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PRESS RELEASE

Mt Sinivit Mine – Leases and Licenses remain valid

Vancouver, BC – January 20th, 2012 – New Guinea Gold Corporation (“NGG” or the “Company”) announces that mining and processing at its Mt Sinivit operation is steadily returning towards full production. NGG has been progressing through the normal channels for the renewal of its main Mining Lease (ML122) and the associated leases and Exploration Licenses.

Due to the local Landowners’ disunity that process has been repeatedly delayed. NGG has now received formal advice from the Mineral Resource Authority (MRA) that the Leases and Licenses remain in situ and that mining activities can continue whilst the renewal process progresses. We have also been advised that the Prime Minister has directed that the Leases and Licenses be renewed forthwith. In doing so the PNG Government has flagged its desire for continuity and recognized the value of foreign investment to the PNG economy. The Prime Minister also complimented NGG and its associated entities for their long association with PNG and their continuing commitment to working and investing in the country.

Acting CEO Greg Heaney commented *“The Company is pleased with its progress towards resuming full production following the recent interruption. We appreciate the support we are receiving from the MRA and the Federal Government through the renewal process and look forwards to the successful conclusion of that exercise. We remain committed to working in PNG for the long-term betterment of all stakeholders associated with the mine and the company”*.

For further information on this release or on other NGG projects such as the Sinivit Gold Mine, please contact info@newguineagold.ca, or access our website – www.newguineagold.ca

ON BEHALF OF THE BOARD

Greg Heaney
ACTING CEO

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Forward Looking Statements - Certain information set forth in this news release may contain forward-looking statements that involve substantial known and unknown risks and uncertainties. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the control of NGG, including, but not limited to the impact of general economic conditions, industry conditions, volatility of commodity prices, risks associated with the uncertainty of resource and reserve estimates, currency fluctuations, dependence upon regulatory approvals, the availability of future financing and exploration risk. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements.

A copy of the National Instrument (“NI”) 43-101 compliant Technical Report by Mining Associates Pty Limited (“MA”) was filed on SEDAR. MA is an Australian based Mineral Resources Consultancy which is independent of NGG as defined in NI 43-101. Ian Taylor BSc (Hons), MAIG, MAusIMM(CP), who has over 17 years experience in the minerals industry served as the Independent Qualified Person responsible for the preparation of the independent report in accordance with NI 43-101.