

# NEW GUINEA GOLD CORPORATION

## NGG

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### NEWS RELEASE

#### MT PENCK DRILLING TO COMMENCE FIRST QUARTER 2004

**Vancouver, December 17<sup>th</sup> 2003.** A preliminary review of historical exploration data at the Mt Penck property (figure 1) has defined initial drill targets at the Kavola East Prospect. Subject to final approval of the purchase of Kanon Resources Limited by the TSX Venture Exchange (see Press Release dated December 16, 2003), drilling could be expected to commence in the first quarter of 2004.

New Guinea Gold Corporation (the Company) will hold an effective 60% interest in the Mt Penck property (the remaining 40% is held by Vangold Resources Ltd).

The historical data suggests that the Kavola East Prospect is one of six named prospects that occur within a northerly trending structural zone on the northwest flank of Mt Penck (figure 1), an eroded, extinct, Pliocene strata volcano. The Company believes that Mt Penck is located in a similar tectonic/structural framework (but without a caldera) to the plus 40 million ounce gold Lihir Mine.

This northerly trending structural zone itself contains linear zones of argillic/quartz alteration with gold mineralisation, that individually vary from 200 to 800 metres in length and 15 to 100 plus metres in width. Access is excellent with the most northerly prospect, Koibua, being only 1.5 kilometres from the coast.

There has been extensive bulldozer and hand trenching on the property with many significant gold results such as 55m @ 2.75g/t gold, 15m @ 11.73g/t gold and 40m of 8.89g/t gold (includes 5m of 60g/t gold).

Seven diamond core holes (1093.5m) and 33 shallow reconnaissance aircore holes (1140.5m) have been completed, with results such as 33m @ 2.41g/t gold, 12m @ 5.05g/t gold and 38m @ 1.7g/t gold.

#### **Kavola East Prospect**

The Kavola East mineralisation is hosted within pervasive, argillically altered volcanics with moderate to strong silicification. The extent of mineralisation is illustrated by the geochemical gold in soil anomaly shown on figure 2. This anomaly is approximately 450 metres in length and up to 200 metres wide. It contains a central core zone some 250m long, averaging 40 metres in width in which the soils exceed 1g/t gold. Kavola East has been partially tested by extensive trenching (including a recent program in June 2003), but by only one drill hole.

Trench results from the June 2003 program and earlier programs are summarised in tables 1 and 2 and their locations are shown on figure 2. Results are very encouraging with intervals such as 97m of 3.39g/t gold, 20m of 2.77g/t gold, 62m of 0.84g/t gold, 40m of 8.89g/t gold, 5m of 60g/t gold, 131m of 2.36g/t gold and 64m of 2.50g/t gold. The single drill hole at Kavola East intersected 70m of combined mineralised intervals averaging 1.15g/t gold and included intervals such as 6m of 6.1g/t gold and 1m of 23.2g/t gold.

Check sampling, aeromagnetic, potassium radiometric, aerial photographic/structural interpretations and planning for the drill program will commence early in the new year.

### **KOIBUA PROSPECT**

The Koibua prospect contains near surface gold mineralisation within a northwesterly trending fracture zone.

Based on several drill holes this structure appears to have a true width of approximately 20m with average gold grades of 2 to 2.5g/t

Historical data is still being collated but the Company believes the prospect warrants concerted additional surface exploration and drilling.

### **KAVOLA, KOIBUA SOUTH, PENI CREEK AND PENI CREEK SOUTH PROSPECTS**

These prospects cover large areas of significant and anomalous gold at surface based on soil and stream surveys from scattered trenches and drill holes. All data is presently being collated to allow an assessment program to be developed for 2004.

The technical data in this release was prepared by or under the supervision of Peter A. McNeil, Director of New Guinea Gold Corporation. Mr. Peter McNeil is a Member of the Australian Institute of Geoscientists and meets the requirements of NI 43-101 for a qualified person. Mt McNeil has a M.Sc. in Geology and approximately 20 years experience in the mineral exploration industry, mostly in Papua New Guinea.

### **ON BEHALF OF THE BOARD**

"R. D. McNeil"  
CHAIRMAN & CEO

The TSX Venture Exchange has not reviewed and does not accept the responsibility of the adequacy or accuracy of this release. The statements made in the News Release may contain certain forward-looking statements. Actual events or results may differ from the Company's expectations. Certain risk factors may also affect the actual results achieved by the company.

