Fundamental Research Corp.

Investment Analysis for Intelligent Investors

Siddharth Rajeev, B.Tech, MBA
Analyst

Martha Buckwalter-Davis, BA (Geology)
Research Associate—Mining and Energy

Kevin Liu, BBA, BSc
Research Associate

April 1, 2008

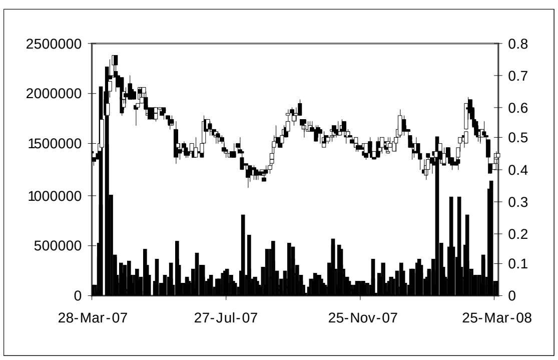
New Guinea Gold Corp. (TSX.V: NGG) – Corporate Reorganization

Sector/Industry: Junior Mining **www.newguineagold.ca**

Market Data (as of April 1, 2008)

Current Price	C$0.41
Fair Value	C$0.75 (↓)
Rating*	BUY
Risk*	4 (Speculative) (↑)
52 Week Range	C$0.335 - C$0.760
Shares O/S	155,962,480
Market Cap	C$63.94 million
Current Yield	N/A
P/E	N/A
P/B	3.37
YoY Return	-4.7%
YoY TSXV	-21.8%

*see back of report for rating and risk definitions



Investment Highlights

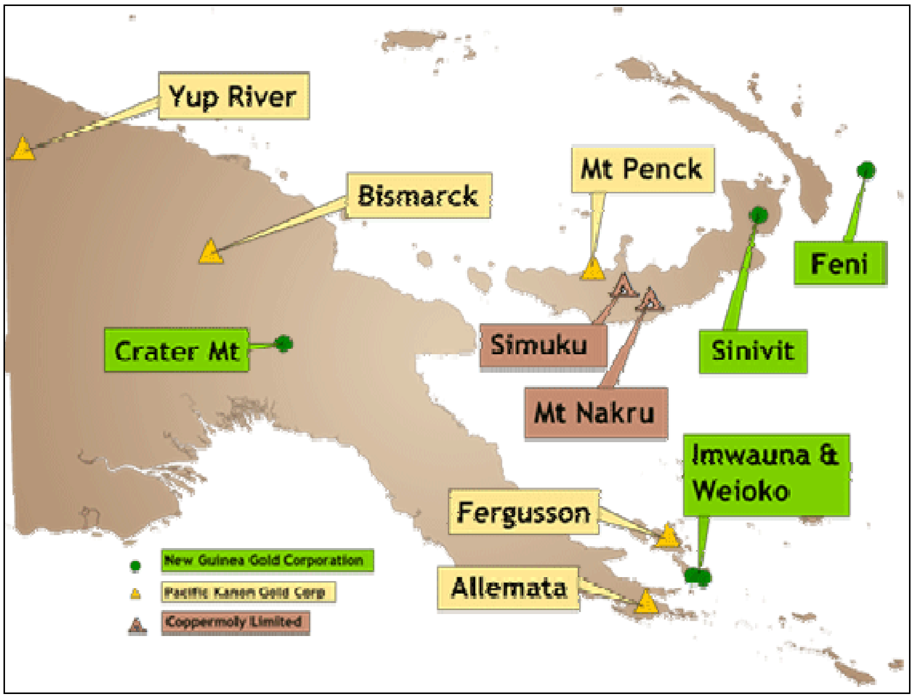
- Full scale production is expected in Q2-2008 at Sinivit.
- Drilling results at Imwauna and Weioko continue to highlight the potential of this region for a large gold deposit.
- The preliminary prospectus for Pacific Kanon Gold Corp. has been filed. Pacific Kanon plans to list on the TSX Venture Exchange.
- Coppermoly was listed on the Australian Stock Exchange in January 2008.
- NGG will retain an approximate 30% equity interest in Pacific Kanon and 50% interest in Coppermoly.
- Our valuation dropped from $0.80 per share to $0.75 per share primarily due to share dilution.
- We have lowered our risk rating from 5 (Highly Speculative) to 4 (Speculative).

Key Financial Data (FYE - December 31)				
(C $)	**2004**	**2005**	**2006**	**2007 (9 mon)**
Cash	4,980,293	1,700,535	1,455,512	2,078,388
Working Capital	5,146,570	1,447,983	991,436	434,576
Mineral Prop. & Mine Dev.	2,081,433	4,053,188	12,222,257	15,808,343
Total Assets	8,315,892	7,445,855	16,150,638	21,550,167
Net Income	(855,840)	(2,434,467)	(1,296,170)	(1,713,760)
Loss per Share	(0.02)	(0.04)	(0.01)	(0.01)

New Guinea Gold (NGG) is focused on a number of properties in Papua New Guinea. They began production at Sinivit in late April 2007, and will utilize revenues to fund exploration on its other key properties. The company is planning to spin off seven of its properties into two separate entities in 2007.

