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## PRESS RELEASE

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### *New Guinea Gold Receives Independent Report for Sinivit Gold Project, Papua New Guinea*

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**Vancouver, BC - May 3, 2011** - New Guinea Gold Corporation (“NGG” or the “Company”) announces it has received the Technical Review for the Sinivit Gold Project that was prepared by Mining Associates Pty Limited (“Mining Associates”). Mining Associates is a geological and mining consultancy based in Brisbane, Australia. They specialize in providing clients with comprehensive reports on geology, mineral resources and exploration potential for mineral properties throughout Australia and the South Pacific region. Mining Associates was commissioned in February 2011 to prepare an independent technical review of the Sinivit Gold Project located in New Britain, Papua New Guinea (“Sinivit Project”). The April 18, 2011 report is based on a review of all technical data supplied by NGG and a total of six site visits over the past 12 months.

The Sinivit gold project is located 50 kilometers south south-west of Rabaul in the Baining Mountains of the Gazelle Peninsula, East New Britain Province, Papua New Guinea. It is covered by Exploration License EL 1140. The tenement encloses Mining Lease 122, which includes the Sinivit Gold Mine (“Sinivit”). The Company is currently mining gold oxide ore from a series of shallow open pits within the Sinivit vein system. EL 1140 covers the strike extensions of the vein system to the north and south of ML 122 as well as a number of other exploration targets for precious and base metals.

Management, in conjunction with Mining Associates, has formulated a strategy to define the potential of the Sinivit Project and to determine suitable processes for the extraction of metals from the oxide and sulphide mineralisation. The main characteristics and conclusions with respect to the Sinivit Project are reviewed below. A phased exploration and development program is recommended. The Phase 1 program could be partly financed from cash flow but the NGG Board is presently investigating possible financing arrangements to complete the entire program.

#### ***Objectives***

The Sinivit mineralized system has the potential to host a major ore body. The main potential is for a sulphide - hosted resource at depth below the known Sinivit and Kavursuki Zones and along strike to the south of the Sinivit Zone.

Definition of the system’s potential to host sulphide mineralization (copper/gold/tellurium/silver) and development of a process and mine plan for extraction of contained metals therein are the main objectives of the strategy forward.

A supplementary objective is to define the remaining minable oxide gold resource and quantify the unleached gold remaining in the existing vats/heaps (i.e. in ore already mined and crushed). The latter would require a change in the processing method (e.g. grinding plus CIP/CIL) to increase the recovery of gold and achieve more than 90% extraction.

#### ***Recommendations***

Mining Associates provided the following comments and recommendations regarding the existing resources and the exploration for new discoveries:

#### **Sinivit Resource and Extensions (see Figure 1 for locations of exploration areas)**

The vein system is present for about 10 km within the exploration and mining leases. Drilling should therefore test the lateral extent of known mineralization along strike and down dip, initially at wide spacing. In particular, the northern extension and the north sulphide zone are targets of interest.

The results of the recent 3D IP survey and exploration results at Kavursuki, when taken in conjunction with the previous mapping of geology and alteration and previous surface sampling, provide ample justification for a substantial drilling program and/or re-development program to achieve the following:

- Continued definition of oxide resources at Kavursuki. This represents the best opportunity for new, near mine oxide material for heap leaching.
- Test the Magiabe 3D IP anomaly (possible diatreme related copper gold mineralization).
- Test the Gorocho Hill anomaly (interpreted dilational jog offsetting the Sinivit structure)
- Test depth extent of sulphide mineralization below Sinivit and Kavursuki. The high sulphidation mineralization, mainly copper and gold, plus the Magaibe diatreme mineralization constitute the major unexplored potential of the Sinivit Project.
- Test the Sinivit structure to the south of the mine initially by trenching and drill hole fences, penetrating the clay alteration cap and targeting vuggy silica alteration.

#### New Metallurgical Process

The oxide ore from the current operations is processed via vat and heap leaching. There are, at April 10, 2011, 17 vats and three heaps containing approximately 330,000 tonnes of material (a further heap of approximately 20,000 tonnes was loaded in March 2011). Each vat has been leached with cyanide for varying time span with gold recoveries estimated by NGG of about 60%. As at April 10, 2011, the Company estimates there remain 26,000 ounces of cyanide recoverable gold in the vats/heaps.

