



Minerals North 2014

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Cautionary Statement

All monetary amounts in U.S. dollars unless otherwise stated

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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TECHNICAL INFORMATION

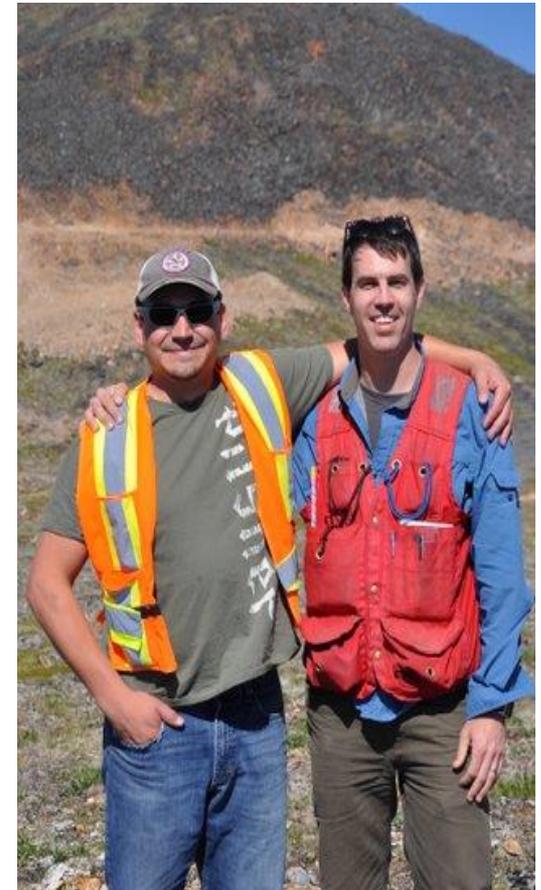
The scientific and technical information in this presentation has been reviewed by Mark Petersen, a Qualified Person under National Instrument 43-101 and an employee of New Gold.

(1) PEA – ADDITIONAL CAUTIONARY NOTE

This note regarding the preliminary economic assessment (PEA) is in addition to cautionary language already included within the presentation as required under NI 43-101. The Blackwater PEA is preliminary in nature and includes Inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA based on these mineral resources will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability. This presentation includes information on New Gold's PEA with respect to the Blackwater project, which was outlined in the PEA Technical Report filed on October 10, 2012. New Gold has, since the date of the PEA, completed several non-material updates of the mineral resource estimate for the Blackwater project. Although the PEA represents useful, accurate and reliable information based on the information available at the time of the publication, and provides an important indicator as to the economic potential of the Blackwater project, the PEA is based on mineral resource estimates with an effective date of July 27, 2012, which do not reflect drilling conducted since the effective date, and the PEA does not reflect the latest mineral resource estimate discussed in this presentation. Certain assumptions used in the PEA, some of which relate to the July 27, 2012 mineral resource estimate, may have changed from those used for the new resource estimate, causing a variation of parameters. Moreover, the updated mineral resource estimate may impact how New Gold intends to develop the deposit, including pit outlines, production rates and mine life.

About New Gold

- An intermediate mining company resulting from the mergers of four companies in 2008/2009
- Owns and operates four producing mines:
 - Mesquite Mine in USA (California)
 - Cerro San Pedro in Mexico
 - Peak Mine in Australia
 - New Afton Mine in Canada (Kamloops)
- Portfolio also includes three development projects:
 - El-Morro joint-venture Project in Chile
 - Blackwater Project in British Columbia
 - Rainy River Project in Ontario



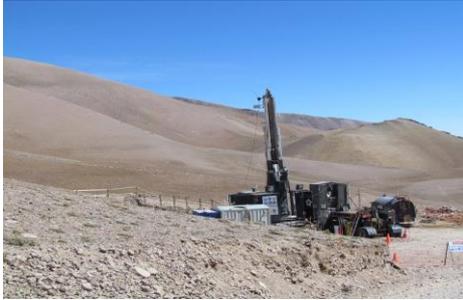
Asset Portfolio Overview

Mining Investment – Country Rankings⁽¹⁾



Notes: 1. Rankings based on 25 countries evaluated in 2013 Behre Dolbear Report – 2013 Ranking of Countries for Mining Investment: “Where Not to Invest”.

