NEW GUINEA GOLD Corporation

Web Site: www.newguineagold.ca

NEW GUINEA GOLD PROVIDES SITUATION UPDATE

Vancouver, BC – November 20, 2015 - New Guinea Gold Corporation ("NGG" or the "Company") wishes to provide the following update on its current situation.

Sinivit Mine History

NGG developed the gold mine in 2006 and production commenced in 2007 under a five year mining lease no.122. In December 2011 disgruntled landowners seized the mine resulting in disruptions to the mine and loss of production for three months. The initial ML122 expired in February 2012.

On May 17, 2012 the government of PNG granted the extension of the Mining Lease 122 for a period of ten years.

Court Proceedings & Decision

In late 2012, the East New Britain Provincial Government (ENBPG) and Uramot Company Limited, a landowner entity commenced legal proceedings against the PNG Government and its agencies in the National Court of PNG. The proceedings sought a judicial review of the decision to grant NGG it's ML122 renewal. NGG was named a sixth respondent in this case behind the Minister for Mining and Mining Resource Authority ("**MRA**") and others.

On November 27, 2013 a judgment was entered in favour of the Plaintiffs. The following judgment was entered:

1. The application for Judicial Review was upheld;

2. A declaration that the decision of the Mining Minister to grant an extension of the Mining Lease no.122 to NGG on May 17, 2012 was in breach of the requirements and processes prescribed by the provisions of Part VI of the Mining Act 1992 and therefore null and void;

3. An order quashing the decision of the Mining Minister to grant an extension of the mining lease no. 122 to NGG on May 17, 2012;

4. An order for the Government and its agencies to rescind the decision to renew ML 122 and to reconsider and determine NGG's application for extension in accordance with Mining Act 1992;

5. An order restraining the government and its agencies and NGG from acting further on the extended mining lease no.122 until the reconsideration of NGG's application for extension is determined; and

6. Costs to be paid by the respondents

Impact of Court Decision

The Court orders were entered on February 11, 2014 and served on NGG. Effective immediately NGG lost legal title to its ML 122. The restraining order prohibited the respondents from acting further on the ML 122 until a new application by NGG was determined.

As a direct consequence of the court orders NGG commenced shutting down its processing of the vats with production shut down completed by May 2014. Cash flow from operations ceased completely thereafter. The mine site was prepared for limited care and maintenance, staff laid off and surplus assets sold to meet site preparation and holding costs.

The Company also recommenced the renewal process with the MRA as ordered by the Court.

The Company informed the government in a series of correspondences and formal briefings with the MRA, the Minister for Mining and the Prime Minister of problems it was facing and the issues that would affect the mine, especially the environmental consequences if the State did not step in. To date no formal response has been received from the government.

The Mine Manager departed the mine in early September 2014 and the site went into forced and limited care and maintenance mode under the deputy mine manager. The Company has experienced looting and damage to the vats and sustained threats to the remaining staff on site. In June 2015 the site was overrun by locals and operational buildings burnt down and assets looted and damaged. The remaining staff fled the site in fear of their lives. We have formally notified the MRA and government that NGG has withdrawn from site.

The consequence of the quashing of the legal title ML no.122 has had a profound impact on the ability of the Company to secure funding from external sources. NGG has been in discussions with five investor groups interested in the project over the last 15 months. Unfortunately, all these groups have walked away because of the uncertainty over restoring legal title of ML no.122 to the Company.

The Company has complied with provision of all other relevant information requested by MRA to reconsider NGG's renewal application with the exception of the financial ability of the Company to advance its development plans for phase two of the project. The Company maintains that its financial standing has been prejudiced by the loss of its only asset as predetermined by the court decision quashing its legal title to the mine.

On July 3, 2015 the Company received formal notice from the Mining Minister giving notice of the minister's intention to refuse grant of the extension of ML no.122 to NGG following a recommendation by Mining Advisory Council ("**MAC**"). On July 20, 2015 the Company formally responded to the Minister's notice and the six reasons behind the intention to refuse grant. These reasons include:

1. NGG has not demonstrated that it has the financial capacity to continue to operate the mine, change the mining method or conduct exploration to support resource estimations for the extended lease period requested being ten years, or at all.

