

NEW GUINEA GOLD CORPORATION (NGG)

RECENT EXPLORATION AND RESULTS

- Trench sampling was completed at Mt Penck
- Results from an initial bulldozer trenching program at Simuku became available.
- A bulldozer trenching program was in progress at Mt Nakru.
- Results from a trenching and geochemical sampling program at Bismarck became available
- A trenching and geochemical sampling program was completed at Allemata.
- Results from two diamond core holes at Weioko, Sehulea property, became available.
- Drilling is in progress at the Imwauna Prospect, Normanby property.
- Development commenced at Sinivit Mine Project.

Sinivit Gold Project (92% NGG)

Development commenced at the Sinivit Mine Project. Initial work includes preparation of mine access roads and rehabilitation and extension of the existing camp. Gold production is planned for the third quarter 2005.

Mt Penck Gold Property (60% NGG)

The results of an initial seven hole, 1,000 metre drill program at the Kavola East Prospect, Mt Penck property, Papua New Guinea was reported in the September management discussion, (see Press Release dated 12th October 2004). **Results included 72m @ 1.79g/t gold and 12.9g/t silver (including 43m @ 2.35g/t gold), 2m @ 36.7g/t gold, 14m @ 2.82g/t gold, 2m at 15.35g/t gold, 10m of 1.99g/t gold, 6m at 3.67g/t gold, 13m @ 3.06g/t gold, and 3m of 4.7g/t gold.**

The above intersections at Kavola East Prospect were within wide intervals of low grade gold such as 49m of 0.23g/t gold and 34m of 0.79g/t gold and almost the entire 1,000m of core contained anomalous gold in the range of 50 to 200ppb gold.

The holes were drilled over a length of 250m of the mineralised system along the presumed Kavola East structure. Five holes were drilled in a south easterly direction and two holes in a south westerly direction. Mineralisation occurred at varying depths in the holes from surface to 160m downhole. During the drilling program several bulldozer trenches across the mineralised zone were completed. These trenches and other drill access roads were channel sampled during the quarter and confirmed wide intervals of gold mineralisation at surface such as:

20m of 4.73g/t gold; 18m of 7.72g/t gold including 3m of 42.8g/t gold and 90.3g/t silver; 18m of 3.79g/t gold including 2m of 40.4g/t gold and 48.8g/t silver.

The drill and trench results suggest that several structures exist at Kavola East Prospect which contain high grade gold, 20 to 40g/t, over widths of up to 3 metres. Lower grade gold mineralisation of up to 5g/t gold has penetrated and permeated structurally prepared and permeable volcanic units laterally from the structures for up to 50 - 60 metres, with trace gold (0.1g/t) penetrating several hundred metres from the structures. The initial drilling did not close off the Kavola East mineralisation and further drilling will be carried out in 2005 to test for extensions.

In addition to Kavola East, there are at least six named prospects within a few kilometres of each other at Mt Penck. Prior diamond drilling on one of these prospects intersected 33m of 2.41g/t gold including 12m of 5.05g/t gold. It is expected that these prospects, when trenched and drilled in 2005, will also add to the initial resource expected in January 2005. The Mt Penck property is beneficially owned 60% by New Guinea Gold Corporation and 40% by Vangold Resources Ltd.

Normanby Gold Property (100% NGG)

Drilling by New Guinea Gold Corporation (NGG), at the Imwauna Prospect, Normanby Property, Papua New Guinea has returned excellent gold assay results. NGG owns 100% of the Normanby property.

- **IMH24** 4m @ 7.93g/t gold between 14 and 18m downhole
- **IMH29** 2m @ 20.3g/t gold and 32g/t silver between 17.5 and 19.5m downhole
- **IMH30** 1.5m @ 26.5 g/t gold and 56g/t silver between 11.3 and 12.8m downhole
- **IMH30** 5m @ 5.86g/t gold between 17 and 22m downhole
- **IMH35** 4m @ 14.05g/t gold (including 2m @ 23.68g/t gold) between 56 and 60m downhole

Complete results are shown in the Press Release dated 3rd February 2005. Detailed drilling has been completed to date on only 175m of the trenched 1240m strike length of the system and will continue for several months.