Organic Pipeline of Growth Projects

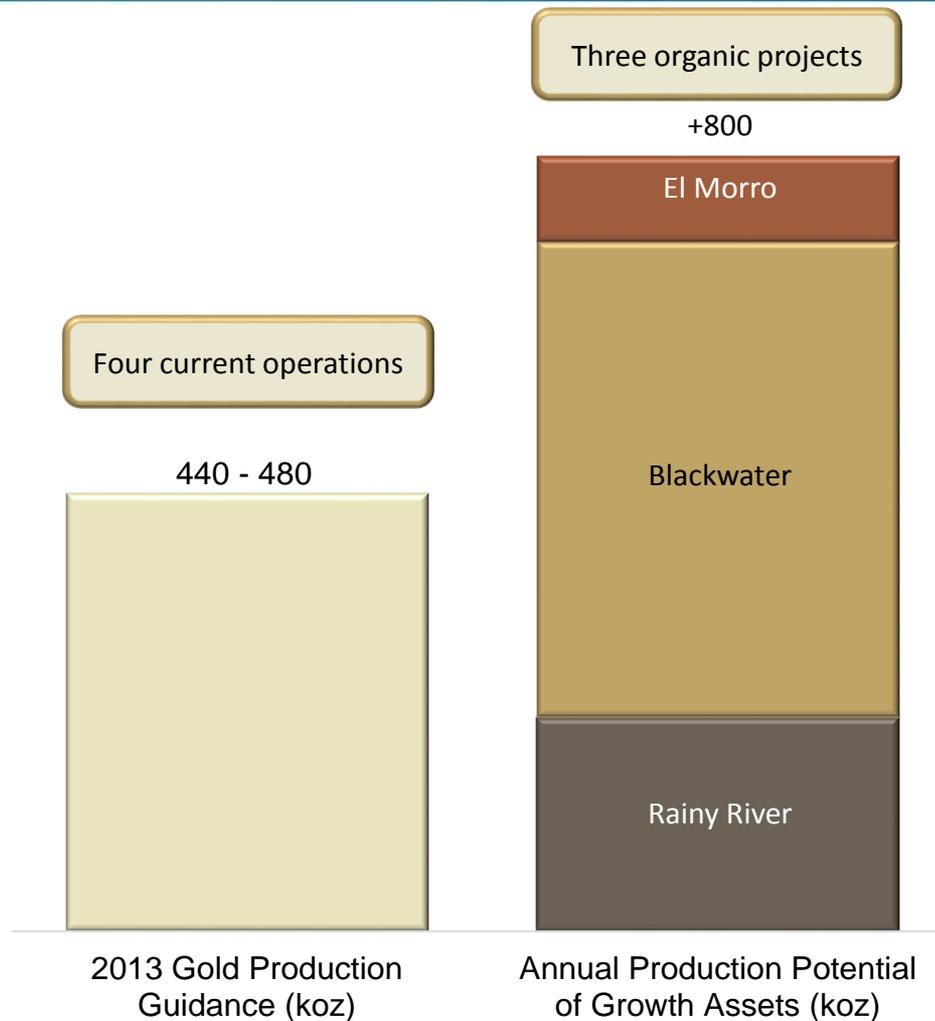
	Rainy River	Blackwater	El Morro (30%)
Significant Gold Resource Base	 6.2 Moz ⁽¹⁾	 8.6 Moz ⁽¹⁾	 2.9 Moz ⁽¹⁾
Exploration Potential	Intrepid Zone/ Multiple Regional Targets	Capoose/ Multiple Regional Targets	El Morro Zone/ Block Cave Potential
Jurisdiction	Ontario, Canada	British Columbia, Canada	Chile
Robust Production/ Low Cash Costs	~225Koz at below average cash costs ⁽²⁾	~500Koz at below average cash costs ⁽²⁾	~90Koz Au/85Mlbs Cu at ~(\$700) cash costs ⁽²⁾⁽³⁾

Notes:

1. Refer to Cautionary Statement and note under the heading "Cautionary note to U.S. readers concerning estimates of Measured, Indicated and Inferred Resources". Measured and Indicated Resources, inclusive of Reserves. At Blackwater, the 8.6 million ounces of Resources referred to above excludes 0.9 million ounces of material to be stockpiled which has been classified as Measured and Indicated Resource. Refer to note 4 on slide 7 for Reserve and Resource source information.
2. Refer to Cautionary Statement and note on total cash costs under the heading "Non-GAAP Measures". Cash costs have been compared to industry data per GFMS reports which calculated an average, net of by-product credits, cash cost of \$738 per ounce for the YE'2012.
3. El Morro production and cash costs based on updated December 2011 Feasibility Study.

