



# NEW GUINEA GOLD CORPORATION

## **SINIVIT MINE UPDATE** **MOVING TO COMMERCIAL SCALE PRODUCTION**

**Vancouver – 7<sup>th</sup> September, 2007.** New Guinea Gold Corporation ("NGG" or the "Company") reports that all aspects of the commissioning of the Sinivit mine have been successfully completed and expects to move to full production of approximately 3,000 ozs gold/month later in the fall. 3.65kg of dore (includes gold, silver and slag) were poured after stripping of current gold on carbon. It is expected that this dore is approximately 60% gold or about 2.2 kg of gold.

The initial gold was produced from two small commissioning Vats, Vats 1A and 1C. Vat 1C is still leaching with gold being adsorbed in the carbon columns. A further pour is expected in the near future.

The initial dore was sold to Itaipreziosi South Pacific Ltd, as is, based on an initial estimate of contained gold of 2119g for PNG Kina 130,324 or approximately CDN \$52,000. A further payment is expected if assay checks confirm that the above estimate underestimates the actual gold content. **Although this is a relatively small payment, it is a significant milestone in the history of NGG. The Company expects to become cash flow positive by year end.**

**Commercial Scale Production** Larger scale production will commence in the near future at Vat 1, the first of the production vats which has now been completed and lined. See photos below. Blasting, mining and crushing of high grade ore (see recent Press Releases for drill assay results of this zone) is well advanced. Vat 1 (approximately five times the size of the existing vat 1A) is to be filled with leaching of gold expected to commence within three weeks. Vat 1, illustrated in photos below, showing the lining of the vat, as completed, with the people providing an indication of the size of the vat. Construction of Vat 2 (approximately 20 times the size of the original vats) is completed and lining is now commencing. Construction of Vat 3 (see also below) has commenced.



## Sinivit Exploration

In regard to current drilling, both the RC rig and diamond core rig are drilling ahead. Some hundreds of samples are currently awaiting compilation or assay and will be released as compilation of each batch is completed.

### A brief description of the Sinivit operation is as follows:

The process from mining to production of gold bars is as follows:

Gold mineralisation is mined by open pit methods and crushed to less than 10mm. Prior to mining the mineralisation to be mined is defined by R.C. or blast hole drill holes so that gold mineralisation can be separated from waste. Mining, grade control and crushing have all been successfully commissioned.

- The crushed gold mineralisation is placed in double (high density plastic) lined and covered vats and soaked in a high PH and weak cyanide solution. The cyanide dissolves the gold over a period of months with approximately 50% of the recoverable gold passing into solution in the first two weeks. In the longer term it is envisaged that two or more vats will be leaching at the same time. The leaching is working satisfactorily.
- The gold in leach solution (pregnant leachate) is pumped through steel columns loaded with activated carbon. The gold adsorbs to the carbon. This has been successfully achieved.
- The gold is then re-dissolved or stripped from the carbon in an "elution circuit", electrowon onto steel wool, which is then smelted to produce a gold dore bar. The stripping solution is a high temperature (100 degrees) caustic solution containing cyanide. After some problems and modifications the elution circuit has now been commissioned subsequent to the end of the quarter.
- After a gold dore bar is produced (a mixture of gold, silver, slag and other metals), the dore is shipped to a gold refinery for sale or production of high purity gold and then sale.

Vats 1A and 1C were small vats constructed to facilitate plant commissioning. Leaching of Vat 1C continues but Vat 1A has now been incorporated into the new larger Vat 1. Vat 1A contained approximately 1,600 tonnes of low grade mineralisation and Vat 1C approximately 3,500 tonnes of low grade mineralisation.

Leaching is currently proceeding to expectations and gold is being adsorbed on to carbon in the carbon columns. Actual recovery rates from the vats appear to be as predicted and the leaching circuit is operating satisfactorily. A review of the operation by an independent expert at the end of the last quarter concluded that, with additional earthmoving equipment (now on site), there was no impediment to achieving full production in the fourth quarter of 2007.

Investors are cautioned that the development of Sinivit is proceeding in the absence of a full feasibility study. These evaluations are preliminary in nature and are based entirely on indicated mineral resources, which have not been categorized as mineral reserves. There is no assurance that the operating and financial projections in the preliminary assessment will be realized. Mineral resources that are not reserves do not have demonstrated economic viability. Measured and indicated mineral resources are that part of a mineral resource of which quantity and grade can be estimated with a level of confidence sufficient to allow the application of technical and economic parameters to support mine planning and evaluation of the economic viability of the deposit.

### Fall Roadshow to Commence.

RD McNeil, Chairman and CEO will travel to Singapore 11<sup>th</sup> and 12<sup>th</sup> September presenting NGG at Mine Exploration and Investment Asia, ([www.abc-asia.com](http://www.abc-asia.com)). Thereafter Mr. McNeil will travel to London, Toronto and Vancouver to meet with investors.



The initial Sinivit gold dore is shown, with left to right – Kepas Wali, Managing Director of the Mineral Resources Authority of Papua New Guinea, Ces Iewago, Director of NGG and Bob McNeil CEO and Chairman of NGG.

**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, 47 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.**

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**ON BEHALF OF THE BOARD**

A handwritten signature in black ink, appearing to read "R. McNeil". The signature is written in a cursive style and is positioned to the left of a vertical red line.

**CEO / CHAIRMAN**

Ngg/rel/sinivitmineupdate10sept07

The TSX Venture Exchange has not reviewed and does not accept the responsibility of the adequacy 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.