Enclosures:

Table 1	-	Trench Results Kavola East Prospect
Table 2	-	Trench June 2003 Program Highlights, Kavola East Project, Programs prior to Kanon
Figure 1	-	Mt Penck Prospect Areas
Figure 2	-	Kavola East Prospect, Gold in soils and trenches

NGG/rel/ngg/Mt Penck Drilling 17Dec'03

**TABLE 1**  
**TRENCH RESULTS – KAVOLA EAST PROSPECT**  
**JUNE 2003 PROGRAM BY KANON**

TRENCH			GOLD GRADE
Number		Intercept Length	Grams/tonne
<b>1</b> 97m long		<b>97m</b>	<b>3.39 g/t Au</b>
	Incl.	78m	4.10 g/t Au
	Incl.	<b>48m</b>	<b>5.57 g/t Au</b>
	Incl.	34m	7.36 g/t Au
	Incl.	21m	11.15 g/t Au
<b>(21m of 11.15 plus 76m of 1.25 g/t Au for rest of trench)</b>			
	Incl.	<b>14m</b>	<b>14.26 g/t Au</b>
(Trench starts in 1.86 g/t Au and finishes in 1.30 g/t Au)			
<b>2</b> 62m long		<b>62m</b>	<b>0.84 g/t Au</b>
	Incl.	6m	1.72 g/t Au
	Plus	13m	1.50 g/t Au
	plus	8m	1.59 g/t Au
(Trench starts in 0.27 g/t Au and finishes in 1.32 g/t Au)			
<b>3</b> 40m long		40m	0.80 g/t Au
	Incl.	<b>16m</b>	<b>1.91 g/t Au</b>
	Incl.	4m	1.40 g/t Au
	Incl.	6m	2.19 g/t Au
(Trench starts in 1.47 g/t Au and finishes in 4.35 g/t Au)			
<b>4</b> 137m long		<b>131m</b>	<b>2.36 g/t Au</b>
	Incl.	104m	2.60 g/t Au
	Incl.	56m	3.72 g/t Au
	Incl.	14m	2.78 g/t Au
	Plus	<b>2m</b>	<b>39.00 g/t Au</b>
	Plus	<b>4m</b>	<b>11.27 g/t Au</b>
	Plus	<b>4m</b>	<b>5.16 g/t Au</b>
	Plus	14m	3.25 g/t Au
Plus	6m	4.29 g/t Au	
(Trench starts in 1.60 g/t Au and finishes in 0.14 g/t Au)			
<b>5</b> 37m long		<b>28m</b>	<b>2.19 g/t Au</b>
	Incl.	20m	2.77 g/t Au
	Incl.	14m	3.42 g/t Au
	Incl.	<b>6m</b>	<b>5.32 g/t Au</b>
(Trench starts in 0.30 g/t Au and finishes in 0.07 g/t Au)			
<b>6</b> 29m long		<b>20m</b>	<b>1.66 g/t Au</b>
	Incl.	6m	2.32 g/t Au
(Trench starts in 1.28 g/t Au and finishes in 0.06 g/t Au)			
<b>7</b> 35m long		<b>35m</b>	<b>0.97 g/t Au</b>
	Incl.	10m	1.87 g/t Au
<b>8</b> 25m long		10m	1.59 g/t Au
	(Trench starts in 1.98 g/t Au and finishes in 0.06 g/t Au)		
<b>9, 10</b>	Trenches 9 and 10 were not dug		
<b>11</b> 88m long		<b>64m</b>	<b>2.50 g/t Au</b>
	Incl.	56m	2.78 g/t Au
	Incl.	28m	2.60 g/t Au
	Incl.	<b>12m</b>	<b>6.44 g/t Au</b>
	Incl.	<b>4m</b>	<b>15.00 g/t Au</b>
(Trench starts in 0.56 g/t Au and finishes in 0.98 g/t Au)			
<b>12</b> 27m long		27m	1.38 g/t Au
	Incl.	<b>15m</b>	<b>2.17 g/t Au</b>
	Plus	2m	1.30 g/t Au
(Trench starts in 0.56 g/t Au and finishes in 0.98 g/t Au)			