Organic Growth Pipeline

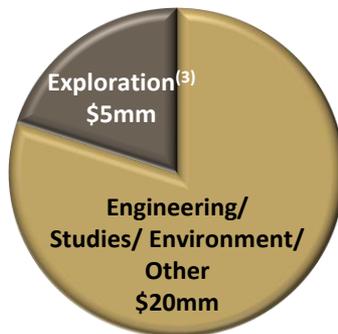
- Collectively, three growth projects have potential to produce ~1.75 times as much gold as New Gold does currently
 - Blackwater and Rainy River acquisitions increased shares outstanding by 21% for potential +150% increase in production
- Each growth project expected to have below current industry average cash costs



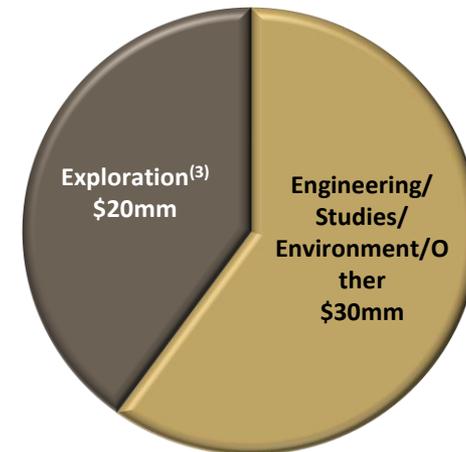
Project Development Considerations

- Plan to advance Rainy River and Blackwater through remaining technical/economic studies and permitting simultaneously
- Continue regional exploration at both projects
- Period of limited capital to advance projects to 'construction ready' status

**Rainy River Second Half 2013
Project Spending⁽¹⁾**



**Blackwater Second Half 2013
Project Spending⁽²⁾**



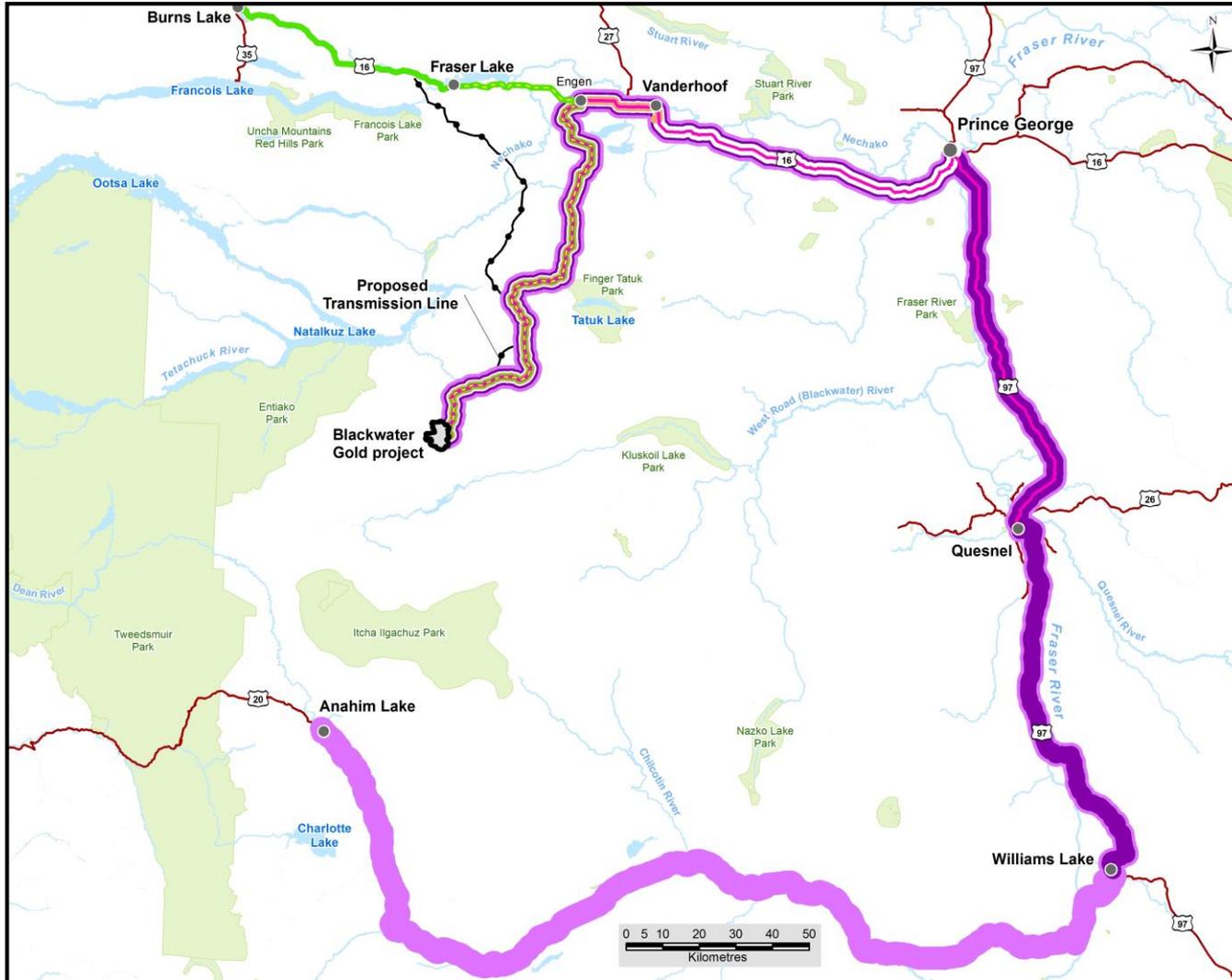
- Project development/sequencing decision to be made mid-2014