The present drilling extends the wide spaced drilling (18 holes) at Imwauna in 1996 which had best results such as:

- **IMH1** -3.8m @ 27.30g/t gold and 61g/t silver between 64.3 and 68.1 downhole. -inc. 1.05m @ 72.97g/t gold and 117g/t silver
- **IMH2** -7.2m @ 16.51g/t gold and 18g/t silver between 32 and 39.2m downhole

NGG's business plan envisages the development of three gold mines over the next three years. Sinivit Mine is expected to be producing gold at the rate of 40,000oz gold/year by later in 2005. The Imwauna Prospect is planned as a second mine to commence production late in 2006. In

addition NGG has interests in 10 further gold, gold/copper and molybdenum/copper properties in Papua New Guinea, most of which already have significant drill hole intersections. Work is proceeding to define resources on these properties.

The Imwauna Vein Swarm is a zone of epithermal quartz/gold veins, with some interspersed, disseminated gold mineralisation that occurs within a northerly trending structural zone which varies from 500 to 1000m in width and has a defined strike length of approximately 3,500m. The potentially gold bearing area is outlined by both gold in soils and mapped gold bearing quartz veins. For more information on the possible total size of the system see project descriptions and presentation at www.newguineagold.ca. At the northern end of the property, at the Knob Prospect, gold occurs in disseminations in volcanics with trench results such as 320m @ 0.5g/t gold.

The previous and present drilling programs will test less than 20% of the potential gold bearing area and the total gold potential of this system is regarded as very large.

In 1996 NGG reported an inferred resource at Imwauna of 990,000t @ 6.1g/t gold and 12g/t silver (News Release, 31 October 1996). This resource was based on 17 drill holes over a strike length of 950m (strike length now known to exceed 1240m). Although this resource is JORC code and Australian Stock Exchange compliant, it was calculated prior to existing N.I. 43-101 requirements. This resource is thus dated, does not meet the requirements of N.I. 43-101, and should be considered to be exploration information only.

NGG reactivated exploration at Imwauna in 2002, initially on a low key basis. A trial mining operation was completed which yielded geotechnical information for a possible open pit mining operation, a large (approximately 100t) bulk sample to check near surface gold grades and provided samples for metallurgical testing. The bulk sample averaged 14.1g/t gold over a 2.2m mined width, comparable with results from small surface samples and adjacent drill hole results.

Subsequently 2040kg of bulk samples were collected from 38 excavator trenches and outcrops over a 1240m strike length of the Imwauna vein system. These bulk samples indicated that, over an average 1m width (for the entire 1240m strike length), the high grade central core of the trenched zone, the average gold content was 26.4g/t. This bulk sampling did not test for lower grade hanging/footwall or intervein gold mineralisation.

NGG's business plan (see web site) proposes that a gold mine be developed at Imwauna in 2006, subject to completion of a satisfactory feasibility study, and receipt of government approvals. As a part of this feasibility, and to allow an updated resource to be calculated, a comprehensive diamond core drilling program commenced in October 2004. In addition, this drilling will test depth and lateral extensions of the gold mineralisation and previously untested parts of the system.

The initial 17 holes of the present program completed to early December 2004, have confirmed that the high gold grades in the trenches consistently extend to depth. The gold is not significantly enriched at surface. Some holes intersected several zones of mineralisation, and several holes failed to intersect the target zone, probably due to offset faulting or inadvertent early hole termination. Drilling was suspended over the Christmas period but resumed on the 28th January 2005.

An initial analysis of the drilling results, which should be treated with caution until drilling is completed over the entire Imwauna system, suggests that the open pitable, mineable mineralisation, at a 1g/t cut off, averages 6.02g/t gold over a possible mining width of 3.55m. This grade is comparable to the 6.1g/t gold grade of the inferred resource quoted above but the width is significantly wider than the average width of 2.5m in the resource calculation. If a 5g/t gold cut off is assumed, the average grade rises to 15.53g/t over an average width of 1.5m. This grade would be an attractive underground mining grade after the open pit has been depleted.

