



10th April 2014

Settlement of Halls Creek Project acquisition

Pacific Niugini is pleased to advise that it has settled on the acquisition of the Halls Creek Project from Bulletin Resources. Under the terms of the agreement, Pacific Niugini was required to pay:

- \$600,000 cash deposit (paid in February 2014);
- \$900,000 cash upon settlement;
- \$1.3 million worth of fully paid ordinary shares.

Pacific Niugini advises that it has issued 17, 678, 472 ordinary shares to Bulletin Resources, equivalent to \$1.3 million dollars at the 10 day VWAP for the 10 trading days preceding the signing of the formal acquisition agreement on the 19th of March 2013.

The cash payment made on settlement was \$600,000, with the final \$300,000 withheld under the terms of the agreement pending ministerial approval for transfer of one exploration tenement in its first year, and third party consent for two other exploration tenements held in the package. None of the pending areas are considered core to Pacific Niugini's immediate planning, and Pacific Niugini is confident that outstanding issues will be addressed in due course, at which time the outstanding settlement consideration will be paid.

The company is in the process of making key management appointments for the project, and work required to prepare and lodge necessary mining approvals documentation has commenced. Managing Director Paul Cmrlec said "The board is delighted that the acquisition process for Halls Creek has been completed as we enter this new phase in the company's development. Our teams absolute focus will be to complete all project elements required to bring the project to production as soon as possible."

As previously advised, the initial payment provides Pacific Niugini with 49% of the project, and sole management rights. 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 and once the first 12 months has elapsed, 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 \$2million in cash or shares, or by granting Bulletin a 1% Net Smelter Royalty to a total value of \$4 million.

Pacific Niugini intends to progress the project at the fastest possible rate and expects to satisfy the requirements to reach 80% ownership of the project well ahead of the timeframes allowed in the acquisition agreement.

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

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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.



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.

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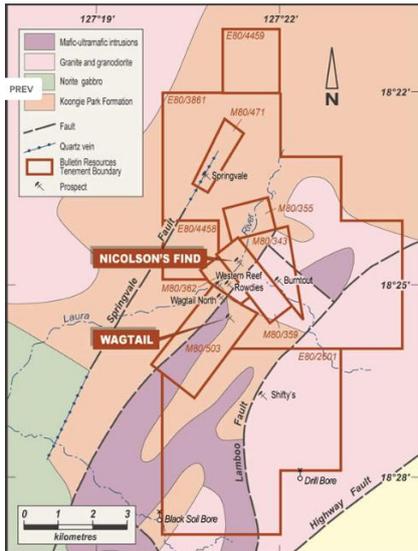
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Key project tenements. Note that additional Mining Leases and Exploration Licences which include JORC resources are also held in the Golden Crown Project, near Halls Creek and within suitable trucking distance from the processing plant.

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 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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