LOGISTICAL REPORT

FOR

NEW GUINEA GOLD CORPORATION

RESISTIVITY / 3D INDUCED POLARIZATION (3DIP)

ON THE

SINVIT GOLD PROJECT

Baining Mountains of the Gazelle Peninsula

East New Britain Province, Papua New Guinea

4° 37' S 152° 2' E (AGD66)

SURVEY CONDUCTED BY
SJ GEOPHYSICS LTD.
MAY 2010

REPORT WRITTEN BY
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SJ GEOPHYSICS LTD.
JUNE 2010

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1. INTRODUCTION

A three-dimensional resistivity/induced polarization (3DIP) survey was conducted on the Sinivit Gold Project for New Guinea Gold Corporation (NGG). The project was located within the Baining Mountains of the Gazelle Peninsula of Papua New Guinea's East New Britain province.

The ground geophysical program consisted of five grids: Wild Dog Block, Kavursuki Block, Gorocha Block, Mengmut Block and Magiabe Block. SJ Geophysics Ltd. acquired approximately 34 linear kilometres of 3DIP data from mid April to mid May 2010. Initial data processing and quality control was performed in the field; final quality control and interpretation were completed by S.J.V. Consultants Ltd. in the Delta, BC, Canada office.

The objective of the geophysical exploration program at Sinivit is to assist the exploration company to determine if there is any additional gold mineralization in the region in order to extend the current mining operations. The Wild Dog, Kavursuki and Mengmut Blocks were surveyed with 100m spaced lines to achieve a bit more resolution around the mined region of known mineralization. The Wild Dog/Kavursuki Blocks were surveyed as a single grid and covered the Northern Oxide Pit. The grid extended from the pit to the northeast following the known mineralization trend. The Mengmut Block was located directly to the southwest of the mining operations. Both the Goracha and Magiabe Blocks were surveyed with wider spaced lines (200m) and longer survey traverses in order to achieve a greater depth of resolution in order to define any larger, yet unexplored targets that may be at depth.

This logistical report summarizes the operational aspects of the survey and the survey methodologies used. This report does not discuss any interpretation of the results of the geophysical survey.

2. Location and Grid Information

2.1. *Property Location and Access*

The Sinivit Gold Project is located 50 kilometres south-southwest of Rabaul in the Baining Mountains of the Gazelle Peninsula, East New Britain Province, Papua New Guinea (Figure 1). It can be accessed by road from the town of Kokopo (one hour drive) and port of Rabaul. The access route is via an all-weather road to Riet and then east along good quality, unsealed roads to the crew's accommodation at Temma camp.

Figure 1: Regional Map of Eastern Papua New Guinea and Sinivit Project

2.2. Geophysical Grid Description

All the geophysical grids surveyed on the Sinivit project were oriented northwest-southeast with an azimuth of 115 degrees compared to the UTM north (Figure 2). The thick dense tropical jungle required that all access, survey traverses and base lines to be cut using a machete. The grid was established (cut, chained and stationed) by local crews organized and managed by NGG. The terrain was steep and due to the tropical weather was always wet and very slippery. The local cutting crew surveyed a few reference stations for each line (along base lines, roads) with conventional survey methods and calculated the coordinates for these reference points based on the distances from the local mine reference station situated at the "Temma Pad" site. Survey stations were flagged every 25 metres using the chaining method and the approximate slope between two consecutive stations was measured using a clinometer.

To verify the coordinates and establish some control, the SJ Geophysics crew acquired some GPS readings of the stations with a Garmin GPSmap 60CSx. Given the thick tree cover, the GPS signal was very poor such that the GPS readings were not very trustworthy except for a few locations along access roads or the occasional clearing in the bush. As a result, the GPS points were only used for quality control and not in the actual calculation of the survey station locations. The surveyed reference stations per line provided by NGG, along with the slopes and the horizontal distances, were used to calculate the station locations in the UTM AGD 66 z56 projection/datum.

The survey grids presented topographic variations of approximately 400m with some regions that were difficult to traverse as a result of the steep, slippery conditions. Several roads were situated around the mining activities, thus giving good access to the Wild Dog, Kavursuki, Gorocha and Mengmut Blocks. Limited access was available for the Magiabe Block.

