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Trading Symbols: TSX-V: **NGG**
Frankfurt: **NG8.FSE**
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SINIVIT UPDATE

Sinivit Mining

New Guinea Gold's ("the Company" or "NGG") Sinivit mining equipment contractor, HBS Machinery ("HBS"), unilaterally terminated its Agreement without due notice at the end of June removing equipment from the Sinivit mining site. New Guinea Gold views this as a breach of the Company's Contract Agreement with HBS, specifically HBS's removal of certain equipment from the Sinivit site, which equipment, under the terms of the Contract Agreement, is now beneficially owned by NGG and, failure on the part of HBS to give the requisite 30 days notice to NGG before removing any such piece of equipment from the Sinivit site. NGG will vigorously pursue claims against HBS in the Papua New Guinea Court for damages totalling Kina 5,161,389 or approximately \$2,100,000 Canadian.

The Company acted expeditiously with local contractors to replace key equipment within two weeks of HBS's removal of the contracted equipment.. The Company is presently using less versatile road trucks to replace the articulated trucks removed from the Sinivit site. The Company expects to formalise a new contracting agreement for the hire of articulated trucks this month.

The two week hiatus in mining and other earth moving has meant that the new vat scheduled to be brought on line in July will not be completed until August; however, ore continues to be added to vats as required from existing accumulated ore stockpiles, and six existing vats are continuing to leach.

Disposition of New Guinea Gold Shares held by Macmin Silver Limited

In a July 31, 2009 announcement by the Deed Administrator of Macmin Silver Limited ("Macmin") to the creditors of Macmin, and re-iterated at a creditors meeting on August 6, 2009, the Administrator stated that it intended to distribute most of the New Guinea Gold shares held by Macmin to creditors by in specie distribution. Bob McNeil CEO & Chairman commented: *"this is a positive development as it removes the immediate threat of these shares as an "overhang" on the market"*.

Full details of the Sinivit Project are described in an Independent N1 43-101 report dated January 2006 which is available at www.newguineagold.ca.

For further information on this release or on other NGG projects such as the Sinivit Gold Mine, contact Forbes West toll free at 888 655 5532, email forbes@sherbournegroup.ca or Judith O'Quinn at 604 662 3598, email ngg@telus.net or access our website – www.newguineagold.ca

ON BEHALF OF THE BOARD

"R.D.McNeil"
CHAIRMAN & CEO

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