



MACMIN SILVER LTD

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25th October 2006

COMPANY ANNOUNCEMENTS OFFICE

TECHNICAL REPORT – QUARTER ENDED 30TH SEPTEMBER 2006

1. SUMMARY & COMMENTS

Macmin Silver Ltd (Macmin) is a silver focused company whose primary project is the Texas Silver Project, S.E. Queensland, Australia. Macmin has exposure to gold by way of a 17% equity in New Guinea Gold Corporation (NGG) and a 1% NSR royalty on production by NGG. In addition, Macmin maintains equity investments in junior Australian explorers, Malachite Resources NL and Frontier Resources Ltd.

- Commissioning at Twin Hills Silver Mine underway;
- Significant silver/zinc/copper mineralisation in drilling at Tally Ho Silver Project;
- European Road Show in progress;
- Ongoing exploration success for New Guinea Gold Ltd.

2. TEXAS SILVER MINES PTY LTD

- The Texas Project (EPMs 8854, 11455, and 12858; ML 5932 and ML 50161) is located 100km west of Stanthorpe. Texas Silver Mines Pty Ltd is a wholly owned subsidiary of Macmin Silver Ltd.

2.1 Twin Hills (ML 50161)

2.1.1 Development/Commissioning Activities

With the bulk of the construction activity completed during the previous quarter, commissioning work was initiated during the current quarter.

- Commissioning of the fixed crushing circuit consisting of vertical shaft impactor, Cedar Rapids screens, lime and cement silos, agglomerator and stacking conveyors carried out with representatives of the equipment manufacturers onsite.
- Commissioning identified some areas of the circuit that required modifications. These include changes to discharge chute for better product flow, variations to conveyor belt speeds, changes to the power supply control sequence. These tasks are now being carried out.
- The commissioning provided the minus 20mm material suitable for the drainage layer that is constructed under the heap leach ore material and this drainage layer is now in place over the initial leach pad area of 24,000m².
- Material for the commissioning test was obtained from the northern end of the pit and this has now paved the way for the construction of the ramp into the higher grade ore material above rl 490 within the pit.
- As a result of the EPA visit in July, Macmin was required to provide additional data and plans on the construction and operation of its waste dump disposal area and an independent assessment of the financial assurance calculations required to determine the level of monies held in bond by the EPA to cover rehabilitation expenses. Independent consultant input was required and to-date, not all reports have been received due to consultant workload. This has delayed the setting of conditions for the 'environmental authority' that will allow mining to proceed.
- The storm containment dam wall is progressing with the top of the wall being now approximately 100m long. Blasting in the dam to produce benign large rocks for a leach drainage layer under the waste rock dump has been carried out.
- An independent review of the Twin Hills Safety Management Plan was carried out during the quarter to ensure that operational procedures meet with statutory requirements.
- The 100 tonne Komatsu excavator is now on-site and working with the dump trucks moving material for the storm dam wall construction.
- With the delay encountered in starting full scale mining, which has prevented heap construction and solution irrigation, thus delaying commissioning of the electrowinning plant, the current development schedule sees the commencement of silver production in the first quarter of 2007.

2.1.2 Senior Mine Executive Appointments

The company announced the appointment of Mr Bill Guthrie to the position of General Manager – Operations, responsible for the management of the Twin Hills Silver Mine.

Mr Norman Davidson, who has over 35 years' international experience as a mining engineer, has accepted the position of Senior Mining Engineer

3. EXPLORATION

3.1 Tally Ho Silver Project

During the quarter, the first ever drilling programme to test for silver mineralisation at the Tally Ho Silver Project in Central Queensland was undertaken. The 18 hole Reverse Circulation (RC) drilling programme intersected significant silver and base metal mineralisation hosted in a 'breccia pipe' unit within the Tally Ho Intrusive Complex (THIC). Drill hole GRRC8 encountered a best intercept of 20m (downhole) at 292g/t silver, 1.74% zinc, 0.25% copper or 503g/t silver equivalent.

In light of the very encouraging drill results, the Company exercised its Option to Purchase and acquired a 100% interest during September.

A further drilling programme will commence in late October. Diamond drilling will be undertaken to test the depth extent of silver mineralisation as several holes terminated in silver mineralisation in the initial RC programme. In addition, drill testing (RC) will also be aimed at extending the strike extent of the mineralized system.

All releases to the ASX can be viewed on the Macmin website www.macmin.com.au. However, some of the more important technical releases in the third quarter of 2006 are included in this report at Appendix A.

4. CORPORATE

The Company is making presentations at the 'Stockday Conference' in Frankfurt (October 26-28) and in Munich at the International Precious Metals Show (November 3-4).