Company Overview

Full-scale production equaling approximately 36,000 ounces of gold per year will be achieved at Sinivit in Q2-2008. The operation is expected to be highly profitable, with operating cash costs less than $200/ounce of gold. Coppermoly Ltd. has been formed and commenced trading on the Australian Stock Exchange in January 2008. The preliminary prospectus for Pacific Kanon Gold Corp. has been filed in Canada. This leaves the company to focus on Sinivit, Imwauna, and Weioko. They will also maintain two joint ventured properties: Feni and Crater Mountain. Pacific Kanon and Coppermoly Ltd. (ASX: COY) plan to raise approximately $30 million to substantially increase exploration on these remaining, highly prospective properties.



The location of New Guinea Gold's 12 properties.
Source: New Guinea Gold

Sinivit Gold Property

Property Overview: The 92% owned Sinivit property is New Guinea Gold's most advanced project and commenced plant commissioning in late April 2007. At this time, the company is only planning to mine the oxide resource on the property. Thus, the currently projected mine life of the resource is less than three years including inferred resources.

Mine Design: New Guinea Gold is using a vat leaching system for gold recovery. This process is used for oxide ores with coarse gold that is not grind sensitive. Vat leaching is similar to heap leaching: coarsely crushed ore is contained within a vessel or other impermeable containment, and is flooded with a cyanide solution. The gold bearing solution is then collected and processed. Using vat leaching will save on grinding, processing, and tailings disposal costs for the company.

In March 2008, the company transitioned to commercial production in conjunction with the filling of Vat 2. Leaching of material in Vat 1 began in October. Construction of Vats 1C and 3 are continuing with Vat 3 still to be lined. With the filling of Vat 2, the company expects to achieve full-scale production in Q2-2008.

Source: New Guinea Gold

Current Developments: The company began plant commissioning in late April and celebrated their first gold pour in July 2007. Their production schedule has been delayed by a number of factors, including weather and the death of the mine manager, but we are confident that these delays have been dealt with and that full-scale production is imminent. Vat 1 is currently in production and Vats 1C, 2 and 3 will be brought into production by March/April in conjunction with increasing production to 3,000 ounces/month. The majority of the ore required for the commissioning of Vats 2 and 3 has been stockpiled.

The company is estimating a cash operating cost of less than US$200/ounce at an operating rate of 3,000 ounces/month. This is a very good operating cost, especially in light of recent gold prices greater than $850/ounce.