The Kavursuki Block was the northern extension of the Wild Dog Block. The two grids are continuous and for the most part can be considered as one: the Wild Dog/Kavursuki Block. This region focused on following a northeast trending mineralization zone from the main mine. The block is centered on an epithermal vein system running northeast-southwest with outcropping on the southern and northern portions of the block. The Wild Dog/Kavursuki Block consisted of 21 lines (labelled from 10000N to 12000N) spaced 100m apart and of lengths varying between 400 and 500m.

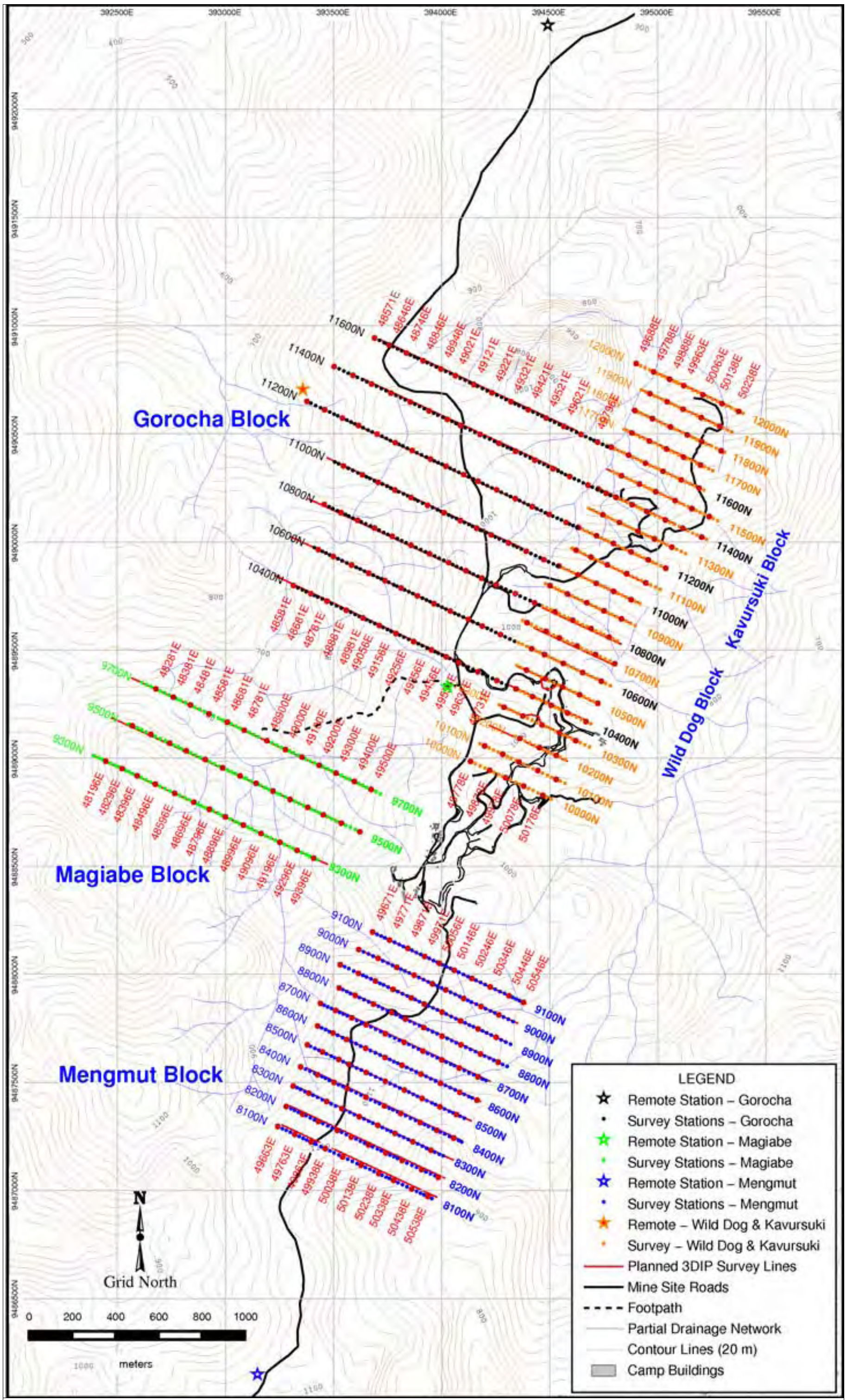

Figure 2: Sinivit Gold Project Grids

Wild Dog/Kavursuki Block, Gorocha Block, Mengmut Block, and Magiabe Block

The Gorocha Block was located to the west of the Wild Dog/Kavursuki Block. The initial grid was planned as seven lines (labelled 10400N to 11200N) spaced 200m apart and extending 1km in length. To improve depth of investigation and to allow a full 16 dipole array for the geophysical crew, the decision was made to extend the lines a few hundred metres to the southeast. The extension allowed the Gorocha lines to join up with every second line of the Wild Dog/Kavursuki Block. The Gorocha Block grid was finalized as seven lines extending 1600m, thus covering a good portion of the Wild Dog/Kavursuki Block.

The Mengmut Block was located to the south of the mining activities. The grid consisted of 11 lines (8100N to 9100N) spaced 100m apart and extended approximately 800m in length. The terrain was not as steep as some of the other grids with topographic variations of approximately 200m; however, short steep, slippery sections still existed.

The smallest grid, Magiabe Block, was focused on a magnetic high feature highlighted by a previous airborne survey and is a potential mineralized porphyry target. The grid consisted of just three lines spaced 200m apart and extended l200m in length. Lines were labelled 9300N, 9500N and 9700N. The only access to the grid was by foot.

3. Field Work and Instrumentation

3.1. Field Logistics

The complete geophysical project was conducted during the months of April and May 2010. For the duration of the survey the weather was mostly clear and sunny during the day with strong tropical showers in the late afternoon and evenings. The temperature varied between 25 and 35 degrees Celsius with very high humidity for the duration of the survey.

SJ Geophysics personnel consisted of two geophysical technicians/geophysicists for the acquisition of the survey. Alexandre Jego (geophysicist) and Alex Northey (geophysical technician) began the project. Alex Northey mobilized to another project on May 8th and was later replaced by Chris Hermiston (geophysicist) on May 9th. Chris eventually joined Alex Northey on a second project, leaving Alexandre alone for a few days. The two SJ Geophysics employees with several local helpers supplied by the New Guinea Gold formed the geophysical crew.