The Company will also be making a presentation at the Silver Summit (UK) on November 9.

Releases on corporate matters made to ASX in the third quarter of 2006 can be found on the Company's website.

5. INVESTMENTS

Macmin maintains equity investments in the following public companies with exposure to the precious and base metals sectors. Information and releases about these companies' activities can be found on each company's website.

<i>Company</i>	<i>Shares</i>	<i>Options</i>	<i>Market Value 30 September 2006</i>
<i>New Guinea Gold Corporation (TSX) www.newguineagold.ca</i>	<i>17,847,020</i>	<i>-</i>	<i>\$9,300,000</i>
<i>Malachite Resources NL www.malachite.com.au</i>	<i>1,500,000</i>	<i>-</i>	<i>\$382,500</i>
<i>Frontier Resources Ltd (formerly TasGold Ltd) www.tasgold.com.au</i>	<i>3,364,824</i>	<i>3,104,167</i>	<i>\$500,008</i>

6. NEW GUINEA GOLD

New Guinea Gold Corporation (17% Macmin) continued with exploration and mine development during the quarter and issued a number of announcements on encouraging exploration results which can be viewed at www.newguineagold.ca, and a shareholder update which is included in this report at Appendix B.

D.M. O'Neill

MANAGING DIRECTOR

This report is based on & accurately reflects
information compiled by a competent person
as defined in Appendix 5A of the ASX Listing Rules

MACMIN SILVER LTD – ASX RELEASES

31st August 2006

“TWIN HILLS SILVER MINE – UPDATE

SENIOR MINE EXECUTIVE APPOINTMENTS

Macmin is pleased to announce the appointment of Mr Bill Guthrie to the position of General Manager – Operations, responsible for the management of the Twin Hills Silver Mine. Bill held a number of senior management positions including Process Manager and Research Manager within Queensland Magnesia, based at Rockhampton, over a 15 year period from 1990 to 2005. The appointment is effective from 21 August 2006.

Mr Norman Davidson has accepted the position of Senior Mining Engineer with responsibility for the oversight of mining services at both Twin Hills and associate company, New Guinea Gold's Mt Sinivit gold project (PNG), currently under construction. Norman has over 35 years' experience, having worked in Indonesia, Papua New Guinea, Australia and more recently (since 1990) as a Consulting Mining Engineer in New Zealand and Canada.

These appointments broaden the management skills base of the Company as it moves towards a more production based focus.

CONSTRUCTION / COMMISSIONING ACTIVITIES

- A total of 403 drill holes to an average depth of 26m were completed on the grade control drilling to the end of July. These holes were in addition to the close-spaced drilling carried out prior to the grade control programme, and have now completed coverage on a 6 x 6m block basis to the 490 level within an area of 250 x 150m over the initial pit area. The programme was successful in providing geological data for mine planning purposes and has supported the block model of the Twin Hills orebody.
- The final equipment supplied by Mearns Environmental Contracting required for the mining fleet arrived on-site in mid-August and now includes:
 - 3 Caterpillar 773B rear dump trucks
 - 1 Komatsu PC1000 excavator
 - 1 D9 dozer
 - 1 grader
 - 1 roller

In addition, Macmin owns the following equipment on-site:

- 1 water truck
 - 1 PC300 excavator
 - 1 WA470 loader
 - plus ancillary maintenance vehicles
- The Company is now preparing to commence mining at Twin Hills i.e. drill and blasting waste and ore; digging and trucking waste to the waste dump and trucking ore to the crushing circuit in readiness for heap building.
 - Low grade ore is currently being crushed, using the mobile crushing equipment, and laid as the drainage layer prior to heap construction.
 - Commissioning of the fixed crushing circuit, including agglomerator and overland conveyors, is scheduled for the first week in September.
 - Work is continuing on the storm containment dam.

MACMIN SILVER LTD – ASX RELEASES

As part of the process for Macmin to be granted the Twin Hills Mining Lease in 2001, an Environmental Management Overview Strategy (EMOS) document was compiled detailing all development and mining related environmental aspects of the project. The statutory reporting body in 2000 was the Department of Natural Resources and Mines which granted the Mining Lease and approved the EMOS.

In 2001 the EPA took over responsibility for all mining environmental issues under a new Environmental Protection Act and issued the Company with a “Transitional Authority”, which allowed us to continue activities on the Mining Lease under the previous EMOS conditions while conditions for an Environmental Authority (EA) were determined. Now that draft conditions for the EA are being finalised by the EPA, ongoing requests for additional engineering related input into site activities, never foreseen in the original EMOS document, could continue to affect the mine production schedule. This is in part due to time constraints in consulting and engineering availability in the current resources economic upturn. However, the schedule as per the last quarterly report is still targeted by the Company.