First Gold Pour

Vat Construction and Lining

Source: New Guinea Gold

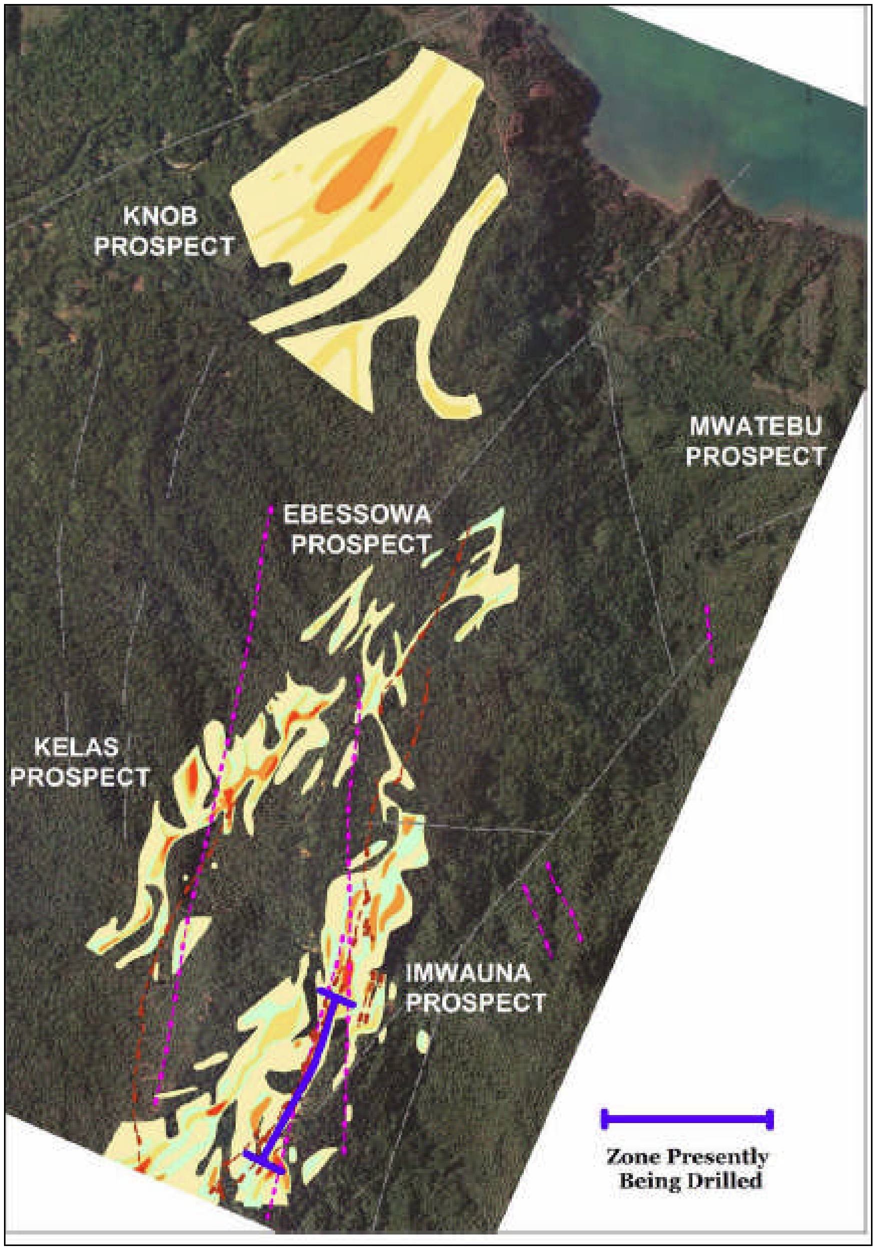
2007 Drilling Results at Sinivit

The company has continued the reverse circulation drilling program on the Southern Oxide pit in conjunction with development and production activities. At least 120 holes have been announced to date. This drilling continues to improve the gold grades and knowledge of the pit, and has identified a high-grade core within the Southern Oxide Pit that was not accounted for in the NI 43-101 compliant resource estimate.

Resource Estimate: A NI 43-101 compliant indicated mineral resource of 306,400 tonnes having an uncut grade of 5.3 g/t Au (4.0 g/t Au cut) has been estimated for the Southern, Central and Northern Oxide zone pits, the only resource that NGG is planning to mine at this time. The close spaced drilling of the Southern and Central Oxide zones would normally qualify as a measured resource. However, the topography made the drilling of regularly spaced holes difficult and thus the mineral resource is classified as indicated.

Resource	Zone	Classification	Tonnage	Grade (g/t)	Ounces
Indicated	Oxide	Low Cu-Und	413,100	4.40	58,000
Indicated	Oxide	High Cu	98,000	4.00	12,700
Indicated	Sulfide		201,600	9.42	61,000
Inferred	Southern Oxide	Low Cu-Und	11,200	3.81	1,400
Inferred	Central Oxide	Low Cu-Und	76,900	4.43	10,900
Inferred	North Oxide	Low Cu-Und	15,500	4.98	2,500
Inferred	Kavursuki		219,300	2.10	14,800
Inferred	Northern Sulfide		16,700	9.97	5,400
Resource that will be mined					

Potential: New Guinea Gold will continue exploration on the Sinivit property and is drilling there to expand their resource to extend the project's mine life. They expect to release a new NI 43-101 compliant resource estimate in 2008.



The Imwauna project is the company's priority for resource delineation. This project is considered to be prospective for a multi-million oz deposit.
Source: New Guinea Gold

Normanby/ Imwauna Property

Property Overview: The 100% owned Normanby Island property is located on a small island off the east coast of the main New Guinea island. There are 20 named prospects, including Imwauna. We believe these groups of properties, especially Imwauna, are perhaps New Guinea Gold's most exciting prospects. The excellent gold grades, potential for further mineralization, and location are all assets to this project.

Geology and Mineralization: Mineralization on the Imwauna property is epithermal quartz gold veins with disseminated gold mineralization in soils. Exploration thus far has defined a north trending zone that is between 1 – 2 kilometers wide and 4 kilometers in strike length. IP Geophysics also identified the Knob Prospect, a large disseminated mineralization deposit located at the northern end of the property, separate from the main zone at Imwauna.

Current Developments: The company is expecting to release a NI 43-101 compliant resource on this property in August 2008. This will include drilling from 2007 to expand the deposit size and upgrade the resource.

The company has continued to release drilling results since our last report that have expanded the known area of mineralization in Imwauna Main by 300 meters to the north and 300 meters to the south. These results include 87.50 g/t gold over 0.10 meters within 19.88 g/t gold over 0.55 meters. The grades are excellent but the width is narrow, meaning some dilution is likely in attempting to mine a vein at <1 meter width. In general, they continue to delineate a high-grade stockwork and vein system. Drilling is continuing on a number of prospects, including Ebessowa. The company is drilling to add resources in the inferred category. **We believe there is still very great resource expansion potential at Imwauna and that a number of excellent targets remain underexplored.**

Resource Estimate: This property has a historic, non NI 43-101 compliant inferred resource estimate of 990,000 tonnes at 6.1 g/t gold and 12 g/t silver, equaling 194,000 ounces of gold. This resource was calculated by Macmin Silver Ltd (ASX: MMN) based on 1,204 meters of drilling in 15 holes in the late 1990s. According to management, the company is targeting an initial resource of 2.5 - 5 million tonnes at 8 g/t gold. The potential for a Misima sized orebody of 4 - 5 million ounces of gold has been discussed, and is the company's longer-term target for the deposit.

We believe the high-grade drilling results indicate great potential for a resource at Normanby/Imwauna. Based on the company's drilling results and the known dimensions of the vein, we have calculated a preliminary resource estimate using conservative factors. This resource is 3.15 million tonnes of ore grading 8 g/t gold and 12 g/t silver equaling 810,211 ounces of gold and 1.22 million ounces of silver. For our valuation, we will treat our calculation as an inferred resource and will be discounted by 50% for valuation purposes.

Potential: Management estimates that only 15% of the mineralized portion of the property has been drilled. We believe, as does management, that this property's potential, including its very high-grade ore and Misima style mineralization, gives it a strong possibility of acquisition by a larger mining company. Thus, the company may consider selling the property rather than putting it into production.