In addition to the gold remaining in vats, approximately 23,000 ounces remain in unmined oxide resources at Sinivit and a significant resource may be defined at Kavursuki. This resource could equal the original Sinivit oxide resource. Mining Associates recommends that the Company complete a feasibility study re conversion of oxide gold processing from vat/heap leach to CIP/CIL or some variant thereof in order to extract the remaining unleached gold and dramatically increase recoveries from potentially minable mineralization at Kavursuki.

The 2010 metallurgical results also indicate that there is potential to add value by extracting tellurium from the existing vat material. In addition, any future sulphide ore treatment process should incorporate tellurium extraction through an appropriate circuit. (Should a sulphide resource be identified, a specific ore circuit will be required, probably a float circuit. Tellurium would require an acid leach extraction, and limestone or lime would be required so the gold can be subsequently leached using an alkali leach.)

#### **Conclusions**

The mineralization at Sinivit is considered to be an epithermal style vein system with both low and high sulphidation alteration and mineralization styles. Low sulphidation gold-telluride mineralization, which is the ore type currently being mined, was deposited within fractured silicified host rocks that are more typical of a high sulphidation system. The near surface oxide gold and/or primary gold/copper/tellurium mineralization have been defined in moderate detail over a length of 4km from the Mengmut zone in the south to the northern end of the Kavursuki zone. The central 1km strike length comprises the present Sinivit Mine area. The Sinivit structure, defined by erratic gold in quartz float, has been traced a further 8 to 10km south. Very limited exploration has been completed on this southern extension. The main mineralized zone structure which contains mineralization greater than 0.1g/t gold is of the order of 50m wide. In addition, in some locations, sub-parallel, narrower zones of mineralization have been located which extend the width of the overall zone of mineralization to 100m or more.

On the regional scale, the Sinivit vein system is hosted by the Nengmutka Volcanics, a flat-lying, epiclastic sequence of volcanic sandstone and conglomerate. The Nengmutka Volcanics are thought to represent a caldera margin deposit. There are indications from mapping and sampling (e.g. circular breccia targets with advanced argillic alteration) within the larger Sinivit property that the area may be prospective for large diatreme-related gold/copper mineralization at depth. The geological setting of Sinivit is interpreted as possibly analogous to that of the Wafi Deposit (Harmony/Newcrest) in mainland Papua New Guinea. Two main episodes of hydrothermal alteration and mineralization are recognized at Wafi; a porphyry copper system with classical temporally and spatially zoned alteration and mineralization and a later high sulphidation event during which gold was introduced. Low grade gold is disseminated throughout much of the alteration at Wafi; however, zones of more significant gold mineralization occur around the margins of the diatreme complex in cross-cutting, structurally controlled breccias and in distal settings aligned along the NNE-NE trending transfer structures. A recent drill intersection at Wafi intersected 883m at 2.15% copper and 2.23g/t gold from a depth down hole of 913m in the breccia style mineralization.

Sinivit oxide ore processing should be re-evaluated by way of a feasibility study to determine the viability, perhaps in conjunction with development of a sulphide resource, of extracting unleached gold in the vats/heaps and the remaining in situ oxide gold in a CIP/CIL or equivalent circuit.

The following programs have been recommended by Mining Associates, and are currently being reviewed by the Board of Directors and management:

**Phase 1 Program**

**A. Oxide Mineralization**

Definition of the Kavursuki oxide mineralization to a nominal depth of 50m	\$2,040,000
Further definition of oxide mineralization at Sinivit	\$200,000
Due Diligence/Feasibility re converting to CIP/CIL or similar process	\$500,000

**B. Sulphide Mineralization**

The initial drill testing at depth at Kavursuki	\$960,000
The initial drill testing at depth at Sinivit	\$960,000
Initial drill testing of geophysical anomalies	\$580,000
Initial exploration of the southern part of the Sinivit Structure	<u>\$1,090,000</u>

Total Phase 1 Program \$6,599,000

**Phase 2 and 3 Programs**

Phase 2 and 3 programs will depend on results of Phase 1, but would include construction of a new oxide recovery plant; definition of sulphide resources at Sinivit, Kavursuki, Magiabe and elsewhere on the project; feasibility to determine economics of a plant to extract metals from the sulphide mineralization.