It should be noted that at a recent on-site meeting with officers of the EPA it was agreed that there were no fundamental environmental impediments to the advancement of the Twin Hills mining operation.

The Company will now prepare regular monthly updates to shareholders and investors on all aspects affecting the mine start-up timeframe.”

4th September 2006

“MACMIN DRILLS FURTHER SILVER MINERALISATION AT TALLY HO

Macmin has completed an 18 hole Reverse Circulation (RC) drilling programme at the Tally Ho project in Central Queensland over which it has an option to purchase agreement with the current owners. The results from the first 6 holes were released 31 August. Assay results from holes GRRC8, GRRC9, GRRC10 and GRRC11 have now been received.

Highlights of the latest holes are as follows (downhole intercepts):

- GRRC8 - 8m @ 46g/t silver, 0.25% lead, 0.43% zinc**
 - 20m @ 292g/t silver, 1.74% zinc and 0.25% copper
 - 4m @ 72g/t silver, 1.2% zinc

- GRRC9 - 8m @ 20g/t silver, 1.12% zinc**
 - 4m @ 120g/t silver, 2.47% zinc, 0.25% copper

- GRRC11 - 10m @ 115g/t silver, 0.14g/t gold, 1.42% zinc**
 - 2m @ 195g/t silver, 0.16% copper
 - 6m @ 109g/t silver, 1.36g/t gold, 2.18% zinc, 0.27% copper
 - 8m @ 76g/t silver, 0.17% copper

Drill hole GRRC8 was drilled in to the breccia ‘pipe’ from the east towards Adit 1 and intersected the highest silver values encountered to-date: **20m @ 292g/t silver, 1.74% zinc and 0.25% copper or 502g/t silver equivalent.**

Lower grade silver mineralisation was encountered above and below this intercept.

Hole GRRC9 was drilled beneath a breccia ‘pipe’ outcrop approximately 150m north east of Adit 1 and encountered a best intercept of 4m at 120g/t silver, 2.47% zinc and 0.25% copper, with lower grades of silver mineralisation above and below the intercept.

MACMIN SILVER LTD – ASX RELEASES

Hole GGRC10 was drilled at a steeper angle beneath GRRC9 but terminated as it entered the breccia ‘pipe’. Hole GRRC11 was drilled midway between the Adit 1 area and the intercept in GRRC9. There was no surface expression of the breccia ‘pipe’ above where the drill hole penetrated. Between 70 and 80m downhole, a 10m intercept of 115g/t silver, 0.14g/t gold, 1.42% zinc, 0.33% lead and 0.16% copper was encountered. At 112m downhole, an intercept of 6m at 109g/t silver, 1.36g/t gold, 2.18% zinc and 0.27% copper was located. The hole terminated in an 8m interval of 76g/t silver and 0.17% copper. These intercepts have extended the area over which the silver mineralisation occurs and the intercept recorded in GRRC8 confirms the tenor of values obtained in the historical sampling carried out in Adit No. 1 and Adit No. 2.”

Table 1.

Hole No.	From To (m)	Downhole Interval (m)	• Assays					*In ground Value
			Silver (g/t)	Gold (g/t)	Zinc (%)	Copper (%)	Lead (%)	Silver Equiv. (g/t)
GRRC8	36-44	8	46	-	0.43	-	0.25	92
	56-76	20	292	-	1.74	0.25	-	503
	88-92	4	72	-	1.20	-	-	191
GRRC9	100-108	8	20	-	1.12	-	-	122
	114-116	2	39	-	1.30	-	-	157
	126-130	4	120	-	2.47	0.25	-	398
GRRC11	60-66	6	41	-	0.12	0.22	0.23	99
	70-80	10	115	0.14	1.42	0.16	0.33	231
	106-108	2	195	-	-	-	-	195
	112-118	6	109	1.36	2.18	0.27	-	437
	146-154	8	76	-	-	0.17	-	112

Notes:

- *The silver equivalent grades are tabulated, as silver is the metal of major economic significance encountered in the drill intercepts. The following metal prices were used in the calculation. Silver AUD\$15/oz, copper AUD\$4.66/lb, zinc AUD\$2.00/lb, lead AUD\$0.66/lb, gold AUD\$800/oz. Silver equivalent values will change over time as any one or more metal prices change.
- True widths of the intervals quoted are not listed, as the orientation of the mineralised zone is uncertain.

DRILLING AND SAMPLING DETAILS

All samples were collected as percussion chips/dust from the reverse circulation drilling rig. Assay samples were collected over 2m intervals through the mineralised zones and over 4m intervals through the visually non-mineralised zones.