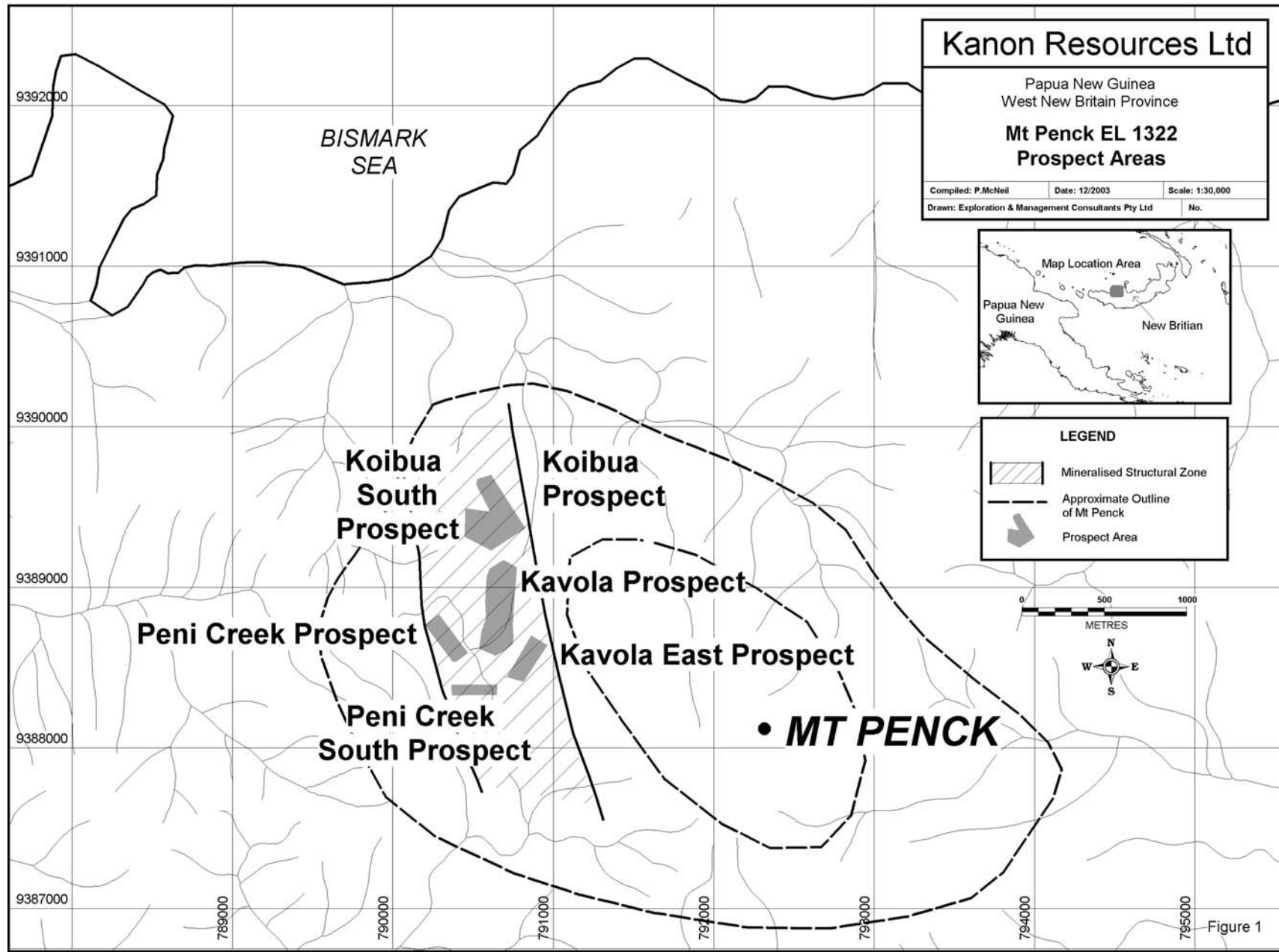
**TABLE 2**

**TRENCH HIGHLIGHTS – KAVOLA EAST PROSPECT**

**PROGRAMS PRIOR TO KANON**

<b>Trench Number</b>	<b>Intersection (metres)</b>	<b>Grams/tonne Gold</b>
A	40 incl. 5	8.89 60.00
B	15	11.73
C	5	6.51
D	5	5.18
E	5	4.99
F	15	4.60
G	10	3.73
H	15	2.55
J	20	2.49