Sehulea Gold Property (100% NGG)

Two drill holes to test for a northwestern extension of gold mineralisation at the Weioko Prospect, Sehulea Property, Papua New Guinea intersected gold grades of up to 23.5g/t, within a 14m intersection of 4.56g/t gold.

The Weioko Prospect is owned 100% by New Guinea Gold Corporation and has an inferred resource of 84,000 oz gold equivalent, or 1.7 million tonnes at 1.36g/t gold and 12.3g/t silver. Subject to the completion of additional drilling, and a feasibility study, this prospect is scheduled for development in 2006/2007.

Previous trench results at the northern end of the prospect have given high grade gold results at surface such as 16m of 20.3g/t gold, suggesting that high grade structures occur within the overall, lower grade, bulk mineable gold resource.

Two short drill holes targeted this concept and were successful in intersecting significantly higher gold grades than the resource average grade. Hole WEH 031, total depth of 64.8m, intersected 21m of 3.59g/t gold, from a shallow depth of 7m to 28m downhole. Within this intersection a high grade structure containing 4m of 11.55g/t gold, including 1m of 23.5g/t gold was encountered.

Hole WEH 30 intersected more typical Weioko grades including a 51m intersection from 3m below surface to 54m downhole of 1.33g/t gold. This intersection contained several higher grade intervals including 6m at 2.44g/t gold, and 4m at 3.68g/t gold (with a high value of 6.81g/t gold).

These results are very encouraging and, with further drilling in 2005, should lead to an upgrading of the resource for this prospect. In addition the southern and depth extent of mineralisation have not yet been closed off.

Several other prospects with significant gold at surface occur within a few kilometres of Weioko and have yet to be drilled.

Allemata Gold Property (50% NGG)

An excavator trenching/geochemical program commenced at Allemata in October. Earlier field work at the Allemata Property resulted in the definition of high grade gold in trench such as a 4m width of 100g/t gold and wide zones of anomalous gold in soils (200m wide zone of 1.24g/t gold including a 50m wide zone of 4.54g/t gold). The results were described in detail in a recent press release dated 10th June 2004.

The partners (NGG & Vangold) regard the results from the Allemata Property as very exciting and the property is a high priority for drill testing. The surface field work to date has covered only parts of the Uloulo and Mt Haluba Prospects. The present program will complete the soil sampling programs and will test gold anomalous areas with excavator trenching. Drilling will be planned on receipt of these results (expected in December/January), and subject to drill availability, will commence in February 2005.

Simuku Copper/Molybdenum Property (NGG – 90%)

The Simuku porphyry is a very large copper/molybdenum porphyry system in West New Britain Province, Papua New Guinea. Access and logistics are good. The Simuku property is owned 90% by New Guinea Gold and detailed descriptions, including independent geological report, are available at www.newguineagold.ca

Exploration is underway to define high grade components, both copper and molybdenum, of the system which would allow commencement of a copper/molybdenum mining operation. Substantial bulldozer trenching has been completed and further trenching is scheduled to commence in February, prior to drill testing in the second quarter of 2005. Two long trenches, totaling 3400m in length were completed.

Trench 1, of total length 1670m, traversed the central/southern part of the porphyry copper system (see Press Release dated 29th October 2003 for additional detail of Simuku). The mineralogy of the copper and molybdenum mineralisation (substantial jarosite and hematite alteration) over much of the trench suggests significant leaching of copper minerals from the surface environment which could lead to the formation of a subsurface enriched copper zone.

Significant copper and molybdenum occurs over most of the trenched area with results such as 165m of 0.184% copper and 25ppm molybdenum, 30m of 0.223% copper, 72m of 0.073% copper and 241ppm molybdenum, 24m of 0.34% copper and 37ppm molybdenum. The 72m length of 241ppm molybdenum is regarded as particularly significant and re-assaying of part of this zone by the XRF method suggests that the molybdenum results above are understated by between 5 and 25%.