As part of the Company’s quality control programme, a duplicate sample is collected about every 20 samples and submitted under a different sample number providing a check on repeatability.

Assaying is carried out by ALS Chemex in Brisbane using the ICP technique for silver, copper, lead, zinc, arsenic, antimony, bismuth and molybdenum. Gold is assayed by the ICPMS technique.

MACMIN SILVER LTD – ASX RELEASES

Table 2. Co-ordinates (Datum GDA94)

Hole No.	Easting MGA	Northing MGA	RL	DIP	AZI MAG	Depth (m)
GRR8	688784	7632805	300	-60	205	154
GRR9	688747	7632840	300	-51	75	154
GRR10	688745	7632839	300	-64	75	150
GRR11	688756	7632829	300	-60	105	154

13th September 2006

“TALLY HO PROJECT PURCHASED - VENDORS OPT FOR MACMIN SHARES

Encouraged by initial drilling results, the Company has moved to exercise its option over the Tally Ho project near Mackay. The Company announced that it had secured an option to purchase the project on 9th May 2006.

The vendors had the right to receive cash or equivalent shares for the \$300,000 purchase consideration. The Company is pleased to advise that the vendors opted to receive shares and 937,500 fully paid ordinary shares have been issued today to complete the transaction.

- The Tally Ho silver project is located approximately 50 km south west of Mackay in Central Coastal Queensland and consists of 2 granted Mining Leases (ML’s 4770 and 4727), a surrounding Mineral Development Licence Application (MDL272) and a 24 sub-block (78sq.km) Exploration Permit for Minerals (EPM15168).
- Macmin’s initial test drilling of the Tally Ho workings has given, as recently reported, a best downhole intercept of **20m at 292g/t silver, 1.74% zinc and 0.25% copper or 502g/t silver equivalent.**

In addition, Macmin has applied for 2 further exploration areas for silver in the Mackay region. The **Pisgah** tenement comprising 23 sub-blocks (69km²) covers the northern part of the **Tally Ho Intrusive Complex** (THIC). In light of our assessment of the initial findings at Tally Ho, we believe the THIC has significant potential to host Intrusion Related Mineralising Systems (silver, gold, zinc, lead, copper).

A second area comprising 86 sub-blocks (258km²) - **Mt Scott** - is situated 75km south of Mackay and covers the Mt Scott Granite. This area has been the subject of previous exploration with stream geochemistry and prospecting, which located a number of prospects. At the Mt Scott South prospect, a 1.2km² sulphide system containing up to 5% pyrite occurs in a series of quartz stringer and quartz vein zones approximately 100m in aggregate width and a strike length of 500m. These veins occur near a breccia body (100m long by 80m wide) with porphyritic granite clasts within a sulphide matrix.

Once these tenements are granted, an intensive programme of exploration will be undertaken to evaluate their potential to host Tally Ho style mineralisation.”

MACMIN SILVER LTD – ASX RELEASES

20th October 2006

“MACMIN TO RECOMMENCE DRILLING AT TALLY HO SILVER PROJECT

The success of the first ever drilling programme to test for silver mineralisation at the Tally Ho Silver Project near Mackay in Central Queensland has encouraged the Company to embark on a further drilling programme prior to the onset of the ‘wet’ season. The programme consists of 1,000 metres of reverse circulation (RC) drilling and 1,000 metres of diamond drilling and commences on or about October 25th.

During September, the Company acquired a 100% interest in the Tally Ho Silver Project tenements. In addition, two further exploration areas for silver were applied for in the Mackay region. In light of our assessment of the initial findings at Tally Ho, we believe this region displays significant potential to host Intrusion Related Mineralising Systems (silver, gold, zinc, lead, copper).

The final results from the 18 hole RC drilling programme (2,313m) carried out in August have now been received and a table of all significant results is presented. Results from holes GRRC1 to GRRC11 have previously been reported on. Drill hole GRRC8 encountered the best intercept of 20m (downhole) @ 292g/t silver, 1.74% zinc and 0.25% copper or 503g/t silver equivalent.

The drilling has demonstrated that silver and base metal mineralisation is hosted in a ‘breccia pipe’ unit within the Tally Ho Intrusive Complex (THIC). Although the ‘breccia’ occurs in outcrop, the initial drilling has shown that it is more extensive at depth.

Diamond drilling will be undertaken to test the depth extent of silver mineralisation, as several holes terminated in silver mineralisation in the initial RC programme. In addition, drill testing (RC) will also be aimed at extending the strike extent of the mineralised system.

The tenor of the silver values coupled with the consistent zinc and copper credits shows the signs of a very promising project.”

Table 1.