Alexandre Jego mobilized from Vancouver to Sydney, Australia where he joined up with Alex Northey. The two of them mobilized from Sydney to Port Moresby and then onto Kokopo where they met up with Lance and Bernard Seeto of New Guinea Gold on the 17th of April. Due to heavy rains in the region, the project area could not be accessed until the following morning.

On the 18th of April, the crew arrived on site and proceeded with a site visit. Along this visit few problems were noticed with the label system. Then they began preparations of the geophysical gear for surveying. The following day the SJ crew met up with their local helpers. A safety orientation and training of the local workers were conducted in the morning prior to the initial layout of the equipment in the afternoon. Acquisition of the geophysical data began on the 20th of April with work starting on the Wild Dog/Kavursuki Block.

Data acquisition on Wild Dog began with receiver (dipole array) line 10100N with currents being injected on the two adjacent lines 10000N and 10200N. Initially there was some confusion with the station labelling system being used. SJ Geophysics requested that the labelling of the stations be checked and re-chained in order to keep a consistent and accurate position of the stations. The survey progressed smoothly to the northeast despite the typical afternoon interruptions due to heavy rains. Part way through surveying the block, the transmitter staging site was relocated further northeast in order to improve radio reception between the transmitter operator and the field crew. The survey continued straight into the extension lines of the Kavursuki Block without any delays. By the end of these two survey blocks, approximately 21 lines totalling approximately 9.2km, were acquired with 25m dipoles using a 50m interlaced dipole array configuration. A detailed table of the surveyed lengths can be located in Appendix B and full details of the survey parameters for all the survey blocks will be covered in greater detail in Section 3.2 below.

The majority of the geophysical gear was retrieved from the Wild Dog/Kavursuki Block on April 29th. The remote currents were left since they could be used on the next surveyed grid, the Gorocha Block. The local helpers were given a days break on the following day as the SJ Geophysics crew members caught up on field processing and modified the geophysical gear for the larger 100m dipoles required for the Gorocha Block.