Sehulea/ Weioko Property

Property Overview: The 100% owned Weioko property is located adjacent to the Imwauna property, and was acquired by the company based on their successful exploration of Imwauna.

Current Status: The company has completed an eight hole drilling program at Weioko. The results of seven holes have been released. These results identify high-grade narrow veins within a broader disseminated zone grading 0.5-2 g/t gold. Like the Imwauna deposit, the mineralization is near surface and may be amenable to low cost open pit mining. The company plans to aggressively drill the Sehulea property in 2009, and release a preliminary NI 43-101 compliant resource estimate based on drilling to date early in 2009. The drilling results above 0.5 g/t gold were released in October 2007, and are outlined in the table below.

Drill Hole ID	**Interval (m-m)**	**Width (m)**	**Gold, Silver (g/t)**
WEH039	5.7-13	7.3	2.46, 7
including		1.3	7.49
and	27-28.6	1.6	14.15, 44
WEH041	34.6-35.6	1.0	5.96, 10
and	44.9-57.3	12.4	1.40, 12
WEH042	91.9-93.6	1.7	3.34, 2
WEHO43	17.4-20.1	3.3	3.35, 2
and	27-30	3.0	1.17, 4

Resource Estimate: This property has a historic inferred resource estimate of 1.7 million tonnes at 1.36 g/t gold and 12.3 g/t silver equaling 75,000 ounces gold and 676,000 ounces silver. As with other properties, this resource was calculated in accordance with Australia's Joint Ore Reserves Committee (JORC) code, which is roughly equivalent to NI 43-101. However, this resource is still not NI 43-101 compliant.

Corporate Reorganization

New Guinea Gold is spinning off seven of their properties into two separate companies, to focus on the three core properties listed above. The company will maintain a strong equity interest in the new companies. A preliminary prospectus has been filed for Pacific Kanon Gold Corp. in Canada. Coppermoly Ltd. has been listed and is trading on the Australian Stock Exchange under the symbol COY.

Coppermoly Ltd.: The Simuku and Mt. Nakru copper-molybdenum porphyry properties have been transferred into Coppermoly Ltd, a newly formed Australian company. NGG's chairman and CEO, Bob McNeil, has joined the board of Coppermoly as a non-executive Chairman. A prospectus was filed in October 2007 in conjunction with its public offering. The sponsors are Novus Capital, South Pacific Securities, VSA Capital, and other Australian brokers. The offering consists of a maximum of 80 million shares at a price of AUD 0.25/share. Coppermoly's IPO was listed on the Australian Stock Exchange on January 31, 2008. New Guinea Gold will have a direct 46.67% interest in Coppermoly after the IPO. They have an indirect interest through Pacific Kanon of 5.8%, which will reduce to approximately 3.8% after the IPO. 29% of these shares were granted as payment for the titles to the Simuku and Mt. Nakru properties and will be held in escrow for two years. 17% of these shares were invested in Coppermoly directly by New Guinea Gold.

Coppermoly is actively working on the properties and expects to commence drilling at Simuku in April 2008.

Pacific Kanon Gold Corp: This company will purchase all the shares of Kanon Resources Ltd., a Papua New Guinea company jointly held by New Guinea Gold and Vangold

Resources Ltd. (TSXV: VAN). A preliminary prospectus was filed on August 31, 2007 in conjunction with its public offering. The agent is Bolder Investment Partners Ltd. The offering is expected to consist of a minimum of 17.5 million units and a maximum of 25 million units at a price of $0.40/unit. Each unit consists of one common share and one half of a share purchase warrant. One whole warrant entitles its owner to purchase one common share at $0.50/share for a period of 12 months. Pacific Kanon Gold Corp. plans to list on the TSX Venture Exchange. New Guinea Gold plans to maintain an approximate 30% interest in Pacific Kanon.

Pacific Kanon is primarily focused on the advancement of the Mt. Penck property (80% owned), but will also hold the Bismarck, Yup River, Fergusson, Allemata, and Mt. Nakru properties ranging from early to advanced stage exploration. Mt. Penck is being drilled and a NI 43-101 compliant resource estimate is expected in late 2008.

Management Changes

The company has made the following changes to their management and board of directors. Mr. Wayne Johnston, former VP of Operations has been appointed Chief Operating Officer for Papua New Guinea. Mr. Eric Namaliu has been appointed Mine Manager for Sinivit. Jack Drzymulski has been appointed VP of Exploration, replacing Doug Hutchinson who becomes Chief Operating Officer for Pacific Kanon Resources and Coppermoly Ltd. Dr. Salaam Malagun has been appointed as the chief geologist and project manager for Imwauna, which is the company's priority property at this time. The biographies of new management follow.

Mr. Wayne Johnston - Chief Operating Officer
Wayne has a successful PNG business and mining/exploration services background, having worked and lived in PNG for more than 30 years. He has a strong administrative background, was formerly part owner of an assay laboratory in PNG, and worked for Kennecott in Indonesia and PNG.

