



19th March 2014

### ***Completion of Formal Agreement to Acquire Halls Creek Project from Bulletin Resources***

Pacific Niugini is pleased to advise that it has entered into formal agreements to Purchase up to 80% of the Halls Creek (also known as Nicolsons) Project from Bulletin Resources (ASX:BNR, "Bulletin"). The Acquisition has been made in Pacific Niugini's wholly owned subsidiary, Halls Creek Mining Pty Ltd.

The key terms of the transaction are:

- \$600,000 cash deposit (already paid);
- \$900,000 cash payment upon settlement;
- \$1.3 million worth of fully paid ordinary shares or 15 million fully paid ordinary shares, whichever is the greater number.

The initial payment will earn 49% of the project, and the parties will form a joint venture with Pacific Niugini as the sole manager. Following the initial acquisition, PNR will earn up to 80% of the project as follows:

- A mandatory requirement for Pacific Niugini to earn an additional 16% (to a total of 65% ownership) by sole funding expenditure of \$1.2 million in the first 12 months of the Joint Venture;
- An option for Pacific Niugini to earn an additional 15% (to a total of 80% ownership) by sole funding expenditure of \$2.4 million (inclusive of the initial \$1.2 million) in the first 24 months of the Joint Venture.

Pacific Niugini is required to maintain the tenements in good financial standing until a minimum of \$4 million has been spent, or four years has elapsed from commencement of the agreement, whichever comes first. Following the initial \$4 million expenditure, Bulletin is required to elect whether it will contribute its 20% interest.

If Bulletin does not elect to maintain its interest, Pacific Niugini will acquire the remaining 20% by either paying \$2 million in cash or shares, or by granting Bulletin a 1% Net Smelter Royalty to a total value of \$4 million.

Settlement of the transaction is to be completed 5 business days after the last condition is satisfied. The outstanding condition for satisfaction is Ministerial Approval for transfer of the Mining Leases, and it is anticipated that settlement will occur during March 2014.

Commenting on the acquisition, Managing Director Paul Cmrlec said "The acquisition of this advanced project brings Pacific Niugini the ability to rapidly transition to production, which is a focus that the company has held for some time. The key components for commencement of operations are in place at the site, and we will progress planning and finalization of permitting activities for the mine without delay."

#### ***About the Halls Creek Project***

The Halls Creek Project consists of the Lamboo (or Nicolsons) Project, located approximately 35km South West of Halls Creek, and the Golden Crown Project located near Halls Creek in the Kimberly Region of Western Australia. The highly prospective area remains largely under-explored with minimal drill testing of targets outside of the existing resources.

Bulletin has advised a JORC 2004 resource of 1.768 Million tonnes @ 5.2 g/t for a total of 294,000 ounces. The resource in the immediate vicinity of the existing Nicolsons open pit is 1.127 million tonnes @ 5.9 g/t for 214,000 ounces (Refer Bulletin Resources December 2013 Quarterly Report). Pacific Niugini is yet to re-estimate the resource.

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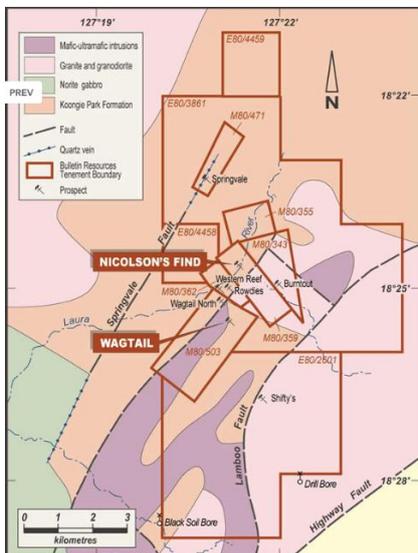
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**Project Location**

The majority of the existing resource, along with the processing plant is located on already granted Mining Leases. In addition to the Mining Leases, the project includes an extensive Exploration landholding with historical mining evident, and excellent prospectively for discovery and delineation of additional high grade resources.



**Key project tenements.** Note that additional Mining Leases and Exploration Licences which include JORC resources are also held in the Golden Crown Project, near Halls Creek and within suitable trucking distance from the processing plant.

The project has an existing 120,000 tonne per annum CIP processing plant on site with only minor refurbishment and modification required to enable recommencement of ore processing. Metallurgical test

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work commissioned by Bulletin demonstrated overall gold recovery of 96%, with gravity recovery of approximately 66% of the total gold.



**Existing Processing Plant at Nicolson's**

Other infrastructure required for commencement of operations is also in place at the site.

Pacific Niugini intends to rapidly advance planning for a strategy, which minimises upfront capital, and operating costs through the development of an underground mining operation with processing of ore at the existing capacity of 120,000 tonnes per annum. Initial work will be focused on completion of mine permitting, and minimisation of expenditure required for restarting production. Bulletin had previously undertaken extensive permitting activities for the project, and together with the existing feasibility data, there are extensive time and cost advantages to Pacific Niugini in the process of assessing and commencing operations at the mine.

Ends.

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The information in this report that relates to exploration, mineral resources or ore reserves is based on information compiled by Mr. Peter Cook (B.Sc. Geol) MAusIMM (111072) who is the non-executive chairman of Pacific Niugini Limited. Mr. Cook 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 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Cook 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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