Field operations began on the Gorocha Block on May 1st, with the geophysical crew laying out the gear. The following day some acquisition readings were taken to determine the ground conditions and quality of the data. The geophysicist on site decided that the 200m interlaced dipole array provided better data quality for the conditions. The survey progressed from line 10400N and proceeded to the northeast to line 11600N.

During the acquisition of the first receiver set configuration on Gorocha, the geophysical crew noticed a low frequency background noise and some sporadic spikes within the measured signal. Upon investigation it was determined that the spikes were from lightning in the distance and that this noise was being stacked out and had no influence on the quality of the measurements. As for the low frequency signal, this was determined to be a beating of two generators being used in the region. Again the raw measured data demonstrated that measured values were not being influenced by this noise. On another occasion, the crew did gather some suspicious readings. These few readings were resurveyed to acquire cleaner data. Despite this one section of line that was resurveyed, the survey progressed smoothly until its completion on May 8th with the crew moving over to the Mengmut Block.

The crew started the Mengmut Block on the northeastern side and surveyed to the southwest from line 9100N to 8100N. The survey progressed without a problem, although a tired crew was given a day off to rest near the end of the surveyed block (May 14th). This allowed another day for the geophysicist to catch up on the field processing and plan the logistical move to Magiabe. After the day off, the crew finished up the grid in two days and proceeded mobilizing all the gear to the final grid, Magiabe.

With no real access to Magiabe, initial plans were to create a remote camp for the workers for the duration of this grid. The first two days the gear was transported by foot to the grid as well as temporary huts began to be established. Eventually, the idea to camp in these temporary huts was abandoned. However, the huts provided a good transmitter staging site. The survey was conducted from the main camp with a minimum 1 hour hike each way to access the survey area.

For this final grid, the line spacing was wide for the dipole size being acquired. To help improve on the near surface resolution, a third current line was acquired. The current injections for this third line was injected along the receiver line (similar to 2D operations).

The receiver operator noticed a decrease in the quality of data for the northwestern portion of the grid which became more evident as the current injection crossed over the mid section of the grid. A decision was made to resurvey a portion of the grid to improve the data. Therefore, the following day was dedicated to troubleshooting the receiver line to determine the source of the poor quality data and acquiring new data. Slight improvement in the data quality was noticed;

however, some dipoles still exhibited unusual data. The suspect data may be attributed to a distinct geological structure crossing the grid.

With the poor access it took another two days to retrieve all the gear back to main camp site. The SJ Geophysics personnel then organized all the gear and demobilized back to Kokopo on the 23rd to be transported to their next project within Papua New Guinea.

3.2. Survey Parameters and Instrumentation

An interlaced modified pole-dipole configuration for resistivity and induced polarization measurements (3DIP) was taken with various dipole spacings over the different survey blocks. The interlaced dipole array is essentially two dipole arrays recorded simultaneously on the same receiver line with one array offset from the other, effectively allowing station recordings at half the dipole size. For example, in a 100m interlaced array, the measured dipoles are 100m wide with 50m stations being used along the length of the array. Figure 3 illustrates the interlaced array.

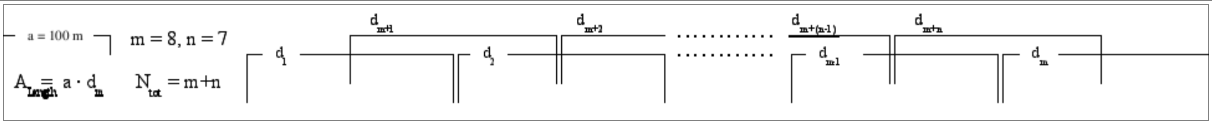

Figure 3: Sample of Interlaced Array

For the Wild Dog/Kavursuki Block, a 50m interlaced array was used to improve on the near surface resolution by increasing the number of data points measured over the lines. A 100m interlaced configuration with 15 measured dipoles was used on the Mengmut Block.

The Gorocha and Magiabe Blocks dipole arrays were configured using 200m interlaced arrays, with Gorocha measuring 15 dipoles for an array length of 1600m and Magiabe measuring 11 dipoles for an array length of 1200m. Unlike the Wild Dog/Kavursuki Block, the interlaced array was selected to increase the measured voltage potential at each dipole to improve the overall signal quality. Inversion modelling has shown that the 200m interlaced array provides very similar results to a 16 dipole array with 100m dipoles.

