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PRESS RELEASE

NEW GUINEA GOLD ANNOUNCES OPERATING AND FINANCIAL RESULTS FOR THREE AND SIX MONTHS ENDED JUNE 30, 2010

Vancouver, BC - August 31, 2010 - New Guinea Gold Corporation (“NGG” or the “Company”) (NGG:TSX-V) today announced results for the second quarter and six months ended June 30, 2010.

HIGHLIGHTS:

- Drilling at Sinivit by NGG, by Barrick at Coppermoly, and trenching at the Crater Mountain JV by Gold Anomaly have produced very positive and some very high grade results.
- NGG continues to investigate the potential to produce tellurium at Sinivit. A potential partner visited the Sinivit Mine in June 2010. A further 1,000kg of samples have been shipped to this partner in the USA for further testing to determine if the tellurium can be economically extracted.
- The PNG government renewed the exploration licenses on the high profile Imwauna and Sehulea-Weioko joint ventures, setting the stage for the launch of an \$8 million drilling and exploration program beginning later this year.
- Vangold Resources Ltd. (“Vangold”) has restarted exploration on the Pacific Kanon projects and completed induced polarization (“IP”) surveys on the Mount Penck and Fergusson projects.
- NGG announced the appointment of Colin Mackenzie and Mike Reynolds as directors: they are experienced mining and financial executives who bring additional weight to our board.
- The Company’s financial position has strengthened significantly: current cash balances total \$1.5 million plus marketable securities with a value of approximately \$4.0 million (total \$5.5 million).

FINANCIAL RESULTS

Summary of Quarterly Results (Unaudited)

	2010		2009				2008	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
	\$	\$	\$	\$	\$	\$	\$	\$
Gross revenue	1,526,149	1,449,078	1,638,374	1,426,246	2,450,745	1,591,161	3,373,622	975,414
Interest & other income	216,590	159,452	118,591	132,963	272,968	108,254	207,104	90,748
Net profit/(loss)	(3,415,868)	(154,666)	(4,008,201)	(1,176,398)	(3,643,591)	26,005	(971,121)	(3,392,807)
Basic/diluted profit/(loss)share	(0.02)	(0.00)	(0.02)	(0.01)	(0.02)	0.00	(0.01)	(0.02)

Revenue from gold and silver sales for the quarter from the Sinivit Mine was \$1,506,149 compared to revenue of \$2,450,745 for the same period in 2009. Sinivit gold production for the second quarter was 1,078 ounces. This was below expectations and less than first quarter production of 1,423 ozs.

The Company's net loss for the quarter ended June 30, 2010, was \$3,415,868 or \$0.02 per common share compared to a loss of \$3,643,591 or \$0.02 per common share for the same period last year. The loss was largely due to "mark to market" of investments in Vangold and Coppermoly Limited, and a write off of residual costs for the sale of Pacific Kanon Gold. The Company's net loss for the six months to June 30, 2010 was \$3,570,534 compared to \$3,617,586 for the same period last year.

Mining operations produced an operating loss of \$439,503. The lower net loss for the current period compared to the June 2009 period loss (\$2,774,690) was due to lower mine operating costs including lower contractor payments, depreciation, construction and inventory costs.

General and administrative expenses for the period ended June 30, 2010, were \$148,451 compared to \$136,535 for the period ended June 30, 2009.

Bad debts of \$1,002,242 were written off and relate to residual costs written off with the sale of Kanon Resources Ltd to Vangold. The Company lost \$256,304 on the sale of Coppermoly Ltd shares (nil in 2009) and \$175,219 on sale of equipment.

During the quarter ended June 30, 2010, the Company spent \$223,430 (quarter ended June 30, 2009: \$493,290) in exploration and evaluation on its mineral property interests.

Foreign exchange losses for the period ended June 30, 2010, were \$198,251 compared to \$28,374 for the period to June 30, 2009. The increase is primarily due to the appreciation of the Canadian dollar against the PNG kina, the fluctuations in the Canadian and Australian dollar, PNG kina and US dollar exchange rates.

The Company had cash of \$462,785 at June 30, 2010, plus marketable securities at fair market value of \$3,072,310. At August 25, 2010, the Company had cash of approximately \$1.5 million plus marketable securities at present market value of approximately \$4 million.

At June 30, 2010, the Company had working capital of \$3,848,308 (June 30, 2009: \$5,807,565).

The Company's long-term obligations at June 30, 2010 included \$845,509 of non-current bank debt (June 30, 2009: \$nil). At June 30, 2010, the Company had a short term loan of \$3 million from NMC Mining Corporation (repaid by issuance of shares and warrants as a subsequent event in August 2010).

OPERATIONS

Sinivit Mine and Exploration

Gold production at Sinivit Mine was 1,078ozs. High grade gold/copper was intersected in several drill holes – the best result was 6m at 65g/t gold and 3.9% copper. A 3D IP Survey was completed.