Hole No.	From To (m)	Downhole Interval (m)	• Assays					*In ground Value
			Silver (g/t)	Gold (g/t)	Zinc (%)	Copper (%)	Lead (%)	Silver Equiv. (g/t)
GRRC1	12-40	28	77	-	1.71	0.19	0.49	287
GRRC3	26-58	32	65	0.24	-	-	-	77
	(incl. 26-30)	4	170	0.98	1.68	0.3	2.04	498
	(incl. 50-52)	2	118	0.41	1.73	0.34	0.11	367
	70-78	8	241	-	-	-	-	241
GRRC4	24-40	16	134	-	1.55	0.23	-	325
	(incl. 24-26)	2	535	0.22	2.13	0.51	0.42	860
GRRC5	60-62	2	49	-	-	-	0.49	64
GRRC7	10-30	20	107	-	0.6	0.22	1.0	238
	(incl. 12-14)	2	512	0.17	4.38	1.09	0.91	1,177
GRRC8	36-44	8	46	-	0.43	-	0.25	92
	56-76	20	292	-	1.74	0.25	-	503
	88-92	4	72	-	1.20	-	-	191
GRRC9	100-108	8	20	-	1.12	-	-	122
	114-116	2	39	-	1.30	-	-	157
	126-130	4	120	-	2.47	0.25	-	398

MACMIN SILVER LTD – ASX RELEASES

Hole No.	From To (m)	Downhole Interval (m)	• Assays					*In ground Value
			Silver (g/t)	Gold (g/t)	Zinc (%)	Copper (%)	Lead (%)	Silver Equiv. (g/t)
GRRC11	60-66	6	41	-	0.12	0.22	0.23	99
	70-80	10	115	0.14	1.42	0.16	0.33	231
	106-108	2	195	-	-	-	-	195
	112-118	6	109	1.36	2.18	0.27	-	437
	146-154	8	76	-	-	0.17	-	112
GRRC12	146-150	4	38	-	0.92	-	0.17	126
GRRC13	116-120	4	10	0.2	0.15	-	-	35
GRRC14	40-44	4	11	-	0.14	-	-	24

Notes:

- *The silver equivalent grades are tabulated, as silver is the metal of major economic significance encountered in the drill intercepts. The following metal prices were used in the calculation. Silver AUD\$15/oz, copper AUD\$4.66/lb, zinc AUD\$2.00/lb, lead AUD\$0.66/lb, gold AUD\$800/oz. Silver equivalent values will change over time as any one or more metal prices change.
- True widths of the intervals quoted are not listed, as the orientation of the mineralised zone is uncertain.

Table 2. Co-ordinates (Datum GDA94)

Hole No.	Easting MGA	Northing MGA	RL	DIP	AZI MAG	Depth (m)
GRRC1	688752.0	7632751.0	260	-50	357	40
GRRC3	688752.0	7632745.0	260	-75	357	108
GRRC4	688765.0	7632751.0	260	-50	330	154
GRRC5	688757.0	7632705.9	245	-48	307	154
GRRC6	688758.0	7632705.0	245	-58	317	154
GRRC7	688746.0	7632744.0	260	-51	246	106
GRRC8	688784	7632805	300	-60	205	154
GRRC9	688747	7632840	300	-51	75	154
GRRC10	688745	7632839	300	-64	75	150
GRRC11	688756	7632829	300	-60	105	154
GRRC12	688735	7632841	300	-60	322	154
GRRC13	688726	7632837	300	-70	265	154
GRRC15	688790	7632808	300	-60	150	154

DRILLING AND SAMPLING DETAILS

All samples were collected as percussion chips/dust from the reverse circulation drilling rig. Assay samples were collected over 2m intervals through the mineralised zones and over 4m intervals through the visually non-mineralised zones.

As part of the Company's quality control programme, a duplicate sample is collected about every 20 samples and submitted under a different sample number providing a check on repeatability.

Assaying is carried out by ALS Chemex in Brisbane using the ICP technique for silver, copper, lead, zinc, arsenic, antimony, bismuth and molybdenum. Gold is assayed by the ICPMS technique.

NEW GUINEA GOLD CORPORATION – SHAREHOLDER UPDATE

Vancouver - 19th September 2006.

“SINIVIT MINE DEVELOPMENT

The development of the Sinivit Gold Project experienced further delays due to unseasonable weather. In late August, over a two day period, 350mm (14 inches) of rain fell, followed by several days when 50mm (2 inches) was recorded each day. This weather set the schedule back about three weeks. On the 13th September a further 320mm (12.8 inches) of rain fell with 150mm (6 inches) on the 14th September. This latter rainfall has not resulted in any substantial delays, due to substantial upgrading of all site roads over the past few weeks. Total rainfall for the past year has been more than 200% of average annual rainfall and has been the main reason for delay in project completion.