The potential array was connected using special 8-conductor cables in 200m or 400m sections with takeouts spliced at 25m, 50m or 100m depending on the station spacing requirements for each grid. The takeouts were then connected to short (50 cm) stainless steel electrodes and hammered into the ground at the appropriate stations. Data were collected using a

SJ-24 full waveform receiver and analyzed with proprietary software created by S.J.V. Consultants Ltd.

A GDD TX II transmitter was used to inject current on a 2 seconds on, 2 seconds off duty cycle. Current was injected at the current stations using a minimum of two stainless steel (75 cm) electrodes and if required more were used if the ground contact was poor. A listing of the instrument specifications can be located in Appendix C.

4. Geophysical Techniques

4.1. IP Method

The time domain IP technique energizes the ground with an alternating square wave pulse via a pair of current electrodes. During current injection, the apparent (bulk) resistivity of the ground is calculated from the measured primary voltage and the input current. Following current injection, a time decaying voltage is also measured at the receiver electrodes. This IP effect measures the amount of polarizable (or "chargeable") materials in the subsurface rock.

Under ideal circumstances, high chargeability corresponds to disseminated metallic sulfides. Unfortunately, IP responses are rarely uniquely interpretable as other rock materials are also chargeable, including some graphitic rocks, clays and some metamorphic rocks (e.g., serpentinite). Therefore, it is prudent from a geological perspective to incorporate other data sets to assist in interpretation.

IP and resistivity measurements are generally considered repeatable to within about five percent. However, changing field conditions, such as variable water content or electrode contact, reduce the overall repeatability. These measurements are influenced to a large degree by the rock materials near the surface (or, more precisely, near the measuring electrodes). In the past, interpretation of a traditional IP pseudosection was often uncertain because strong responses located near the surface could mask a weaker one at depth.

4.2. 3DIP Method

Three dimensional IP surveys were designed to take advantage of the interpretative functionality offered by 3D inversion techniques. Unlike conventional 2DIP, the electrode arrays are no longer restricted to an in-line geometry. In the standard 3DIP configuration, a receiver array is established along a survey line while current electrodes are located on two adjacent lines. Current electrodes are advanced along the adjacent lines at fixed increments (25, 50, 100 or 200 m). A typical receiver array consists of 12 to 16 dipoles separated by the same interval as the current lines or by some multiple of that interval. These spacings are sometimes modified to compensate for local conditions, such as inaccessible sites and streams, or the overall conductivity of ground. Receiver arrays are typically established on every second line. By injecting multiple current locations to a single receiver electrode array, data acquisition rates are significantly improved over conventional surveys.

Respectfully Submitted,
per SJ Geophysics Ltd.

Alexandre Jego
Geophysics, M.Sc.

Shawn Rastad
Geophysics, B.Sc.

APPENDIX A – STATEMENT OF QUALIFICATIONS

Alexandre Jego

I, Alexandre Jego, of the city of Vancouver, British Columbia, Canada hereby certify that:

- I graduated September 2008 with a M.Sc. in Geophysics from Ecole et Observatoire des Sciences de la Terre de Strasbourg I (School and Observatory of Earth and Sciences) in Strasbourg, France
- I have been working in the mineral exploration industry since May 2008.
- I have no interest in the Sinivit property, New Guinea Gold Corporation or in any property within the scope of this report, nor do I expect to received any.

Signed by: _________________________

Alexandre Jego
Geophysics, M.Sc.

Shawn Rastad

I, Shawn Rastad, of the city of Coquitlam, British Columbia, Canada hereby certify that:

- I graduated from the University of British Columbia in 1996 with a Bachelor of Science majoring in Geophysics.
- I have been working in the oil and mineral exploration industry since 1997.
- I have no interest in the Sinivit property, New Guinea Gold Corporation or in any property within the scope of this report, nor do I expect to received any.

Signed by: ________________________

Shawn Rastad
Geophysics, B.Sc.

Appendix B– 3DIP Summary Table (acquired)

The station labels were assigned their name from the exact distance from the reference point and then incremented based on the chained distance (25m). This resulted in the stations labels having inconsistent numbering from line to line. The distances below are the approximate surveyed lengths.

