended on that date; and
 - (ii) (ii) complying with Australian Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



Peter Cook
Chairman

Perth, Western Australia
Date: 10 March 2010

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF PACIFIC NIUGINI LIMITED

Matters Relating to the Electronic Presentation of the Half-Year Financial Report

This auditor's report relates to the half-year financial report of Pacific Niugini Limited for the period ended 31 December 2009 included on Pacific Niugini Limited's web site. The disclosing entity's directors are responsible for the integrity of Pacific Niugini Limited's web site. We have not been engaged to report on the integrity of Pacific Niugini Limited's web site. The auditor's review report refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this half-year report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the reviewed half-year financial report to confirm the information included in the reviewed half-year financial report presented on this web site.

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Pacific Niugini Limited, which comprises the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the disclosing entity's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Pacific Niugini Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

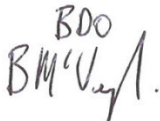
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001* would be in the same terms if it had been given to the directors at the time that this auditor's review report was made.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Pacific Niugini Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and Corporations Regulations 2001.

BDO Audit (WA) Pty Ltd



Brad McVeigh
Director

Signed in Perth, Western Australia
Dated this 12 day of March 2010.