Other stalls in development have been caused by late delivery of equipment due to shipping delays, a consequence of the general pressure on suppliers of mining equipment. For example, the screening plant from Ireland was off-loaded in the Solomon Islands (it is now on site), the scheduled shipping of the crushing plant to site has now been twice delayed and, in another instance, our cargo was left at the wharf in Brisbane, Australia.

Construction capital expenditure is 90% expended and total capital cost to date is approximately C\$6.5 million. Delays and increases in costs will add approximately C\$1 million to the original capital estimate.

With all equipment at Sinivit by mid October, with the mining contractor now fully operational and all on-site roads fully operational, we do not expect further significant delays to the revised schedule below.

The development schedule at present is as follows:

- Mine infrastructure, camp etc – essentially complete.
- Access road – complete
- Mine roads, including haul roads – essentially complete
- Maintenance facility – complete
- Screening plant, gold recovery circuit, laboratory – all on site with erection completed by end of October 2006.
- Contractor – all equipment on site and now assisting in completion of site works, roads, vats etc.
- Crushing plant expected to be on site by mid October 2006, in place and commissioning to occur during November 2006.
- Pre-stripping of the mine will commence in late September 2006 and waste will initially be used in vat walls
- The first two vats should be completed and lined by the end of November
- Mining and crushing of ore will commence in December 2006 with gold production in January 2006.

EXPLORATION

Most of NGG's projects already have significant defined mineralisation in drill hole and/or trench. For details refer to project descriptions at www.newguineagold.ca. The Company's main objective is to increase its resource base as rapidly as possible. At present, three diamond core rigs are being used for resource definition at the Imwauna (100% NGG) and Mt Penck (60% NGG) Projects. Imwauna is within the Normanby Property. NI 43-101 compliant resource estimates are targeted for both projects for completion in late 2006 or early 2007.

Independent Qualified Person, Ralph Stagg, visited the Normanby, Sehulea and Mt Penck properties in preparation for compilation of Independent Technical reports on those properties.

NEW GUINEA GOLD CORPORATION – SHAREHOLDER UPDATE

NGG has acquired two further drills which will commence operating at its Sinivit property in early October, 2006, with the objective of increasing the present defined resources.

Excellent drill results are being received from both Imwauna and Mt Penck.

Imwauna (Normanby Property – 100% NGG)

Resource definition drilling has continued using a single diamond core drill rig. Subject to available finance it is intended to acquire a further drill rig for the project later this year or early 2007. Excellent drill assays have been received since the last update and were released in a Press Release dated 13th September 2006. In particular two further holes were drilled into the high grade zone noted in the last update. Previous intersections into this zone gave best results of 6m at 68g/t gold including 3m at 106g/t gold and 6.45m at 20.9g/t gold (see Press Release dated 26th July 2006) In the latest Press release the highest gold value so far intersected in core at Imwauna, 438g/t gold, was noted with the best intersections summarized below. All results are available in the Press Release of 13th September 2006.

Hole No	From (m)	To (m)	Interval (m)	Gold (g/t)	Silver (g/t)
IMH 075	56.9	57.7	0.8	52.1	100
IMH 076	56.2	57.1	0.9	20.5	50
IMH 081	80.8	86.4	5.6	36.2	45
including			0.4	438.0	485
IMH 084	106.2	108.5	2.3	10.6	30

NB: Interval is length downhole and not a true thickness. True thickness is unknown.

The Imwauna Vein system has been defined at surface over a length of 1.2 kms by excavator trenching (see web site www.newguineagold.ca for excavator trench results). Approximately 110 drill holes have now been completed over approximately 850m of the 1.2 km system. The vein system with significant gold grades is now known to extend over a vertical interval of at least 200m. In the southern end of the system the highest grades and greatest widths are occurring at depths of greater than 50m. An additional drill is required to extend our knowledge of the system to greater depths.

The individual veins within the Imwauna Vein System are not planar or linear over long distances. They vary in dip from as low as 50 degrees west to 65 degrees east. In addition veins may bifurcate into two or more veins, substantially vary in thickness and attitude over intervals of less than five metres thus making estimation of true thickness of any intersection uncertain. All data is being compiled into a Surpac model to more accurately assess continuity, attitude and thickness of individual veins.

Mt Penck Project (60% NGG)

Drilling has proceeded rapidly at the Kavola East Prospect at Mt Penck with 24 holes now completed and results available for 19 holes (including one historic hole).

The drilling is defining widespread and multiple zones of lower grade disseminated type gold mineralisation with mineralisation commencing at surface and traced to a depth of approximately 130m at present.