**FIGURE 1**



**FIGURE 2**

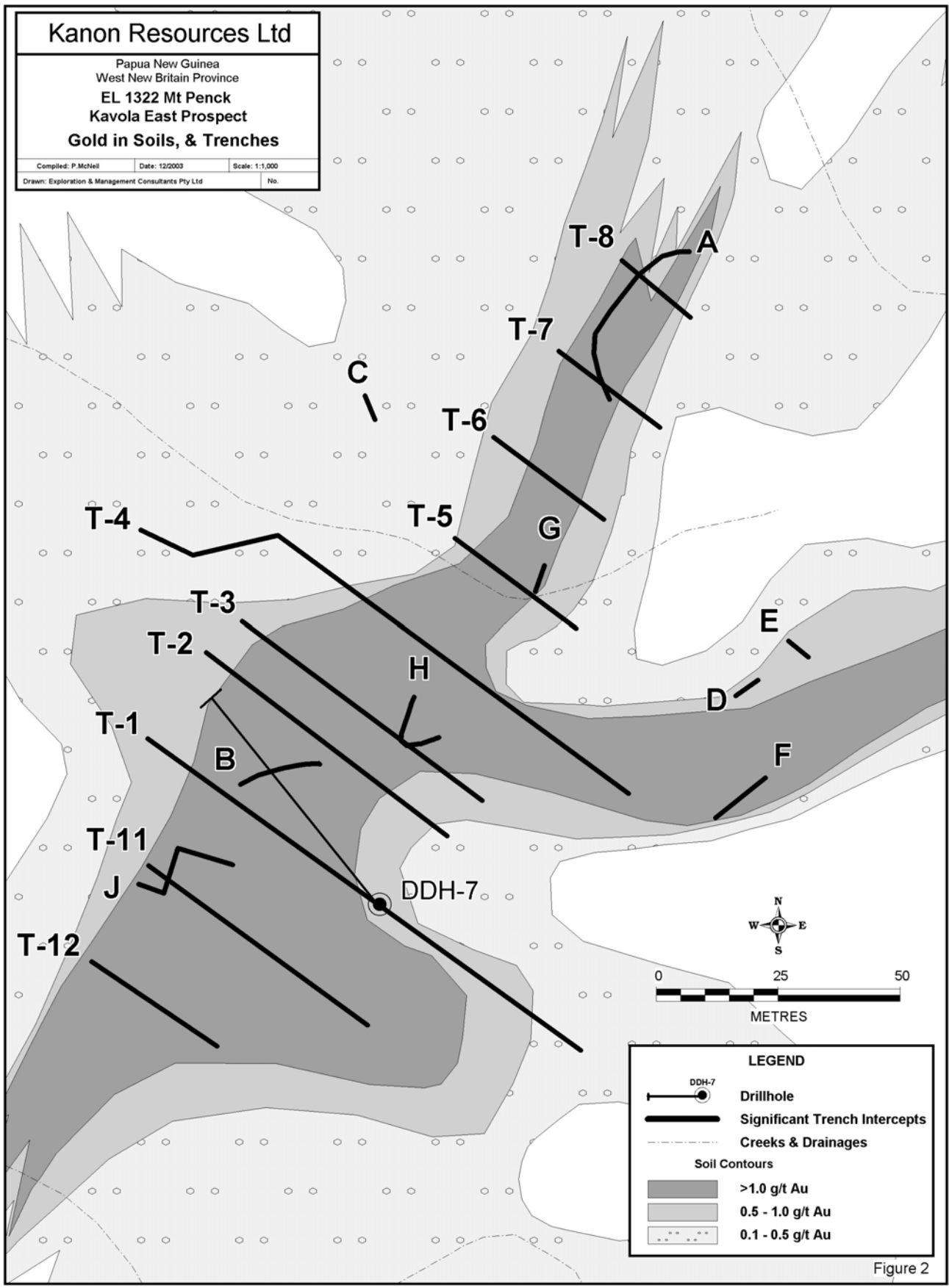


Figure 2