Mr. Eric Namaliu - Mine Manager for the Sinivit Gold Mine
Eric has a degree in Civil Engineering from PNG Unitech, a degree in Engineering Geology from the University of New South Wales (Australia), and a Diploma in Mining and Mineral Engineering, also from the University of New South Wales. He is a certified Mine Manager. Eric held positions with Bougainville Copper from 1979 to 1989 and with Ok Tedi Mining from 1991 to 2006. At Ok Tedi he held positions of Senior Geotechnical Engineer, Mine Pit Superintendent, Mine Operations Manager and Registered Mine Manager.

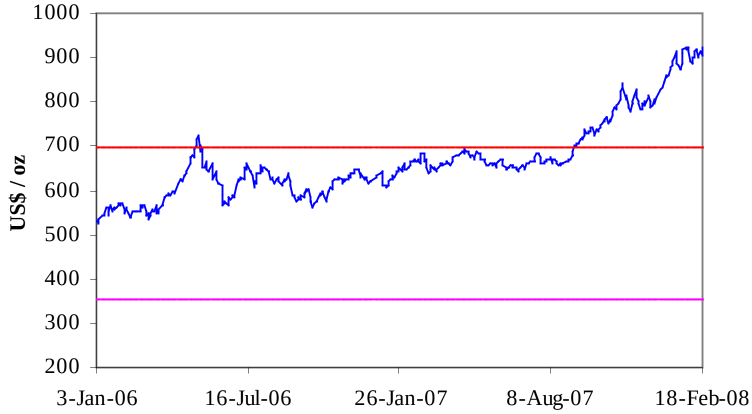
Mr. Jack Drzymulski - VP Exploration
Jack is a results orientated geologist, with over 18 years experience, and provides NGG with first class resource evaluation and production optimization experience. Expertise includes the development of "best practice" geological systems, procedures and personnel, safety protocols, accurate reconciliations and cost effective predictions of metal production. Jack, before joining NGG in 2006, was Manager – Geology for Highlands Kainantu Ltd and held senior positions in Western Australia with Tectonic Resources and Harmony Gold. Jack has a BSc in Applied Science (Geology) and is a Master of Engineering Science in Mining Industry Management.

Dr. Salam Malagun - Exploration Manager and Project Manager, Imwauna Project
Salam has been a Supervisory Geologist for NGG since 2004, has 25 years post graduate experience and has worked on many of PNG's major mineral deposits. Salam is highly qualified, with a B.Sc. Honours (Geology) from the University of PNG, M.Sc. from James Cook University, Australia, Diploma in Geothermal Energy Technology, Auckland University, New Zealand, and a PhD. in applied Geology from Auckland University, New Zealand.

Outlook on Gold

The chart below shows gold prices since January 2006. Gold prices are currently trading at about US$888/oz.

Gold Price
(Jan 3, 2006 - Feb 19, 2008)



Source: KITCO

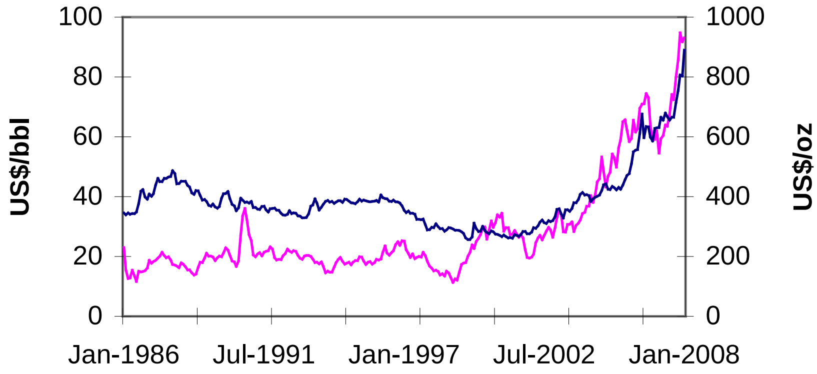
Although gold prices have risen considerably in the second half of 2007 and early 2008, and have achieved record highs, we have maintained our positive outlook on gold due to the following macro economic conditions:

a) The US$ is expected to continue to depreciate with respect to other global currencies, based on an expected slow down in the U.S. economy, relatively lower real interest rates in the U.S., and persisting inflationary expectations.

The International Monetary Fund (IMF) expects U.S. GDP to grow at 1.5% in 2008 versus 2.2% in 2007, and the Federal Reserve predicts unemployment rates to increase YOY from 4.6% to 5.2% in 2008. The U.S. Fed cut interest rates from 5.25% to 2.50% in their last six meetings. These rate cuts imply that there is a possibility that real interest rates in the U.S. could possibly go negative, which is very unfavorable for the US$. The rate cuts in turn, we believe, will add to inflationary pressures and simultaneously depreciate the value of the U.S.$. The Fed recently raised their forecasts for inflation in 2008 up from 1.8 – 2.1% to 2.1 – 2.4%.

b) High Oil Prices: We have also noticed a positive correlation between gold and oil prices in times of high oil prices. High oil prices create inflationary expectations among investors and lead them to drift towards gold. The chart below shows oil and gold prices since 1986. We noticed that the positive correlation between monthly log changes in oil and gold prices increased during January 2006 – January 2008, when oil prices were high, from the historic correlation (1986 – 2006) of 0.18 to 0.53, which is a significant jump.