Trench 2 results are considered excellent for surface samples, particularly in view of the current geological interpretation of the prospect that there has been substantial leaching of copper minerals from the surface environment. We would expect substantially higher grades at depth within a secondary enriched chalcocite (copper) “blanket”. NGG believes that potential exists to define two styles of mineralisation at Simuku.

- near surface secondary enriched copper mineralisation consisting primarily of chalcocite with copper grades of 0.5% to 1.0% copper.
- zones of primary molybdenum/copper mineralisation with grades of 0.03% to 0.05% of MoS₂, 0.3% to 0.5% copper, and minor gold (0.05 to 0.1g/t gold).

Trench 2 (for location see web site) tested the southern part of a high value copper in soil anomaly (for details see Press Release dated 29 October 2003). This trench contained significant copper over a 1700m length and is still open to the east. This wide zone averaged 0.08% Cu and contained the following higher grade intersections.

Trench 2 Simuku mineralised intervals summary

From	To	Length	Au g/t	Ag g/t	As pm	Cu %	Mo ppm	Pb ppm	Zn ppm
0	1741	1741	0.03	1.20	15	0.08	24	37	178
670	685	15	0.04	3.40	8	0.30	14	65	1162
776	1058	284				0.13	63		
962	1076	114				0.21	88		
932	947	15	0.05	2.26	10	0.37	30	11	220
998	1013	15	0.08	2.92	3	0.20	67	8	71
1031	1076	45	0.06	3.09	15	0.34	49	16	108
1088	1103	15	0.05	3.82	5	0.58	65	11	195
1270	1469	199	0.04	2.19	37	0.12	44	69	165
1390	1399	9	0.05	3.17	68	0.24	60	241	177
1417	1441	21	0.04	3.10	43	0.29	39	110	278
1446	1469	23	0.06	6.82	104	0.42	74	136	733
1482	1506	24	0.03	1.74	7	0.17	17	6	56
1579	1591	12	0.04	2.20	78	0.13	6	131	373
1609	1633	24	0.05	4.14	169	0.16	4	211	635
1705	1741	36	0.02	2.88	50	0.12	5	148	1252

The highest grade part of the copper in soil anomaly is to the south of Trench 2, and will be trenched in February 2005.

NGG has acquired an excavator and bulldozer specifically for the Simuku project and will recommence the intensive trenching program early in 2005.

The Simuku porphyry copper/molybdenum system, is at least 4.5kms long and between 500m and 800m wide. Prior to 1997, 12 drill holes totalling 1482m and approximately 4.5 km of trenching were completed, all in the northern quarter of the system (see enclosed figure). Results are shown on NGG’s web site at www.newguineagold.ca. These results showed extensive primary copper mineralisation of the order of 0.35% with higher grade zones greater than 0.5% copper. Best trench results were 33m of 0.63% copper, 0.2g/t gold and 77ppm molybdenum; 48m 0.68% copper, 0.12g/t gold and 691ppm molybdenum.

The system is still open to the north and south.

Bismarck Gold Property (50% NGG)

A hand trenching program at the Awale Prospect, Bismarck Property, Papua New Guinea returned wide intervals of gold mineralisation such as 112m @ 0.46g/t gold with narrower higher grade intervals such as 4m @ 2.10g/t gold, 4m @ 1.26g/t gold and 16m @ 1.14g/t gold. In addition rock samples collected from creek drainages contained up to 13.85g/t gold. Complete results are shown at www.newguineagold.ca

The Awale Prospect had widespread gold in soil of approximately the same tenor as the trench results. Senior geological staff will visit the prospect in the near future to assess whether or not the gold in the trenches may be leached, i.e. depleted from the surface zone. If the gold is depleted, we could expect better grades could be expected at depth.

There are numerous other prospects within the Bismarck Property such as Tekim and Semben. At Semben previous trench results gave 3m of 156g/t gold, 4.5m of 23.5g/t gold and 2m of 17.0g/t gold. At Tekim trenching returned 26m of 6.99g/t gold and 25m of 4.83g/t gold. These prospects will be assessed during 2005.