Coppermoly Ltd - (Mt Nakru, Simuku and Talelumas Projects)

NGG associate company, Coppermoly Ltd ("Coppermoly"), announced that joint venture partner Barrick Gold, intersected in Barrick's first hole at the Mt Nakru Project, 190.85m at 1.01% copper and 0.36g/t gold. On August 18, 2010, Coppermoly announced that Barrick had extended the previously announced copper intersection to 213.75m at 0.92% copper and 0.33g/t gold.

NGG holds a 15% interest in Coppermoly. As at August 25, 2010, those shares had a market value of \$2,781,278

Vangold Resources Ltd - (Mt Penck, Fergusson and Allemata Projects)

During the quarter, Vangold completed a 3D IP survey on the Mt Penck and Fergusson Projects. NGG holds a 13% interest in the issued shares in Vangold, as at August 25, 2010, these shares had a market value of \$1,150,599.

Due to Vangold's corporate restructure earlier this year, NGG now owns 61,110 shares of Vanoil Energy Ltd and 146,068 shares of IBC Advanced Alloys Corp. At August 25, 2010, these shares had a market value of \$30,555 and \$19719 respectively.

NMC Mining Corporation (formerly 7238550 Canada Ltd – Normanby - Imwauna, and Sehulea - Weioko Projects)

The Normanby and Sehulea tenements were renewed during the quarter removing the last condition for the agreements with NMC Mining Corporation ("NMC") to be finalized. The \$3 million advanced as a loan by NMC to repay the convertible note was repaid to NMC with the issuance of NGG shares and warrants. NMC has paid \$1.40 million to NGG as a condition of the above agreement. Once documentation and approval from the PNG Government is received, NMC will hold a direct 50% interest in Normanby and Sehulea. After the above payment and expenditure on the properties of \$7.55 million, NMC will be entitled to a further 50% interest in both Normanby and Sehulea.

NGG holds 15,682,269 shares representing a 45% interest in NMC (issued as a subsequent event to end of Quarter).

A Preliminary Assessment of the Imwauna Project was completed in April 2010. The results were very positive but recommended a program of drilling and underground development verification prior to a Bankable Feasibility study being completed. Results of the Preliminary Assessment cannot be released until an updated NI 43-101 Report can be arranged.

Gold Anomaly Ltd – (Crater Mountain Project)

NGG holds a 10% interest carried to Bankable Feasibility in the Crater Mountain Project. Gold Anomaly Ltd is conducting a major bulldozer/excavator benching and trenching program on this property. Initial assays from channel sampling include 5m at 40g/t gold. Crater Mountain is a major gold bearing system.

PRODUCTION

At Sinivit, gold production for the second quarter was below expectations but there are encouraging signs that production in the second half of 2010 will significantly improve. Gold production at Sinivit is a function of tonnes of ore crushed; gold grade of ore crushed; tonnes placed in vats/heaps; copper in ore placed in vats.

For most of the time Sinivit has been in production the Company has not been able to crush and place in vats/heaps sufficient ore per month to sustain gold production, on average, above 500 ozs per month.

Throughout this calendar year NGG has gradually improved crushing performance and during the three months of May, June and July, we crushed approximately 49,000 tonnes (19,000 tonnes in July), or, on average, over 16,000 tonnes per month. We believe that it is now likely, subject to reasonable weather conditions, that we can sustain crushing at 16,000/18,000 tonnes per month of ore, and perhaps move to more than 20,000 tonnes per month.

On a strictly arithmetic basis, because of the increased crusher output, all other variables being constant, by September 2010, production should increase significantly.

There remains a substantial resource which can probably be extracted by open pit mining and we are confident the current independent review of oxide resources will increase the total resource. However, we also believe that the project would be better served if processing could be changed to using pulverized ore – i.e. gold leached in stirred tanks by CIP or CIL, or a modification of these processing methods. This would allow not only the remaining resources to yield a much greater percentage of the contained gold, but it would also allow re-processing of the crushed ore presently in vats.

Due diligence to confirm the economic viability of such a change in processing requires extensive metallurgical testing of vat material plus the in-ground resource; and some additional drilling to complete pit design; assessment of additional capital cost (need to add a mill, tanks, and perhaps extend the present gold elution circuit). Company cash flow over the past year has been severely constrained but we are now able to complete the above due diligence in the coming months. A decision on whether or not to proceed with a processing change could be made later in 2010.

OUTLOOK

“While our financial results have not yet reached a satisfactory level, the Company is making strong progress in exploration and development, both in our own right and with our Joint Venture and Associate Company partners,” commented Bob McNeil, Chairman and CEO. “Our strengthened financial position will allow us to make further investments in production and exploration at the Sinivit Mine,” concluded Mr. McNeil.

For full details on the operating and financial results please consult the financial statements and management discussion and analysis for the three and six months ended June 30, 2010 available on SEDAR and on the Company’s web-site, For further information on NGG projects, contact Forbes West toll free at (888)655-5532, email forbes@sherbournegroup.ca, info@newguineagold.ca, or access our website – www.newguineagold.ca.

ON BEHALF OF THE BOARD

R.D.McNeil
CHAIRMAN & CEO

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