Oil Vs Gold Prices



Source: EIA and Kitco

Oil is currently trading close to US$100/bbl, and prices are expected to stay above $80/bbl through at least 2010, which we believe will also have a positive effect on the demand for gold.

c) Investment demand continue to stay strong: Currently, the total ETG (exchange traded gold) assets held by the NEW York Stock Exchange (NYSE) and the London Stock Exchange (LSE) are up 29% YOY. We believe continued strength in investment demand reflects the fact that gold continues to hold its status as a 'capital preservation asset'.

Therefore, based on a depreciating U.S dollar, high oil prices and strong investment demand, we continue to be bullish on gold prices. The average consensus forecasts for gold prices are US$975/oz in 2008, and US$915/oz in 2009.

Financials

Operations: At the end Q3 2007 (ended of September 30, 2007), the company had cash and working capital of $2.08 million and $0.43 million, respectively. NGG had a net loss of $1.71 million (EPS: -$0.01) for the 9-month period ended September 2007, compared with a net loss of $1.18 million (EPS: -$0.01) in the same period in the previous year.

We estimate the company had a burn rate of $0.57 million per month and $0.50 million per month for the first nine months of 2007 and Q3 2007, respectively. The table below shows the company's cash position and liquidity ratios.

	2003	2004	2005	2006	2007 (9 mon)
Cash	2,838,230	4,980,293	1,700,535	1,455,512	2,078,388
Working Capital	2,369,303	5,146,570	1,447,983	991,436	434,576
Current Ratio	5.2	20.6	3.1	1.7	1.2
LT Debt / Assets	-	-	-	-	-
Burn Rate / Month (incl CAPEX)	(10,189)	(295,549)	(273,313)	(760,171)	(567,394)
Cash from financing activities	2,897,772	5,688,440	-	8,866,429	5,637,344

Recent Financings: During the 9 months period ended September 2007, the company raised $5.64 million from private placements and the exercise of warrants and options.

In October 2007, the company closed a private placement of 2.50 million units at a price of $0.50 per unit for gross proceeds of $1.25 million. Each unit consists of one share and one half-share purchase warrant. Each warrant entitles the holder to acquire one common share at an exercise price of $0.65. The warrants expire on October 11, 2009.

Stock Options and Warrants: At the end of September 2007, the company had 7.51 million stock options outstanding with a weighted average exercise price of $0.36. The company also had about 35.74 million warrants outstanding with exercise prices ranging from $0.30 to $0.55, and maturity periods between February 2008 and April 2009.

In February 2008, NGG announced that all the outstanding warrants expiring in February 2008 were exercised. At the end of September 2007, there were 28.44 million outstanding warrants expiring in February 2008. We estimate NGG raised $8.53 million (since the end of September 2007) as a result of the exercise of all these warrants.

Conclusion: As of February 21, 2008, the company had $7 million on hand (according to a press release dated February 25, 2008). We believe the company is in a good cash position to fund their CAPEX of $6.23 million related to its mineral properties to the end of 2008.

Valuation

We have made the following noteworthy changes to our valuation models.

1. **Higher commodity price forecast –** In our revised model, we have used an average gold price of US$975/oz in 2008, US$915/oz in 2009, US$790/oz in 2010, and US$600/oz for 2011+ (compared with our previous estimates of US$740/oz in 2008 and US$550/oz in 2009+).

2. **Revised C$/US$ exchange rate –** In our revised model, we have revised our C$/US$ assumptions to $1.03 in 2008, $1.07 in 2009, $1.1 in 2010, and $1.15 in 2011+, compared with our previous estimate of $1.15 for 2008+.

3. **Revised discount rate –** We have raised our discount rate in our DCF model to 15.49% (up from 15%) for the valuation of the Imwauna, Weioko and Mt. Penck properties. Our revised forecast was based on our estimate of the discount rate for similar projects in a relatively risk-free country (11.49%) plus a country risk premium of 4%.

Except for the Normanby (Imwauna) project, our valuation on all the other projects increased as a result of the above-mentioned changes. With regard to the Normanby project, we raised our capital cost estimate from $20 million to $30 million, which resulted in a drop in valuation.

Although our total valuation on the company's projects increased from $87.93 million to $103.68 million, our value per share dropped from $0.72 per share to $0.66 per share due to share dilution as a result of the recent exercise of warrants. The table shows a summary of our valuation on the company's projects versus our previous estimates.

Valuation of the company's projects		
	Previous	**Revised**
Sinivit	$0.25	$0.26
Normanby (Imwuana)	$0.36	$0.29
Sehulea/Weioko	$0.05	$0.05
Mt. Penck	$0.06	$0.06
Total	**$0.72**	**$0.66**

A summary of our revised valuation models is presented below.

