

# NEWS RELEASE

## NEW ISLAND RESOURCES INC.

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Trading Symbol: TSXV:NIS

**New Island Resources Inc. (TSXV:NIS)** (New Island) of St. John's, NL is pleased to announce that it has entered into an agreement with Crew Gold Corporation (TSX:CRU) (OSE:CRU) (FWB:KNC) (OTCBB:CRUGF) (Crew) for the sale of the Nugget Pond gold processing facilities situated on the Baie Verte Peninsula in Newfoundland. Under the terms of the agreement, Crew has purchased the facilities by issuing three million shares to New Island having a current market value of approximately \$6,750,000. Crew's primary interest in these facilities is to process ore from its gold deposits in Greenland. It has, however, agreed to process, at commercial rates, ore mined on the Nugget Pond mineral licences retained by New Island.

Additionally and in conjunction with the sale agreement New Island is pleased to advise that Crew has signed a Joint Venture agreement to earn an interest in New Island's large Glover Island property situated in western Newfoundland. Under the terms of the Joint Venture agreement Crew commits to spend C\$5,000,000 in exploration expenditures over five years to earn a 60% interest in the property. The Glover Island property is highly prospective to host significant gold deposits and title thereto is held under two mineral licences covering 3216 hectares and one mining lease covering 1925 hectares.

H L Wareham, President of New Island, states that the company is quite pleased and excited with the arrangements made with Crew. Crew is a significant international mining company with substantial resources and management strength, which augers well for advancing the full potential of the large Glover Island property. Crew's agreement to provide custom milling of ore discovered or firmed up on the adjacent Nugget Pond mineral licences could be of quite significant value to New Island in the future. Planned improvements by Crew to the mill and the development of nearby port facilities will contribute significant economic benefits to this traditional mining area and the Province in general. See Crew's news release dated October 30, 2006.

New Island also advises that progress is continuing on bringing its Pine Cove property into production. This property is situated on the Baie Verte Peninsula some forty kilometers west of Nugget Pond and is on option to Anaconda Gold Corporation (TSXV-ANX) (Anaconda) which can earn a 60% interest by arranging the financing and bringing the property into production. The Pine Cove deposit presently contains probable reserves of 207,000 ounces of gold (see Anaconda's news release June 26, 2006) and is mineable by open pit methods. The property is prospective for additional discoveries, particularly in and around the Romeo and Juliet and Anaroc Zones. Anaconda advises that certain milling equipment has now been delivered and that commercial production is scheduled to begin in the first half of 2007.

Prior to closing the sale agreement with Crew, New Island acquired the assets from Richmond Mines Inc. (TSX:RIC:AMEX) (Richmont) which it held under an option agreement signed in 2005. In exercising its option, New Island paid the purchase price of \$2,500,000 less a \$250,000 deposit made at the time of acquiring the option. New Island financed the purchase with the proceeds of a credit facility of US\$2,250,000 provided by Auramet Trading LLC (Auramet). This facility provides a bridge loan for six months bearing interest at 10% per annum secured by the 3,000,000 Crew shares and may be prepaid without penalty. A closing fee of 4% of the facility amount and 40,000 Crew shares will be paid to Auramet.

Apart from improvements to be derived from the Crew agreements, New Island currently has working capital of \$1,200,000 available for its ongoing activities.

Information on New Island and its properties can be viewed at [www.newislandresources.com](http://www.newislandresources.com).

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The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

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