



Pacific Niugini Ltd

A Papua New Guinean run company, producing exciting results



PNG Mining Seminar 30th November 2011

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Competent Person Statement

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.

Local knowledge and skills:

- PNG operations are **operated and managed by a solely melanesian team. Decision makers on the project sites.**
- **Local knowledge and respect** for culture provides opportunities for access and relationships in local communities.
- Excellent links with all levels of government - Operations managed by Papua New Guineans are unique in PNG.
- External skill sets are sourced as required – Bulolo Gold project is an example.

Value For Money Exploration:

- Keep administrative costs as low as practicably possible.
- Majority of **expenditure to “go into the ground”**.
- Strong reconnaissance geology work followed by swift drilling campaigns.



Board: Pacific Niugini Minerals (PNG) Ltd - operating entity in PNG

- Bill Searson – **Chairman** (Former Secretary of Mines and respected PNG citizen)
- David Osikore – **Managing Director** (PNG Geologist with nearly 26 years of experience)
- Sam Akoitai – **Director** (Former Minister for Mines and Bougainville Affairs)
- Paul Cmrlec – **Director** (Managing Director of parent company)
- Dennis Lovell – **Director** (Founding director with Bill Searson and David Osikore)

Board: Pacific Niugini Ltd - ASX Listed Parent

- Peter Cook – Non-Executive Chairman
- Paul Cmrlec – Managing Director
- David Osikore – Executive Director
- Sam Akoitai – Non Executive Director

50% board representation by PNG citizens

Capital Structure:

Market Capitalisation @ 38c – \$94.3 Million

Ordinary Shares – 248 Million

Unlisted Options @ 20 cents – 18.0 Million

Employee Options and Rights – 8.0 Million

All board members of the operating and parent companies have extensive PNG experience

Five Granted Exploration Projects

- **EL1616 Bulolo** – Near term production opportunity with an massive volume of gravel for consideration.
- **EL1614 Garaina** – Exciting new discovery at the Kusi Prospect.
- **EL1615 Gusap** – Large Copper Porphyry target in vastly under-explored area. Encouraging early results.
- **EL1613 Mt Hagen** – Potential for porphyry deposit with positive exploration results in two separate prospects.
- **EL1589 Zenag** – In highly prospective zone approximately 12km from Wafi Golpu.



K15.7 Million spent **EXPLORING** since tenements granted in 2008.

1. Commence Production at Bulolo.

- ✓ Testing progressing well – visible gold in all samples with grades pending.
- ✓ Access issues resolved.
- ✓ Detailed engineering for initial production scale plant is underway.
- ✓ Key steps for government approval process being addressed.
- ✓ Envisage gravity and water only for processing – chemicals not expected to be required.
- ✓ Mining and processing techniques which are environmentally responsible.

2. Discover PNG's next world class mine.

- ✓ Garaina and Gusap prospects are the primary focus.
- ✓ Exciting results at the Kusi prospect continue to be pursued.
- ✓ New exciting results at Gusap provide second major option for discovery.