Two drill rigs are operating, but in October one rig will be mobilised to drill at the Simuku and Mt Nakru properties and the remaining rig will continue drilling at Mt Penck for the remainder of 2006. A total of 18 drill holes since mid 2005 have now been reported and all drill holes intersected several zones of mineralisation at greater than 0.5g/t (see the better intervals shown below, and refer to Press Release dated 6th September 2006 for all results).

NEW GUINEA GOLD CORPORATION – SHAREHOLDER UPDATE

There appear to be both vertical and horizontal controls to the mineralisation and the true thickness of any intersection is not known.

EXAMPLES OF BETTER INTERVALS INTERSECTED TO DATE				
Hole No	From (m)	To (m)	Length (m)	Gold (g/t)
MPD 004	0	6	6	3.7
MPD 005	156	160	4	8.0
MPD 006	0	3	3	3.5
	27	34	7	2.3
	41	61	20	2.3
	62	66	4	4.5
MPD 007	0	14	14	2.8
	66	70	4	18.7
MPD 008	0	23	23	2.3
	52	56	4	2.5
MPD 009	96	100	4	4.0
MPD 011	67	70	3	4.3
	75	76	1	16.2
MPD 015	5	12	7	2.3
	13	24	11	1.1
MPD 018	10	23	13	2.1
	27	33	6	1.9
	48	53	5	2.5
DHH 007	18	38	20	2.1

NB: Interval is length downhole and not a true thickness

Mt Nakru (NGG 75%) and Simuku Properties (NGG 90%)

NGG's strategy is to develop both the Simuku (90%) and Mt Nakru (75% NGG) copper/gold/molybdenum prospects through to pre-feasibility within two years. However, since these are base metals properties, NGG believes that the value of these properties is not reflected in the Company's share price and, in conjunction with its advisors, is examining a number of options to create value and fund the required exploration.

Drilling Schedule for Remainder of 2006

An RC and diamond core rig has been purchased for the Sinivit Project, and both should be in operation by early October, also with the objective of defining resources.

The drilling schedule for later in 2006, commencing in late October, anticipates several short drill holes to test the molybdenum potential of the surface molybdenum mineralisation (73m @ 0.17% molybdenum in trench) at the Simuku porphyry copper/gold/molybdenum Project and possibly 5 or 6 holes to test the recently discovered gold in trench (35m at 7.2g/t gold) at the Mt Nakru porphyry copper/gold Project. NGG continues to examine options to enhance the value of these projects for shareholders.

NGG also anticipates drilling several holes at the Weioko Prospect (Sehulea Property NGG 100%) towards the end of the year to ensure compliance with work commitments, using the drill rig presently at Imwauna.

NEW GUINEA GOLD CORPORATION – SHAREHOLDER UPDATE

CORPORATE

NGG has agreed to an extension to June 30, 2007 for Vangold Resources to spend a further C\$1.26M and issue 200,000 common shares to earn a further 25% in the Feni Islands Project (EL 1021). Vangold presently owns 50% of the project. The Feni Islands lie within the Lihir Corridor, which hosts the world-class porphyry copper-gold deposit at Bougainville and the large gold deposit at Lihir Island (approx. 50 million ounces gold). Fieldwork has resumed at Feni and will target the Dome Prospect which occupies approximately one-third of the now extinct central crater on Ambitle Island, the larger of two islands that comprise the Feni Islands.

NGG has accepted an offer of Kina 7 million (about C\$3 million) standby credit facility from Bank of South Pacific, the leading Papua New Guinea based bank, with assets totalling Kina 2.95 billion (C\$ 1.3 billion). The line of credit is regarded as “insurance” but could provide required working capital for the Company prior to receipt of cash flow. Final documentation is in progress.

NGG has approximately C\$2 million in available cash and would prefer to raise a minimum of C\$3 million in further capital to fund the following requirements:

- to provide mine working capital for the Sinivit Gold Mine for the 3 to 4 month period of plant commissioning, filling of vats etc, before receipts from gold sales are received which is expected by January 2007. Due to the processing method there is a 3 month period from when mining commences and when the gold is refined and proceeds received.
- to allow the present exploration program to continue without interruption, and to be expanded by adding a further two drill rigs, until it can be financed from mine cash flow. By October 2006 we expect to have four diamond core drill rigs and one RC drill rig working on NGG’s three key gold projects and we would like to purchase two further drill rigs which would then be operational early in 2007.

