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Companies Announcements Office
ASX Limited
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Mt Hagen JV – Progress Update

Kotna Prospect

The latest program of field-work at the Mt Hagen JV has defined a significant porphyry copper style mineralisation at the Kotna Prospect. A program of creek traversing, outcrop geological mapping, trenching and sampling was carried out over a 2 km² area of the Kotna Prospect. Highly encouraging copper results have been returned from outcrop:

Best 2m continuous chip intervals in outcrop copper results include:

- 21m @ 0.90% Cu, incl 3m @ 2.60% Cu in trench KNCT 07.
- 6m @ 0.34% Cu, incl 2m @ 0.81% Cu in trench KNCT 036
- 8m @ 0.21% Cu, incl 3m @ 0.46% Cu in trench KNCT 029
- 9m @ 0.24 % Cu, incl 2m @ 0.53% Cu in trench KNCT 029

Best grab outcrop sample are:

- 4.83% Cu and 0.20 g/t Au in sample 734605
- 3.1% Cu in sample 734705
- 0.76% Cu in sample 633581
- 0.61% Cu and 0.13 g/t Au in sample 354015
- 0.24 % Cu in sample 633460

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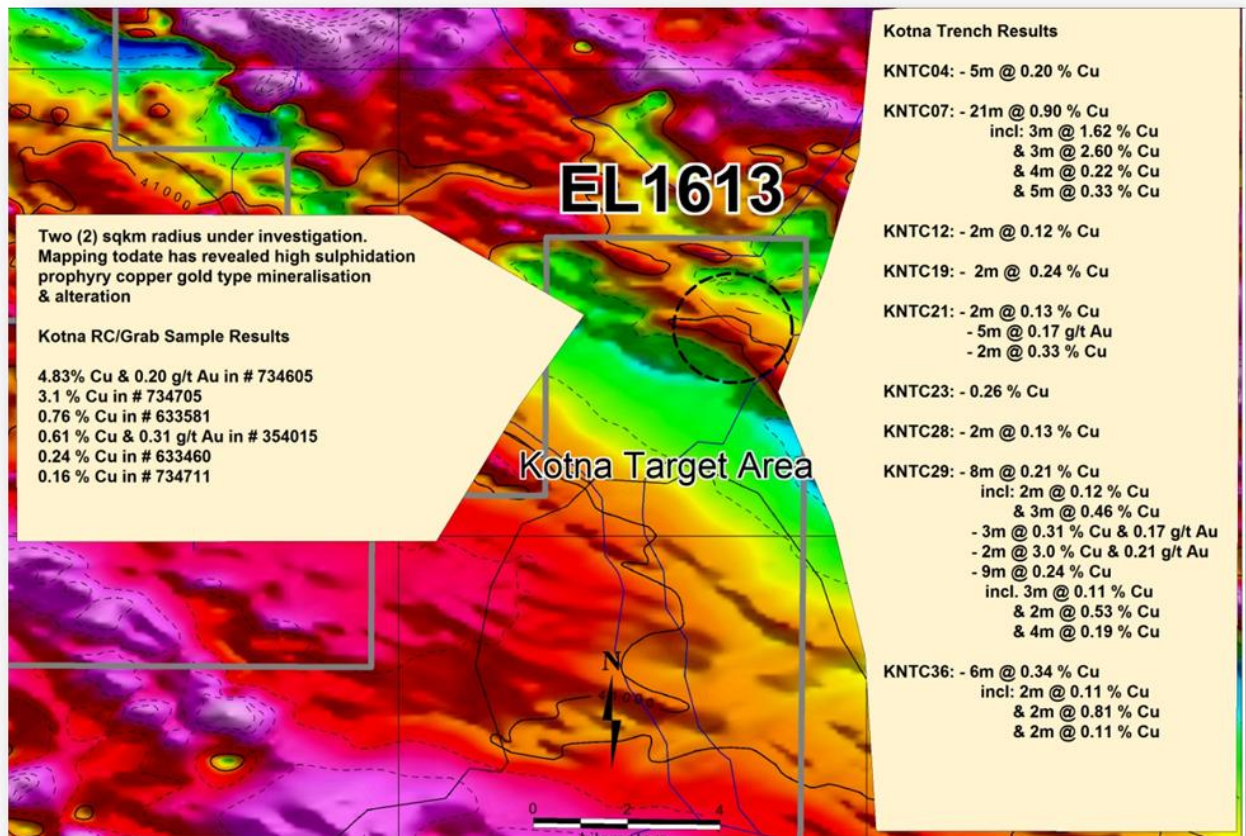
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The Kotna area geological setting is dominated predominantly by volcanic tuffs, breccias and volcano-lithic sediments, overlain by calcareous sediments. Both the volcanic units and sediments are later intruded by multiple phased medium to coarse grained diorite intrusions exhibiting strong porphyritic texture and hydrothermal alterations.

Mapping and magnetic interpretation has identified a number of conjugate parallel structures trending NW – SW and NE – SW with both trends being mineralised. Copper and gold mineralisation within the Bismarck Fault Zone is spatially related to the diorite intrusions as mapped in the Kotna area and significant hydrothermal alteration has been observed in most creeks and in outcrop.



Mineralisation manifests in creek outcrops in the following forms;

- Disseminated pyrite + chalcocite +/- covellite (supergene) and chalcopyrite+/-bornite (hypogene) associated with fine microscopic to mm thick quartz stock-work veinlets. This style of mineralization is widespread throughout the mapped area.

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- Discrete quartz + pyrite + chalcopryrite +/- chalcocite +/- covellite +/- bornite veins. Vein thickness ranging from 2cm to 20cm. Generally widely spaced.
- Stock-work quartz + pyrite + chalcopryrite + bornite veins ranged in outcrop from 1m to 40m wide stock work zones.

Pacific Niugini Limited (ASX:PNR) believes the Kotna Prospect represents an exciting drill target for the discovery of porphyry copper and has agreed with its farminee partner, Eldore Mining Corporation Ltd (ASX:EDM) to drill test this prospect as soon as practicably possible.

Paglum Copper Prospect

The Paglum Copper prospect is the other main target with the Mt Hagen JV. Geological mapping has identified widely spaced quartz – sulphide veins and with mineralised structures also considered to emanate from a porphyry-type stock intrusive.

PNR has now received results from multi-element soil sampling completed in the previous quarter and these reveal an excellent correlation between gold, copper and molybdenum further confirming porphyry style mineralisation within the area.

The following styles of copper mineralisation are noted at Paglum:

- Discrete quartz + pyrite + chalcopryrite + base metal veins. Vein thickness ranged from few cm to 20cm. Generally widely spaced.
- Fault hosted quartz – pyrite – chalcopryrite and base metal mineralization.



Copper Sulphide & Oxides in Outcrop



Phyllic alteration (sericite- silica-pyrite)

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Quartz + pyrite + copper sulphides in outcrop

Eldore is earning a 60% interest in the Mt Hagen project from Pacific Niugini Minerals (PNG) Limited which is wholly owned subsidiary of Pacific Niugini Limited (ASX:PNR). Eldore must fund \$2 million dollars of exploration expenditure (minimum of \$500k per annum) to earn its equitable interest.

The Company is continuing with field works and anticipates drilling will commence before year end.

Yours Faithfully

Pacific Niugini Limited

Peter Cook

Chairman

The information in this report that relates to exploration, mineral resources or ore reserves is based on information compiled by Mr David Osikore BSc Geology MAusIMM who is a full time employee of Pacific Niugini Minerals 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 in the form and context to which they appear.

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