PNG's First Commercial Gold Field

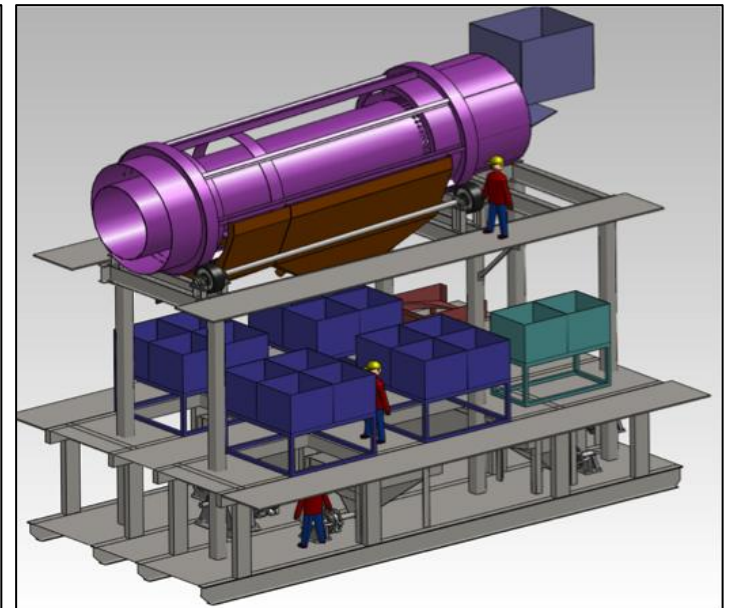
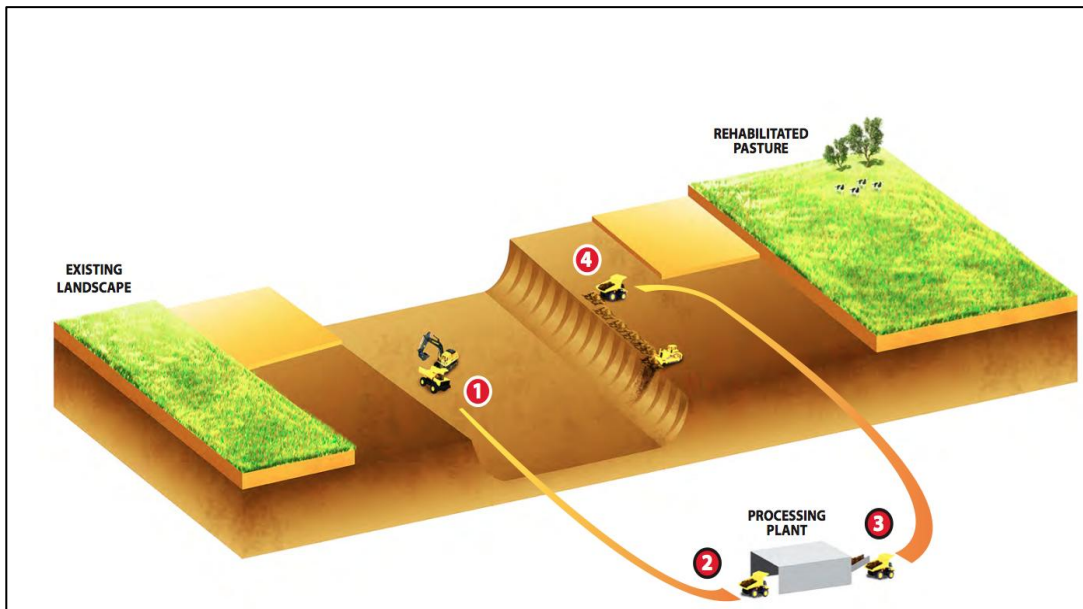
- 2.1 million ounces of gold produced in periods 1934 to 1942 and 1947 to 1965. Previous production effectively provides “A 200,000,000 m³ test sample”.
- Vast areas left undredged due to constraints associated with dredging equipment.
- Strong potential for re-treatment of previously dredged materials.

Bulk Testing is Underway

- Significant gold recovered from dredge tailings in test program to date.
- Planning to excavate and test >130 test pits to 6m depth in a 300m x 300m grid.
- Successfully drilled and confirmed continuity of gold to >50m depth.



- Expert gravity processing and mechanical personnel engaged on full time contract basis in Australia. Detailed re-engineering of **production plant already owned by PNM** is underway using in-house engineering resources.
- Mine and infrastructure planning is underway. Initial drilling indicating relatively deep water table – dry mining lowers cost. Our partner PNGFP own local hydro-power plant.
- MRA has undertaken a site visit and active consultation for mining is underway.
- Aim to be in production in 2012.