NGG are requesting warrant holders, in view of the premium between current stock market share price and exercise price of C\$0.30, to exercise some or all of their warrants now. If all warrants were exercised it would yield approximately C\$10.5 million before costs. If sufficient warrant holders exercise we will not have to consider a further private placement. Exercise of warrants is preferable to the Company and we believe shareholders, as it does not increase the fully diluted capital in NGG whereas a private placement would further increase the fully diluted capital. While management has secured bank bridging finance, this alternative is less desirable due to the substantial interest rate and security terms that are required. We regard this bridging finance as “insurance” and may not draw it down unless we have no alternative.”

Appendix 5B

Mining exploration entity quarterly report

Name of entity

MACMIN SILVER LTD

ACN OR ARBN

056 776 160

Quarter ended ("current quarter")

30 September 2006

Consolidated statement of cash flows

	Current quarter \$A'000	Year To Date (3 Mths) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(413)	(413)
(b) development (incl. machinery)	(1,217)	(1,217)
(c) production	-	-
(d) administration	(448)	(448)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	110	110
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other - reimburseable expenditure	(361)	(361)
Other - Operating and admin fees	161	161
Net Operating Cash Flows	(2,168)	(2,168)
Cash flows related to investing activities		
1.8 Payment for purchase of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(37)	(37)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	14	14
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (Mines Dept deposits)	-	-
Net Investing Cash Flows	(23)	(23)
1.13 Total operating and investing cash flows (carried forward)	(2,191)	(2,191)

1.13	Total operating and investing cash flows (brought forward)	(2,191)	(2,191)
Cash flows related to financing activities			
1.14	Proceeds from issue of shares, options, etc.	213	213
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(86)	(86)
1.18	Dividends paid	-	-
1.19	Other		
Net financing cash flows		127	127
Net increase (decrease) in cash held		(2,064)	(2,064)
1.20	Cash at beginning of quarter/year to date	9,284	9,284
1.21	Exchange rate adjustments to 1.20		
1.22	Cash at end of quarter	\$7,220	\$7,220

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the
related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	101
1.24	Aggregate amount of payments to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

Directors: salaries, consulting fees and superannuation

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows.

On 13 September 2006 the Company issued 973,500 fully paid ordinary shares, in lieu of \$300,000 cash consideration, for the acquisition of a 100% interest in the Tally Ho exploration project.

2.2 Details of outlays made by other entities to establish or increase their shares in projects in which the reporting entity has an interest.

Financing facilities available

Add notes as necessary for an understanding of the position

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	1,984	1,525
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	500
4.2 Development	2,000
Total	2,500

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	7,220	9,284
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other : fixed term deposits		
Total: cash at end of quarter (item 1.22)	7,220	9,284

Changes in interests in mining tenements

	Tenement Reference	Nature of Interest (note(2))	Interest at beginning Quarter	Interest at end of Quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	ML 4727	Direct interest - Tally Ho 1	0%	100%
	ML 4770	Direct interest - Tally Ho 2	0%	100%
	MDL 272	Direct interest - Granite	0%	100%
	EPMA 15168	Direct interest - Connors Range	0%	100%

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities (description)	Nil	Nil		
7.2 Changes during quarter				
(a) Increases through issues	-	-		
(b) Decreases through returns of capital, buy-backs redemptions	-	-		
7.3 +Ordinary securities	430,826,533	430,826,533		
7.4 Changes during quarter				
(a) Increases through issues	450,000	450,000	\$0.150	(notional, in consideration for exploration project)
	740,000	740,000	\$0.200	
	937,500	937,500	\$0.320	
(b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities (description)	Nil	Nil		
7.6 Changes during quarter				
(a) Increases through issues	-	-		
(b) Decreases through securities matured, converted	-	-		
7.7 Options (description and conversion factor)			<i>Exercise price</i>	<i>Expiry date</i>
	250,000	65,316,093	13 cents	06-Sep-07
	2,050,000		20 cents	31-Dec-07
	65,316,093		25 cents	30-Oct-08
	4,197,500		20 cents	12-Nov-08
	1,250,000		15 cents	01-Dec-08
	1,862,500		20 cents	01-Nov-09
	8,525,000		45 cents	14-Aug-11
7.8 Issued during quarter	8,525,000		45 cents	14-Aug-11
7.9 Exercised during quarter				
	600,000		20 cents	31-Dec-07
	40,000		20 cents	12-Nov-08
	450,000		15 cents	01-Dec-08
	100,000		20 cents	01-Nov-09
7.10 Expired/cancelled during quarter				
7.11 Debentures (totals only)	Nil	Nil		
7.12 Unsecured notes (totals only)	Nil	Nil		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4)
- 2 This statement does / ~~does not~~* (*delete one*) give a true and fair view of the matters disclosed.



Sign here: Date: October 27, 2006
(Director/Company secretary)

Print name: Garry M. Edwards

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. Any entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and Quoted Securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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