

NEW GUINEA GOLD CORPORATION



NEWS RELEASE

AUD\$3 MILLION DEBT FINANCING FOR SINIVIT GOLD PROJECT

Vancouver – October 24, 2005. New Guinea Gold Corporation (NGG) is presently developing the Sinivit Project to gold production with production expected in the second quarter of 2006 (see Press Release dated 19th September 2005).

As part of the financing of the project, NGG and Credit Corporation (PNG) Limited have agreed in principle that Credit Corporation will extend to NGG's wholly owned subsidiary Macmin (PNG) Limited, leasing or similar financing up to a maximum of AUD\$3 million. This financing will be used to purchase mining equipment, including mobile plant such as excavators, trucks and crushing equipment.

Credit Corporation is a Papua New Guinea financial institution and more details can be obtained at www.creditcorporation.com.pg

Details on each individual draw down will be announced as it is completed. NGG is not obligated to drawdown the full AUD\$3 million and if necessary it may be possible to negotiate a higher financing limit if required.

Sinivit, where mine development has commenced, is the first "*building block*" in New Guinea Gold's development strategy. With gold production expected in the second quarter of 2006, cash flow from this project is expected to fund ongoing exploration at Sinivit with the objective of increasing the mine life, funding the possible second mine at Imwauna and funding other exploration. Resources at Sinivit include 713,000t @ 5.7g/t gold for 132,000 ozs gold as an indicated resource, plus 340,000t @ 3.2g/t gold for 35,000 ozs gold as inferred resource

The other key elements of NGG's strategy are

- The **Imwauna Project** where the Company which is proceeding with a \$1.4 million pre-development program to assess indicated/measured resources, complete a feasibility or pre-feasibility study, obtain mining permits/leases. If successful, this would be the second "*building block*" and the Company could proceed to the development of a second gold mine in 2007.

- The Company has purchased its own drill rig for this evaluation and it is expected to be in operation in November 2005. There is an historic inferred resource of 990,000t @ 6.1g/t gold and 12g/t silver for 194,000 ozs gold and 382,000 ozs silver at Imwauna.
- The third and fourth "*building blocks*" are the **Weioko Gold Project** and the **Mt Penck Gold Project**, although at this time the possible order for development remains to be fixed.

At the Weioko Project about 30 drill holes have defined significant gold mineralization. A pre-development program, subject to available funds, will commence here in 2006, which, if successful, could lead to a further gold mine in 2008/09.

At the Mt Penck Project, (60% the Company, 40% Vangold), drilling in 2004 outlined significant gold mineralization. Commencing later this year, using a drill rig specifically purchased by the partners, the objective of the drill program will be to allow estimation of Indicated/Measured resources at the Kavola East Prospect and to test other known gold bearing areas at Mt Penck. If successful a further gold mine could be developed here as early as 2008.

- On 12th September 2005, the Company announced trench results for the Simuku Project (the fifth *building block*) which included very significant molybdenum results. Molybdenum prices have increased very substantially in the last two years. A total of 20 kms of bulldozer/excavator trenching and 12 drill holes have now been completed at the project.

All results of the trenching are not yet available and a complete assessment of the project, with proposed drill targets, will be available later this fall.

For further information contact Judith O'Quinn at ngg@telus.ca (604-662-3598) or Forbes West at forbes@sherbournegroup.ca (888-655-5532)

The technical data in this release was prepared by or under the supervision of Robert D. McNeil, CEO of New Guinea Gold Corporation. Mr McNeil has an MSc in Geology, 44 years mining industry experience, is a Fellow of the Australian Institute of Mining and Metallurgy, and meets the requirements of NI 43-101 for a qualified person.

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 this 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.

ngg/r/AUD3million financing 24Oct'05