DCF Valuation Summary - Sinivit	
Ownership	92%
Resource (in tonnes)	1,052,200
Recovery - Gold	88% (75% in the 1st yr)
Recovered Gold (in troy oz)	144,353
Full-scale production commencement	April 2008
Production	36,000 oz/year
Mine Life (in years)	5
Average Operating Costs ($/oz)	$200.00
Capital Costs	$1,500,000
Discount Rate	12%
Net Present Value	**$40,513,570**
No. of Shares	156,877,797
Value per Share	**$0.26**

DCF Valuation Summary - Normanby (Imwauna)	
Ownership	100%
Resource (in tonnes)	1,575,000
Recovery - Gold	95.0%
Recovery - Silver	75.0%
Recovered Gold (in troy oz)	384,844
Recovered Silver (in troy oz)	455,737
Production Commencement	2009
Production	200,000 t/y
Mine Life (in years)	9
Average Operating Costs ($/oz)	$160.00
Capital Costs	$30,000,000
Discount Rate	15.49%
Net Present Value	**$46,169,035**
No. of Shares	156,877,797
Value per share	**$0.29**

DCF Valuation Summary - Sehulea/Weioko	
Ownership	100%
Resource (in tonnes)	1,700,000
Recovery - Gold	85.0%
Recovered Gold (in troy oz)	63,183
Recoverd Silver (in troy oz)	571,431
Production Commencement	2011
Production	600,000 t/y
Mine Life (in years)	3
Average Operating Costs ($/oz)	$160.00
Capital Costs	$7,000,000
Discount Rate	15.49%
Net Present Value	**$7,375,429**
No. of Shares	156,877,797
Value per share	**$0.05**

DCF Valuation Summary - Mt. Penck (Kavola East)	
Ownership	60%
Resource (in tonnes)	1,500,000
Recovery - Gold	95.0%
Recovered Gold (in troy oz)	132,863
Production Commencement	2010
Production	600,00 t/y
Mine Life (in years)	2.5 years
Average Operating Costs ($/oz)	$200.00
NGG's Share of Capital Costs	$18,000,000
Discount Rate	15.49%
Net Present Value	**$9,622,394**
No. of Shares	156,877,797
Value per share	**$0.06**

Note: Although the company plans to transfer Mt. Penck to Pacific Kanon Gold Corp., we have continued to include Mt. Penck in our valuation of the company. We will revise our valuation on the project (based on the company's 30% interest in Pacific Kanon), as Pacific Kanon gets listed on the TSX Venture Exchange.

The following table shows our valuation of the NGG's holding in Coppermoly Ltd. on a per share basis.

	Coppermoly Ltd. (COY)
Price (AUS$)	0.13
Shares of COY	82,015,288
NGG's ownership	50%
Market Value (AUS$) of NGG's holding	5,330,994
Exchange rate (CA$/AUS$)	0.939
Market Value (CA$) of NGG's holding	5,005,803
Shares of NGG	157,463,600
Value per share (CA$)	**0.03**

Note: Australian market date is as of April 1 2008

Adding the value of the company's interest in Coppermoly Ltd. and working capital to our valuation on the company's projects, we have set our fair value estimate on the company at $0.73 per share.

Valuation Summary	
Value of the company's projects	$0.66
Value of COY	$0.03
Working Capital	$0.04
Fair Value	**$0.73**

The sensitivity of our DCF valuation to changes in our long-term gold price forecasts is shown below.

Gold Price (US$/oz)	**Value per Share (C$)**
350	$0.45
400	$0.51
450	$0.56
500	$0.62
550	$0.68
600	$0.73
650	$0.79
700	$0.85
750	$0.90
800	$0.96
850	$1.02
900	$1.08
950	$1.13

As shown in the table, our DCF valuation will range between $0.45 per share and $1.13 per share if gold prices range between US$350/oz to US$950/oz.

We did not perform a comparables analysis this time as we believe that none of the peers that we used in our previous report are currently comparable to NGG.

Conclusions & Rating

We are pleased with New Guinea Gold's progress to date on Sinivit and believe 2008 will be an exciting year for the company, as they have finalized their corporate reorganization and are able to focus on the Sinivit, Imwauna, and Weioko properties.

Based on our valuation models and review of the company's projects, we reiterate our BUY rating, but we have lowered our fair value estimate on NGG from $0.80 per share to $0.75 per share primarily due to the significant share dilution.

Risks

The following risks, though not exhaustive, will cause our estimates to differ from actual results:

- The 43-101 compliant resource for the Sinivit property is very small and gives the project a four year mine life including inferred resources. New Guinea Gold has commenced drilling, and hopes to define a further resource on the property for mining.
- Sinivit is proceeding in absence of a feasibility study. This may result in minor delays, as we have observed that early operations of projects without feasibility studies may experience technical difficulties.
- The success of further development, exploration, and expansion is a significant factor in New Guinea Gold's success.
- Like other junior exploration companies, the value of the company depends heavily on gold prices.

We have reduced our risk rating from 5 (Highly Speculative) to 4 (Speculative).

Fundamental Research Corp. Equity Rating Scale:
Buy – Annual expected rate of return exceeds 12% or the expected return is commensurate with risk
Hold – Annual expected rate of return is between 5% and 12%
Sell – Annual expected rate of return is below 5% or the expected return is not commensurate with risk
Suspended or Rating N/A— Coverage and ratings suspended until more information can be obtained from the company regarding recent events.

Fundamental Research Corp. Risk Rating Scale:
1 (Low Risk) - The company operates in an industry where it has a strong position (for example a monopoly, high market share etc.) or operates in a regulated industry. The future outlook is stable or positive for the industry. The company generates positive free cash flow and has a history of profitability. The capital structure is conservative with little or no debt.

2 (Below Average Risk) - The company operates in an industry where the fundamentals and outlook are positive. The industry and company are relatively less sensitive to systematic risk than companies with a Risk Rating of 3. The company has a history of profitability and has demonstrated its ability to generate positive free cash flows (though current free cash flow may be negative due to capital investment). The company's capital structure is conservative with little to modest use of debt.