Pannable gold was traced to a large (50m x 50m) oxidised breccia outcrop. This was mapped and sampled in detail. Fine alluvial gold is present in virtually all creeks draining the area covered by trenches.

The Bismarck Property is held by Kanon Resources Ltd, a Papua New Guinea company, owned 50% by New Guinea Gold Corporation and 50% by Vangold Resources Ltd.

Feni Gold Property (Vangold earning 75% interest)

No work was completed on the Feni Property during the quarter.

Mt Nakru Copper Property (Effective 75% NGG)

No results have yet been received from the bulldozer trenching program at present in progress.

Yup River Gold Property (NGG 50%)

An assessment program of the Yup River property commenced in February 2005.

The Yup River property (378.5 sq kms) covers the historic Amanab goldfield in North West Papua New Guinea. There are at least 10 separate and defined areas of gold mineralisation within the property. NGG and Vangold have not targeted this property for field evaluation in 2004 due to a lack of suitable exploration personnel and although the probability of Yup River yielding a major gold resource is considered excellent, there are, as yet no defined drill targets. The present program, which commences on 3rd February 2005, should lead to drilling targets later in 2005.

NGG and Vangold have compiled and assessed all previous exploration data. The main points are as follows:

- **The Amanab gold anomaly is defined within a 60 sq km area by gold results to 107g/t in stream sediments and 58g/t in pan concentrates. Soil sampling over a small part of this area at Oweniak defined an open ended soil gold anomalous area more than 1,000m long by 700m wide.**
- **The Biaka anomaly is 15kms by 4kms and is defined by stream sediment samples to 184g/t gold.**
- **The Yumor anomaly is 6 kms long and defined by stream sediment results to 77.5g/t gold.**

The data assessment by NGG and Vangold has been summarised by independent qualified person, Peter Swiridiuk, as quoted below.

His report and the figures referred to below can be accessed at www.newguineagold.ca

"Historical stream samples compiled and digitized by Terra Search for a World Bank program in Papua New Guinea were statistically analysed and interpreted for gold. A total of thirteen stream sediment drainage anomalies (>0.1g/t gold) were outlined (Figure 3).

The Amanab stream anomalies are divided into four coherent zones draining off specific topography and include Amanab, Aurump, Wofneri and Oweniak. Stream sediment results up to 106g/t gold at Aurump and numerous results greater than 1.0g/t gold define these anomalies. Pan concentrate results to 58g/t gold occur at Wofneri, with greater than 8g/t gold within the Aurump and Amanab stream anomalies.

A compilation and analysis of historical data has included the analysis of soil sampling completed at the Oweniak Prospect by Carpenter Pacific Resources N.L. (Figure 4). Some anomalous soil gold values above 0.1g/t gold are evident.

Three stream anomalies at Biaka occur as coherent zones draining from specific topography (Figure 3) -Stream -80# results include 91g/t gold at Biaka "A", 42.7g/t gold at Biaka "B" and 184 g/t gold at Biaka "C".

Anomalous rock chip results of 2.85 and 1.38g/t gold were recorded from completely weathered schist in this area.

The Yumor anomaly is located in the northern part of the tenement near the village Yumor No2. The anomaly was defined from reconnaissance stream sediment results of 4.7 and 7.5g/t gold during the 1988 Carpenter Pacific Resources N.L. exploration program. Carpenter reported that gold is shedding from an east-northeast trending ridge north of the villages of Akraminag and Yumor No.2 and is persistent over six kilometres. The Akraminag stream anomaly is defined by a 3.39g/t gold stream sediment sample.

The Mouri stream sediment anomaly, 5km east of Oweniak (Figure 3), is defined by both -80# stream sediment samples (3.09g/t gold) and panned concentrate samples anomalous up to 13.68g/t gold. Other lower value stream anomalies have been defined near the villages of Merewe, Luri and Kambriap."

Airborne magnetic and radiometrics images have been re-compiled with ER Mapper imagery software and an evaluation of this data will be completed by consultant Peter Swiridiuk.