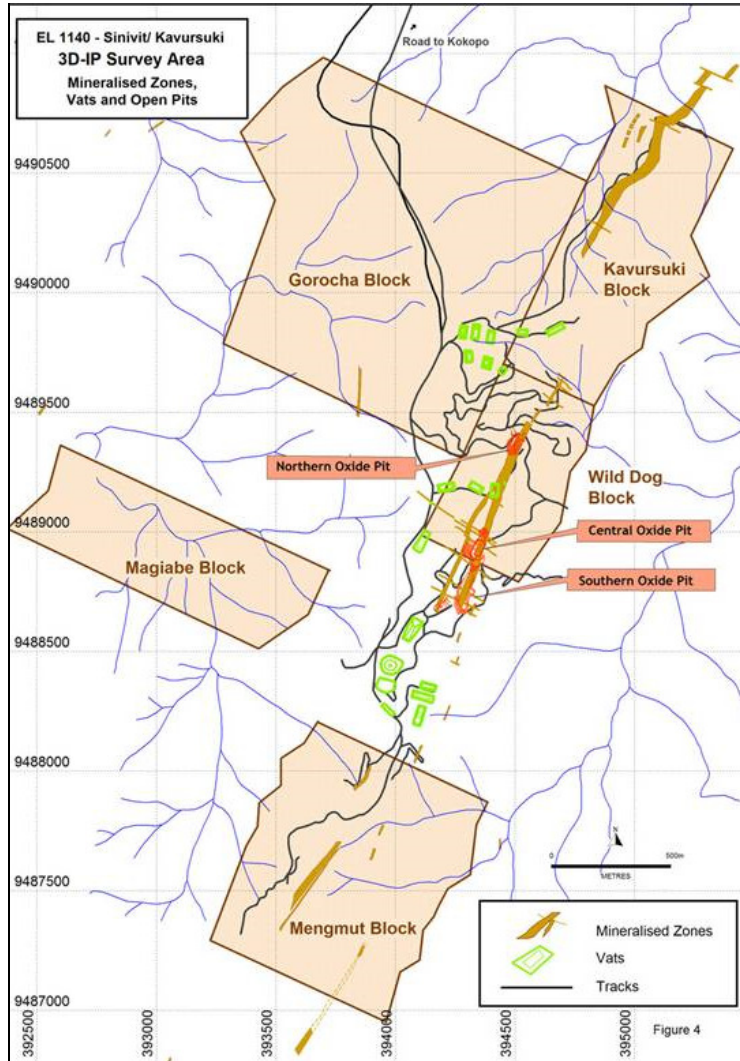


Figure 1: Location of Sinivit mine and processing infrastructure and Kavursuki Prospect

The information in this release was prepared under the direction of Robert D. McNeil a Fellow of the Australasian Institute of Mining and Metallurgy and a “qualified person” as defined by National Instrument 43-101. Mr. McNeil has read and approves the information contained herein.

For further information on this release or on other NGG projects such as the Sinivit Gold Mine, contact [info@newguineagold.ca](mailto:info@newguineagold.ca), or access our website – [www.newguineagold.ca](http://www.newguineagold.ca)

**About New Guinea Gold Ltd.**

In Papua New Guinea, NGG has EL-1140 gold with a producing gold mine known as the Sinivit Gold project. The property is located along the “Pacific Rim of Fire”, the active circum-Pacific volcanic belt that is host to large copper-gold porphyry systems (Grasberg, Ok Tedi, Panguna and Frieda River) and to a number of world class epithermal gold deposits, including the multi-million ounce deposits at Barrick’s Porgera and Newcrest Mining’s Lihir gold mines. Headquartered in Vancouver, Canada, NGG holds significant stakes in International Silver Ridge Resources, a TSX Venture listed company (TSXV:SR.H), Coppermoly Limited, an Australian listed security (ASX: COY). NGG’s shares are listed on the Toronto Venture Stock Exchange under the symbol NGG and on the Frankfurt Stock Exchange under the symbol: NG8.

ON BEHALF OF THE BOARD

**R.D. McNeil**  
**ACTING CEO**

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