3 (Average Risk) - The company operates in an industry that has average sensitivity to systematic risk. The industry may be cyclical. Profits and cash flow are sensitive to economic factors although the company has demonstrated its ability to generate positive earnings and cash flow. Debt use is in line with industry averages, and coverage ratios are sufficient.

4 (Speculative) - The company has little or no history of generating earnings or cash flow. Debt use is higher. These companies may be in start-up mode or in a turnaround situation. These companies should be considered speculative.

5 (Highly Speculative) - The company has no history of generating earnings or cash flow. They may operate in a new industry with new, and unproven products. Products may be at the development stage, testing, or seeking regulatory approval. These companies may run into liquidity issues, and may rely on external funding. These stocks are considered highly speculative.

Disclaimers and Disclosure
The opinions expressed in this report are the true opinions of the analyst about this company and industry. Any "forward looking statements" are our best estimates and opinions based upon information that is publicly available and that we believe to be correct, but we have not independently verified with respect to truth or correctness. There is no guarantee that our forecasts will materialize. Actual results will likely vary. The analyst and Fundamental Research Corp. "FRC" does not own any shares of the subject company, does not make a market or offer shares for sale of the subject company, and does not have any investment banking business with the subject company. Fees of less than $30,000 have been paid by NGG to FRC. The purpose of the fee is to subsidize the high costs of research and monitoring. FRC takes steps to ensure independence including setting fees in advance and utilizing analysts who must abide by CFA Institute Code of Ethics and Standards of Professional Conduct. Additionally, analysts may not trade in any security under coverage. Our full editorial control of all research, timing of release of the reports, and release of liability for negative reports are protected contractually. To further ensure independence, NGG has agreed to a minimum coverage term including an initial report and three updates. Coverage can not be unilaterally terminated. Distribution procedure: our reports are distributed first to our web-based subscribers on the date shown on this report then made available to delayed access users through various other channels for a limited time. The performance of FRC's research is ranked by Investars. Full rankings and are available at www.investars.com.

The distribution of FRC's ratings are as follows: BUY (80%), HOLD (8%), SELL (4%), SUSPEND (8%).
To subscribe for real-time access to research, visit http://www.fundamentalresearchcorp.com/subscribe.php for subscription options.

This report contains "forward looking" statements. Forward-looking statements regarding the Company and/or stock's performance inherently involve risks and uncertainties that could cause actual results to differ from such forward-looking statements. Factors that would cause or contribute to such differences include, but are not limited to, continued acceptance of the Company's products/services in the marketplace; acceptance in the marketplace of the Company's new product lines/services; competitive factors; new product/service introductions by others; technological changes; dependence on suppliers; systematic market risks and other risks discussed in the Company's periodic report filings, including interim reports, annual reports, and annual information forms filed with the various securities regulators. By making these forward looking statements, Fundamental Research Corp. and the analyst/author of this report undertakes no obligation to update these statements for revisions or changes after the date of this report. A report initiating coverage will most often be updated quarterly while a report issuing a rating may have no further or less frequent updates because the subject company is likely to be in earlier stages where nothing material may occur quarter to quarter.
Fundamental Research Corp DOES NOT MAKE ANY WARRANTIES, EXPRESSED OR IMPLIED, AS TO RESULTS TO BE OBTAINED FROM USING THIS INFORMATION AND MAKES NO EXPRESS OR IMPLIED WARRANTIES OR FITNESS FOR A PARTICULAR USE. ANYONE USING THIS REPORT ASSUMES FULL RESPONSIBILITY FOR WHATEVER RESULTS THEY OBTAIN FROM WHATEVER USE THE INFORMATION WAS PUT TO. ALWAYS TALK TO YOUR FINANCIAL ADVISOR BEFORE YOU INVEST. WHETHER A STOCK SHOULD BE INCLUDED IN A PORTFOLIO DEPENDS ON ONE'S RISK TOLERANCE, OBJECTIVES, SITUATION, RETURN ON OTHER ASSETS, ETC. ONLY YOUR INVESTMENT ADVISOR WHO KNOWS YOUR UNIQUE CIRCUMSTANCES CAN MAKE A PROPER RECOMMENDATION AS TO THE MERIT OF ANY PARTICULAR SECURITY FOR INCLUSION IN YOUR PORTFOLIO. This REPORT is solely for informative purposes and is not a solicitation or an offer to buy or sell any security. It is not intended as being a complete description of the company, industry, securities or developments referred to in the material. Any forecasts contained in this report were independently prepared unless otherwise stated, and HAVE NOT BEEN endorsed by the Management of the company which is the subject of this report. Additional information is available upon request. THIS REPORT IS COPYRIGHT. YOU MAY NOT REDISTRIBUTE THIS REPORT WITHOUT OUR PERMISSION. Please give proper credit, including citing Fundamental Research Corp and/or the analyst, when quoting information from this report.

Fundamental Research Corp is registered with the British Columbia Securities Commission as a Securities Adviser which is not in any way an endorsement from the BCSC. The information contained in this report is intended to be viewed only in jurisdictions where it may be legally viewed and is not intended for use by any person or entity in any jurisdiction where such use would be contrary to local regulations or which would require any registration requirement within such jurisdiction.