

NEW GUINEA GOLD CORPORATION



NEWS RELEASE

MT. PENCK UPDATE

November 1, 2005 - Vancouver, BC – New Guinea Gold Corporation (“the Company or NGG) and Vangold Resources Ltd. (“Vangold”) announce that they have received a report from Dr. David Lindley, PhD, VP Exploration, PNG and lead geologist for NGG and Vangold’s projects in Papua New Guinea. Dr. Lindley has returned from a three-week trip to Papua New Guinea and has provided his report on the Mt. Penck property . The property is owned by Kanon Resources Ltd. (“Kanon”), a Papua New Guinea company which, in turn, is owned 50% NGG and 50% by Vangold. The Mt. Penck property is located in West New Britain Province, Papua New Guinea and the division of ownership in this specific property 60% NGG and 40% Vangold.

Dr Lindley reports:

During July-November 2005 we have achieved the following at Mt. Penck:

- 1) Establishment and sampling of a soil grid covering all known prospects, containing 15 cross-lines (100 m separation) totaling 14,900 line m. 555 soil and 130 rock samples were collected. Geological mapping of soil auger rock chips has been an important component of this programme. Results are awaited.
- 2) Preparation of a review of all historical exploration data of BHP, Indo-Pacific Resources and Kanon with recommendations for field follow-up. This has also included the relogging of Kanon’s seven drill holes completed at Kavola East in 2004.
- 3) The combined technical review and soil grid geological mapping has led to the recognition of an aeromagnetic anomaly and potassium anomaly (in this case reflecting K-mica [sericite] alteration) coincident with a zone of sericite-quartz-pyrite alteration and a topographic depression lying at the centre of all known prospects. Pannable gold is present in a stream at the centre of this area. This area of interest has gone unrecognized by previous explorers and remains little sampled and undrilled.
- 4) Extra surface work including relocation of old BHP and Indo-Pacific trenches at Kavola East and Koibua, cutting drill sections, mapping at Koibua Prospect, reconnaissance prospecting in the Peni Creek prospect area etc was completed. The relocation of old trenches (many of which carry anomalous gold grades) will assist in drill hole placement. This work is necessary ahead of receipt of soil results and drilling. Drilling is planned to commence at the Kavola East Prospect. Relationships with landowners have improved dramatically thanks to the efforts of our project geologist.

The Kanon drill rig is expected to arrive in Kimbe from Australia on 23 November 2005. Drilling is expected to commence following mobilization of the rig and supplies to the Mt. Penck site.

There is a good story to be told of the Mt. Penck hydrothermal system, with potassium and aeromagnetic geophysical anomalies coincident with a similarly shaped zone of sericite-quartz-pyrite bedrock alteration and a topographic depression. The location of this hydrothermal system out on the flanks of a deeply dissected Plio-Pleistocene stratovolcano adds credibility to several mineralisation models. There is abundant evidence for the development of a well-developed plumbing system of permeable structures,

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very necessary for the passage of mineralising hydrothermal fluids. As explained below we are looking at several mineralization types, including a large low grade bulk gold target exemplified by Round Mountain gold mine, NV, where contrasting volcanic rock types have played a key role in the localisation of ore types, narrow high-grade zones of gold mineralisation localised in permeable structures, or (now with the recognition of vuggy silica and a magmatic influence) high-grade gold-copper mineralization similar to that at Summitville, CO.

Technical aspects of Dr. Lindley's observations at Mt. Penck follow:

It appears that the prominent and impressive coincident elliptical (600m x 300 m) airborne potassium and aeromagnetic anomalies at Mt. Penck are related to bedrock geology. Logging of rock chip samples collected at auger sites during the recent grid soil sampling programme (which covered all Mt. Penck prospects) has defined an elliptical zone of sericite-quartz-pyrite (phyllic) alteration coincident with the geophysical anomalies. An airborne inspection indicates that the anomalies also correspond with a topographic low surrounded by steep peaks, with the gently arcuate E-W ridge passing immediately to the north of Koibua Prospect forming the north rim of the depression.

Re-traversing of the Kavola River and one of its northern tributaries, both of which run through the centre of the anomaly, has confirmed the presence of intense phyllic alteration. The intensity of this alteration at several localities is such that it has resulted in the obliteration of the rock texture. At the deepest point of erosion into this alteration zone, at the junction of the Kavola River and the aforementioned tributary, a well-developed stockwork is present, comprising two vertical fracture sets and a sub-horizontal set. Stockworking of fine haematite-sulphide veins is also present. Lithological re-logging of the Kavola East drill holes indicates that high gold grades are typically confined to thin veinlets of haematite. The eroded centre of the coincident anomalies presents an interesting drill target.

The coincident phyllic alteration, topographic anomaly, and potassic and aeromagnetic anomalies lie on the eroded flanks of the Mt. Penck stratovolcano, about 1.5 km NW of its volcanic neck. It is possible that the altered zone may either overlie a high-level intrusive plug or be related to the conduit of a now-eroded dome. The zone is at the centre of all known Mt. Penck prospects, and is likely to have been the heat engine and fluid source to mineralisation. Prospects and prominent structures, including Peni Creek, Kavola East, Kavola Junction and faulting in the Kavola River W of the anomaly are arranged in possible concentric structures flanking this plug-like body. The Koibua Prospect, with prominent NW structural control, may be in a radial structure to the plug. The recent observation of vuggy silica in massive trench exposures at Kavola Junction suggests a magmatic input from an intrusive plug. Vuggy silica, a residue from intense leaching by acid, high temperature fluids, is a typical feature of high sulphidation mineralisation such as at Summitville, CO.

The outline of the boundary of phyllic alteration with its prominent NE-SW tongues, indicates the influence of structure in channelling fluids. The detailed relogging of core indicates that mineralisation occurs either in brittle hornblende porphyry lava sheets or in interbedded epiclastic rocks at or near their contact with lava sheets. These lava sheets overlie and are lateral to the Mt. Penck fluid source.

To find out more about New Guinea Gold Corporation please visit our website at newguineagold.ca , contact Forbes West at 416-203-2200 by email forbes@sherbournegroup.ca or Judith O'Quinn at 604-662-3598.

ON BEHALF OF THE BOARD

"R. D. McNeil"
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