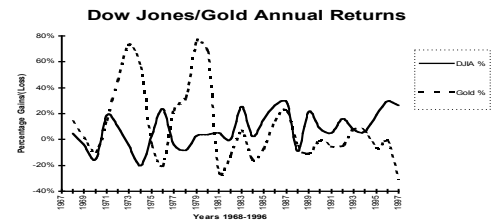




Gold



& Technology Stocks

Weekly Hotline Message

(Now in our 25th Year)

June 10, 2006

NEW GUINEA GOLD

*Commencing Gold Production,
Exceptionally High-Grade Gold Intercepts, and Selling at 2x CF*



Traded:	TSX-V – NGG
Shares Outstanding:	100,864,226
Initial Recommendation:	9/20/04 – \$0.19
Price 6/9/06:	\$0.39
Market Capitalization:	\$39.3 Million
Proj. Op. Cash Flow:	\$0.17
2006-2007	
Progress Rating:	“B” (Near production)
Telephone:	604-662 3598
Web:	www.newguineagold.ca

New Guinea Gold is getting virtually no respect for what it is on the verge of doing. It is placing its first Papua New Guinea mine into production, that being the Sinivit Mine; and it has two more mines that are scheduled to go into production over the next two or three years. Its Sinivit Mine should throw off around \$0.17 worth of cash flow per year from 45,000 ounces of gold production. Startup of production is scheduled by the middle of this year—in their words, about now. Many of the company's projects have elephant-size potential based on their geology. In spite of all that, this company's market cap is currently under \$40 million. We think this is a company with a management team not particularly adept at telling its story, which is one reason the stock is so cheap. But if management pulls off production as promised, it will communicate a real message via actions rather than talk.

Last week, the following headlines from Stockwatch caught your editor's attention and led me to focus my attention on this sleeper:

“New Guinea drills three metres of 106 g/t Au at Imwauna - 2006-06-08 14:56 ET - News Release Mr. R. McNeil reports - IMWAUNA HIGH GRADE DRILL RESULTS - New Guinea Gold Corp. has intersected high-grade gold in three new drill holes at the Imwauna project, Normanby property, Papua New Guinea.

“* Hole IMH 67 intersected a six-metre interval between 120.2 m and 126.2 m downhole at **67.98 grams per tonne (g/t) gold** and 68.9 g/t silver, including a higher-grade interval of three metres at 106 g/t gold.

“* Hole IMH 68, which is 60 m south of IMH 67, intersected 2.4 m between 39.8 m and 42.2 m downhole at **13.68 g/t gold** and 65.7 g/t silver.

“* Hole IMH 69, which is also 60 m south of IMH 67 and approximately 50 m below IMH 68, intersected 10 m between 99.1 m and 109.1 m down hole at **18.1 g/t gold** and 31.4 g/t silver including 2.2 m at 32.5 g/t gold and 49 g/t silver.

“Drilling is continuing and further results are expected within the next few weeks. *Management commented that ‘the above drill results are outstanding, and appear to indicate the development of high-grade gold mineralization toward the southern end of the Imwauna vein system.’ Also, they noted that ‘Mineralization widths also appear to be increasing to the south and to depth. The fact that the mineralized zone has now been intersected at vertical depths of more than 100 m below surface is also regarded as particularly significant.’*” (Bold italics added for emphasis by your editor.)

Background

“The Imwauna project is located within the Normanby property, southeast Papua New Guinea. The company owns 100 per cent of this property. Imwauna is the second of the company's key gold projects. Management's objective is to define National Instrument 43-101-compliant resources in 2006. Approximately 7,000 m of drilling has now been completed at the property and most drill holes are diamond core holes.

“The Imwauna project contains defined gold mineralization scattered over approximately 10 square kilometres, has some key geological similarities to Placer Dome's former Misima mine (plus four million ounces gold) and has been selected by management for a major evaluation program in 2006 to extend the known mineralization and to build a substantial resource base. It is expected that one drill rig will be employed continuously on this project (wholly owned by the company) throughout 2006.

“The project can be summarized as follows:

“- Management believes the target is similar to Placer Dome's Misima mine, which was a plus-four-million-ounce system.

“- It has a historical inferred resource, based on initial 15 drill holes only, of 990,000 tons at 6.1 g/t gold and 12 g/t silver for 194,000 ounces gold and 382,000 ounces silver (see below).

“- Drilling to define resources and the potential of the property is in progress and will continue throughout 2006.

“- Best drill results before the above results were 3.7 m at 94.4 g/t gold and 7.2 m at 16.5 g/t gold, from the northern part of the system.

“- Trial mining has been completed.

“- The project had an average grade of 14.1 g/t gold over a 2.2-metre mining width.

“- Bulk sampling of 38 excavator trenches over a 1,240-metre strike length averaged 26.4 g/t gold over an average of one-metre width in the central high-grade part of the system, with likely average open-pit mining width of four metres.

“- Drilling suggests possible open-pit grade of eight grams per tonne gold and underground grade of 15.5 g/t gold. “

SUMMARY

THE IMWAUNA PROJECT APPEARS TO HOLD THE POTENTIAL TO HOST A MONSTER GOLD/SILVER DISCOVERY. The potential to discover one or more major gold deposits in Papua New Guinea, combined with anticipated cash flow from gold production starting this year, makes this stock extremely undervalued in your editor’s view.

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