➤ Located within the Owen Stanley Metamorphic belt. Highly prospective for:

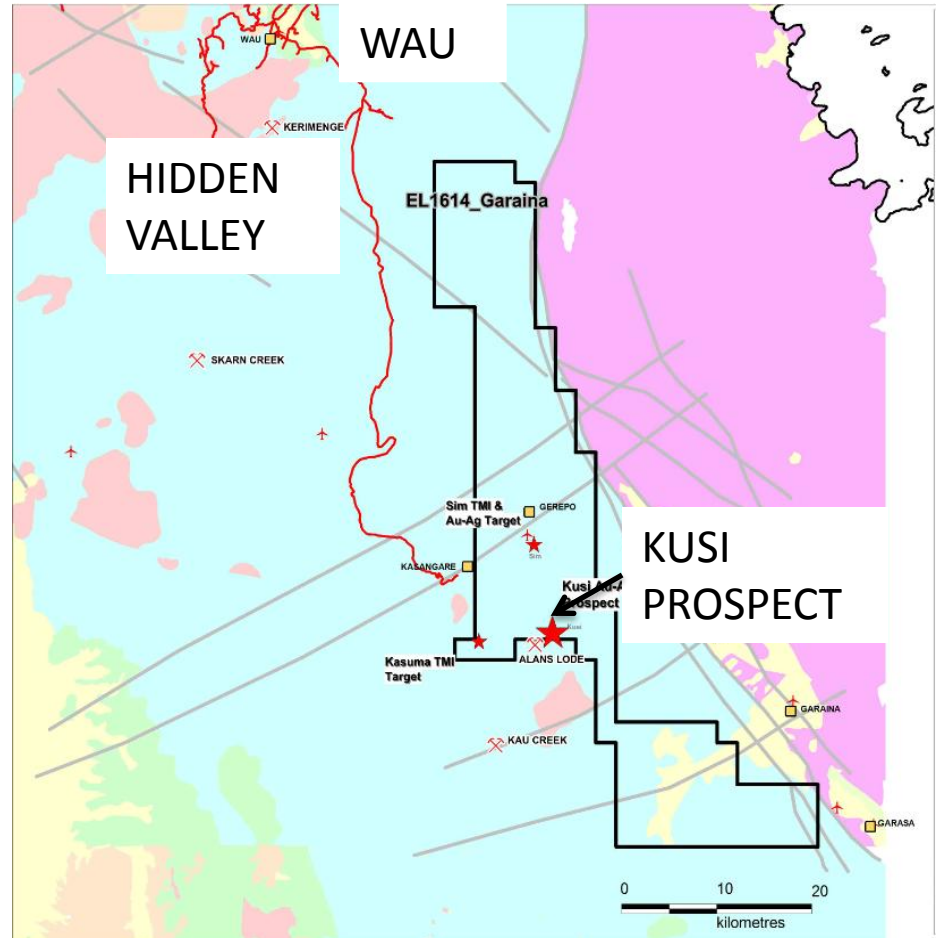
- Hidden Valley style epithermal gold;
- Large scale porphyry mineralisation;
- Skarn/replacement style mineralisation.

➤ Testament to PNG management philosophy – first reconnaissance to drilling status in 6 months.

➤ 2,500m of trenching, ground magnetics, grid based soil sampling all completed. Drilling underway.

➤ Best Trenches to date:

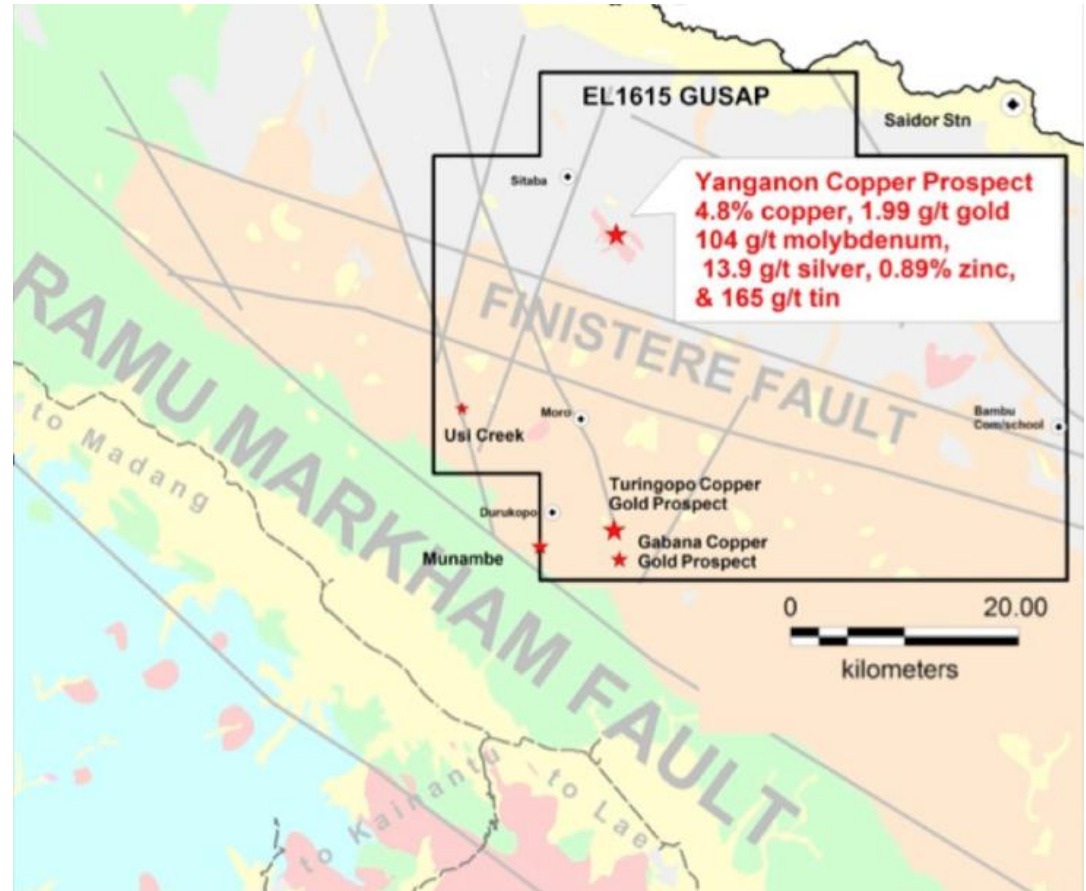
- 71m @ 4.96 g/t Au, 4.77 g/t Ag
- 34m @ 3.29 g/t Au, 39.17 g/t Ag
- 53m @ 1.97 g/t Au, 6.76 g/t Ag



Drilling from first 2 holes:

- 7.8m @ 1.83g/t Au & 8.84g/t Ag from 15m
- 3.7m @ 2.52 g/t Au & 14.53 g/t Ag from 13m

- Prime location on the under-explored Finisterre Range.
- Discovery of high grade copper mineralisation at Yanganon backed up by initial trench results in 300m wide mineralisation zone.
 - **48m @ 0.71% Copper** from trench YWT01
- Several other areas of mineralisation discovered within the tenement.
- Comprehensive heli-mag survey underway to further constrain underlying source mineralisation



Home Grown PNG Focused Company Focused on Growth:

- All tenements are located in geologically prospective ground. Track record of discovery of mineral systems already developed in PNG, with mineralisation traced to outcrop in most tenements. Several prospects advanced from virtually un-explored to drilling status in a short timeframe.
- Near term production opportunity at Bulolo being aggressively pursued.
- All PNG operational team made up of well respected and highly experienced geologists, logistics experts and other professionals. Efficient exploration with relatively low cost.
- Well funded with approximately **\$18 Million (K40 million)** on hand. Large exploration programs planned, with the majority of funds to “go into the ground”.
- PNM have applied for a further 10 ELs pending approval by the Mining Minister. Continuing to review acquisition opportunities.