   NGG Response:

   The abrupt loss of legal title to our ten year mining lease as result of the Court order and the failure of the Minister to reconsider our renewal application on a timely basis has contributed materially to the fate of the Sinivit Mine. The Company's technical and financial plans for phase two of the project could not be realized. As financial capacity is inextricably linked with the asset therefore a loss of legal title to that asset has directly caused an immediate and continuing loss in financial capacity.

2. NGGL or NGGC has been able to produce audited financial statements stating each entity's financial status. NGGC is suspended from trading.

   NGG Response:

   Unaudited quarterly accounts for NGGL to March 31, 2014 were submitted to MRA. Production ceased after court order so no trading activity to report. NGGC's financial statements remain incomplete and unable to be audited because of the significant and material change being the loss of its only mine asset and the court order to reconsider the application. NGG's own cease trade order protects investors and allows the PNG government to comply with the orders to consider the renewal application.

3. The tenement holder appears to have been unable to pay its debts since 2012 when a critical cash shortfall was reported in March 2012 to the TSX and the creditors were at a significant and increasing level with no change to date.

   NGG Response:

   The "critical cash shortfall" as reported was attributed to the disruption to the mine operations by landowners in December 2011. All creditors had been fully informed of the situation and have worked with the Company to date.

4. While two new investors had been reported to be prepared to enter into commercial arrangements with the applicant to provide funding during 2014 and 2015, no new investor has been prepared to proceed.

   NGG Response:

   NGG has had more than five potential investors that have undertaken due diligence to fund the Company into phase two mining of the project. Unfortunately, the issue of legal title and uncertainty over renewal has led these groups to walk away from completing any deal.

5. The mine ceased operations in September 2014, upon the departure of its registered mine manager, without following due regulatory process. The mine remains under unapproved production suspension, without approved mine management and in breach of its approved proposals for Development. Breach notices have been issued.

   NGG Response:

   There is a court injunction preventing any dealing in the mine. NGG's legal tenure as title holder has been quashed by the court and we have been forced to close down operations in compliance of the Court orders restraining NGG from any dealings on the property. The MRA, MAC and the Government have failed to fully comprehend the situation and instead continued to seek specific performance from NGG for obligation that would only arise if NGG was the holder of legal tenure.

6. The Tenement holder has also been issued breach notices under its Environmental permit. In addition it has failed to undertake its downstream monitoring obligations for a significant period. Safety and environment issues have been raised on the basis of a lack of supervision and security on site. A deputy mine manager retained to provide some supervision has left the site.

NGG Response:

While under no legal obligation to do so, NGG continued its monitoring of vats as required under its environmental permit. Treated water has always been retained within the mining lease. Previous discharge into the environment has always been undertaken in full consultation and supervision by the Department of Environment and Conservation as stipulated under license regulations when the mine was in production. Following the court injunctions NGG has lost control of the site and looting and destruction of the property by landowners has resulted. NGG has been forced to abandon the mine site and formerly notified the Government.

To date, the Minister has not formally made a decision to refuse the extension of the ML 122 to NGG as indicated in his letter to the Company dated July 3, 2015. The Company has been subjected to various questions raised in the PNG National Parliament in early November 2015 pertaining to the abandoned site and its environmental record. The Company maintains that it has only complied with the Court injunctions to cease dealing with the mining lease. NGG has been stripped of its legal title to ML 122 and therefore has no legal basis to conduct any activity whatsoever on the mine until such time as the decision to grant the extension to NGG or otherwise is made by the PNG Government.

While the Company continues to assess all legal avenues available, including the commencement of litigation against the Minister of Mines, it very much hopes that a commercial settlement can be reached with the State under which the mine will be included under the new Kumul Mining structure and third party financing for phase two mining secured with the assistance of NGG.

We remain committed to exploring all options for the orderly stewardship of the Sinivit Mine with the PNG Government.

ON BEHALF OF THE BOARD

Ces E. Iewago

Chairman

For further information, please contact info@newguineagold.ca, or access our website – www.newguineagold.ca.

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