Wild Dog/Kavuruski Block

Line	*Types*	*Start station*	*End Station*	*Surveyed length*
10000N	Tx	49778E	50199E	425
10100N	Rc	49810E	50200E	400
10200N	Tx	49916E	50228E	300
10300N	Rc	49860E	50260E	400
10400N	Tx	49813E	50238E	425
10500N	Rc	49813E	50213E	400
10600N	Tx	49749E	50249E	500
10700N	Rc	49771E	50171E	400
10800N	Tx	49787E	50212E	425
10900N	Rc	49800E	50200E	400
11000N	Tx	49775E	50225E	450
11100N	Rc	49844E	50244E	400
11200N	Tx	49773E	50273E	500
11300N	Rc	49824E	50224E	400
11400N	Tx	49801E	50376E	575
11500N	Rc	49802E	50202E	400
11600N	Tx	49728E	50253E	525
11700N	Rc	49796E	50196E	400
11800N	Tx	49771E	50272E	500
11900N	Rc	49806E	50206E	400
12000N	Tx	49688E	50288E	600

Total linear meters = 9225m

Gorocha block

For the Gorocha Block extensions, the overlapping line segments with the Wild Dog/Kavuruski Block kept the station labelling values that were assigned for the Wild/Dog Kavursuki Block. This led to some inconsistent sequencing of the stations lines when it crossed over at the junction of the two blocks.

Line	***Types***	***Start station***	***End Station***	***Surveyed length***
10400N	Tx	48581E	50238E	1650
10600N	Rc	48611E	50174E	1600
10800N	Tx	48562E	50212E	1600
11000N	Rc	48694E	50125E	1600
11200N	Tx	48311E	50298E	2100
11400N	Rc	48603E	50101E	1600
11600N	Tx	48571E	50178E	1800

Total linear meters = 11950m

Mengmut Block

Line	***Types***	***Start station***	***End Station***	***Surveyed length***
8100N	Tx	49663E	50563E	900
8200N	Rc	49650E	50450E	800
8300N	Tx	49647E	50497E	850
8400N	Rc	49686E	50486E	800
8500N	Tx	49613E	50513E	900
8600N	Rc	49642E	50442E	800
8700N	Tx	49594E	50519E	925
8800N	Rc	49696E	50496E	800
8900N	Tx	49622E	50547E	925
9000N	Rc	49692E	50492E	800
9100N	Tx	49696E	50546E	850

Total linear meters = 9350m

Magiabe block

9300N	Tx	49421E	48621E	1200
9500N	Rc, Tx	48230E	49538E	1300
9700N	Tx	48206E	49550E	1350

Total linear meters = 3850m

Remotes Current Stations (used for the Sinivit project)

Grid Name	Remote name	Easting (UTM AGD66Z56)	Northing (UTM AGD66Z56)
Wild Dog/Kavursuki	11301N/48301E	393357	9490706
Gorocha	13201N/48550E	394491	9492390
Mengmut	7001N/49650E	393147	9486150
Magiabe	10281N/49500E	394028	9489330

APPENDIX C – INSTRUMENT SPECIFICATIONS

SJ-24 Full waveform digital IP receiver

Technical:	
Input impedance:	10 MΩ
Input overvoltage protection:	Up to 1000V
External memory:	Unlimited readings
Number of dipoles:	4 to 16+, expandable
Synchronization:	Software signal post-processing user selectable
Common mode rejection:	More than 100 dB (for Rs =0)
Self potential (Sp):	Range:-5V to + 5V Resolution: 0.1 mV Proprietary intelligent stacking process rejects strong non-linear SP drifts
Primary voltage:	Range: 1μV – 10V (24 bit) Resolution: 1μV Accuracy: typically <1.0%
Chargeability:	Resolution: 1μV/V Accuracy: typically <1.0%
Four-dipole digitizer:	
Dimensions (HWD):	18 x 16 x 9 cm
Weight:	1.1 kg
Battery:	12V external
Operating range:	-20 to 40°C

GDD TX II IP transmitter

Input voltage:	120V / 60 Hz or 240V / 50Hz (optional)
Output power:	3.6 kW maximum
Output voltage:	150 to 2200 V
Output current:	5 mA to 10 A
Time domain:	1, 2, 4, 8 second on/off cycle
Operating temp. range:	-40° to +65° C
Display:	Digital LCD read to 0.001 A
Dimensions (h w d):	34 x 21 x 39 cm
Weight:	20 kg