



29th November 2013.

New Projects update

Comodin and Elena I and II Mining Concessions, Sonora Mexico

Pacific Niugini is pleased to advise that it has secured purchase option agreements for the contiguous Comodin, Elena Fraction I and Elena Fraction II Mining Concessions through its wholly owned subsidiary Sonora Australia Mining SA. de CV. (SAM). The Company previously announced that it had secured exclusive testing rights over the properties on the 16th of October 2013.

Under the terms of the purchase option agreements, SAM has paid nominal option fees with the right to purchase following testing. The agreements have been certified by the Notary Public and are considered to be binding on the parties. The key terms of the agreements are as follows:

Comodin

Pacific Niugini has paid an option fee of USD\$8,000 which allows the full purchase of the property. Pacific Niugini retains the right to exercise the purchase of the property until the end of June 2014. ("Payment 1").

Upon exercise of the option, SAM will pay the owners of the Mining Concession US\$25,000 following completion of formal documentation which allows transfer of the Mining Concession to SAM ("Payment 2"). The agreement will be registered against the mining concession and the parties will complete notification for transfer at that time.

At the earlier of completion of production permitting or 3 months after Payment 2, SAM will pay a further US\$25,000 to the current owners ("Payment 3").

At the earlier of commencement of commercial exploitation or 3 months after Payment 3, SAM will make a final payment of US\$25,000 to the current owners ("Payment 4").

No further payments are required and SAM will retain 100% of the concession.

Elena I

Pacific Niugini has paid an option fee of USD\$3,000 which allows the full purchase of the property. Pacific Niugini retains the right to exercise the purchase of the property until the end of June 2014. ("Payment 1").

Upon exercise of the option, SAM will pay the owners of the Mining Concession US\$30,000 following completion of formal documentation which allows transfer of the Mining Concession to SAM ("Payment 2"). The agreement will be registered against the mining concession and the parties will complete notification for transfer at that time.

At the earlier of completion of production permitting or 3 months after Payment 2, SAM will pay a further US\$30,000 to the current owners ("Payment 3").

At the earlier of commencement of commercial exploitation or 3 months after Payment 3, SAM will make a final payment of US\$30,000 to the current owners ("Payment 4").

If the average grade in testing of Elena I exceeds 0.5 g/m³, the current owner will retain 5% of the total net profits from operations of the Mining Concession calculated on a quarterly basis.

Pacific Niugini Limited

ABN: 30 003 207 467

Telephone: +61 (7) 3367 3996
Fax: +61 (7) 3368 2998
Email: admin@niugini.com.au
Web: www.niugini.com.au

Postal Address:
PO Box 1578
Toowong QLD 4066
Australia

Head Office:
Unit 14, 46 Douglas Street
Milton QLD 4064
Australia

No further payments are required and SAM will retain 100% of the concession.

Elena II

Pacific Niugini has paid an option fee of USD\$3,000 which allows the full purchase of the property. Pacific Niugini retains the right to exercise the purchase of the property until the end of June 2014. ("Payment 1").

Upon exercise of the option, SAM will pay the owners of the Mining Concession US\$25,000 following completion of formal documentation which allows transfer of the Mining Concession to SAM ("Payment 2"). The agreement will be registered against the mining concession and the parties will complete notification for transfer at that time.

At the earlier of completion of production permitting or 3 months after Payment 2, SAM will pay a further US\$25,000 to the current owners ("Payment 3").

At the earlier of commencement of commercial exploitation or 3 months after Payment 3, SAM will make a final payment of US\$25,000 to the current owners ("Payment 4").

If the average grade in testing of Elena I exceeds 0.5 g/m³, the current owner will retain 5% of the total net profits from operations of the Mining Concession calculated on a quarterly basis.

No further payments are required and SAM will retain 100% of the concession.

Under the terms of the agreements, Pacific Niugini can withdraw from one or all of the tenements at any time without making additional payments beyond what has already been paid to that point.

Prior to entering into the option agreements, Pacific Niugini completed small-scale tests of surface gravels to confirm the presence of gold. Pacific Niugini produced 8.6g of gold from a 54m³ gravel sample. These samples were from pits between only 1 and 2 metres deep and it is expected that actual gold grades will increase significantly at depth, particularly above zones of impermeable conglomerate zones.

Field panning tests revealed a significant presence of gold in these deeper horizons, which have been the subject of extensive artisanal mining activity including underground tunneling in several zones.



Tunneling in gold bearing alluvial gravels, and gold won from a single pan of gravel material from the tunnels shown

At Comodin and Elena, the alluvial deposits are expected to be 15 to 20 m thick on average, and have immediate potential for 20 to 30 million cubic metres of gold bearing alluvium. Bulk sampling and mapping during the testing program will better define the volume estimates.

The bulk sampling plant has been moved to a suitable site on the Comodin Mining concession and is expected to commence bulk sampling activities in the coming days. Sampling pit locations and depths have been

Pacific Niugini Limited

ABN: 30 003 207 467

Telephone: +61 (7) 3367 3996

Fax: +61 (7) 3368 2998

Email: admin@niugini.com.au

Web: www.niugini.com.au

Postal Address:

PO Box 1578

Toowong QLD 4066

Australia

Head Office:

Unit 14, 46 Douglas Street

Milton QLD 4064

Australia

designed to test the majority of the depth profile at the site. Testing is expected to be undertaken during December 2013 and January 2014.

Commenting on the acquisitions, Managing Director Paul Cmrlec said, "We are pleased to have secured these additional Mining Concessions in Sonora, Mexico. Now that we have fully established our testing capability in Sonora, Pacific Niugini is able to rapidly test alluvial deposits at very low cost. While these initial areas are modest in size, we expect to assess and secure a number of additional alluvial and hard rock opportunities in the region in the near term. We remain focused on transitioning to cashflow positive production in the near term and believe that Mexico will present these opportunities".

Pacific Niugini confirms that it is continuing detailed discussions with additional project owners in the region with potential for hard rock and alluvial mineralisation, and expects to be in a position to advise further acquisitions in the near future. All of the areas have had previous work, some of which dates back to the Spanish Occupation of Mexico, with little or no follow up work since.

Ends.

Enquiries – Paul Cmrlec, Managing Director, (07) 3367 3996

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 2004 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.

Pacific Niugini Limited

ABN: 30 003 207 467

Telephone: +61 (7) 3367 3996

Fax: +61 (7) 3368 2998

Email: admin@niugini.com.au

Web: www.niugini.com.au

Postal Address:

PO Box 1578

Toowong QLD 4066

Australia

Head Office:

Unit 14, 46 Douglas Street

Milton QLD 4064

Australia