Notes:
1. For period from August through December 2013.
2. For period from July through December 2013.
3. Includes both capitalized and expensed exploration.

Blackwater Project



Location to Communities



Legend

- Populated Place
- ▬ Highway
- ▬▬ Proposed Transmission Line
- ▭ Proposed Mine Site
- ▬ Watercourse
- ▭ Waterbody
- ▭ Parks, Protected Areas and Ecological Reserves

Regional Routes

- ▬ Route to Anahim Lake
- ▬ Route to Burns Lake
- ▬ Route to Fraser Lake
- ▬ Route to Prince George
- ▬ Route to Quesnel
- ▬ Route to Vanderhoof
- ▬ Route to Williams Lake

Populated Place	Road Distance (km) from Blackwater
Anahim Lake	710
Burns Lake	250
Fraser Lake	180
Prince George	260
Quesnel	380
Vanderhoof	170
Williams Lake	500

Blackwater Project

- 100% owned by New Gold
- 110 km Southwest of Vanderhoof, British Columbia
- Acquired in 2011 purchase of Richfield Ventures Inc.
- Currently in advanced exploration phase



Blackwater Project

- Conventional truck and shovel open pit mine
- Estimated Capital Cost of \$1.8 billion
- 1,000 to 1,500 jobs during construction
- 500 jobs expected for operations
- Currently estimated 17 year mine life



Based on September 2012 Preliminary Economic Assessment

December 2013 Feasibility Study Results & Highlights

- Conventional truck and shovel open pit mine with 60,000 tonne per day ("tpd") whole ore leach processing plant
- 17-year mine life with direct processing for first 14 years and processing of stockpile thereafter
- Life-of-mine operational strip ratio of 1.88 to 1.00
- Life-of-mine gold and silver recoveries of 87% and 49%
- Life-of-mine gold and silver production of 7 million ounces and 30 million ounces
- Development capital costs of \$1,865 million inclusive of a \$190 million contingency
- First nine years - average annual gold production of 485,000 ounces at total cash costs⁽¹⁾ of \$555 per ounce and all-in sustaining costs⁽²⁾ of \$685 per ounce
- Base case economics - at \$1,300 per ounce gold, \$22.00 per ounce silver and a 0.95 US\$/C\$ foreign exchange rate, Blackwater has a pre-tax 5% net present value ("NPV") of \$991 million, an internal rate of return ("IRR") of 11.3% and a payback period of 6.2 years
- Alternative case economics - at \$1,600 per ounce gold, \$26.00 per ounce silver and a parity US\$/C\$ foreign exchange rate, Blackwater has a pre-tax 5% NPV of \$2,120 million, an IRR of 16.8% and a payback period of 4.5 years

Successfully complete ongoing exploration within the existing and expanded Blackwater tenures

File an Environmental Impact Statement to both Federal and Provincial Agencies

Complete engineering work for preparation of major Federal and Provincial permits, post EIS

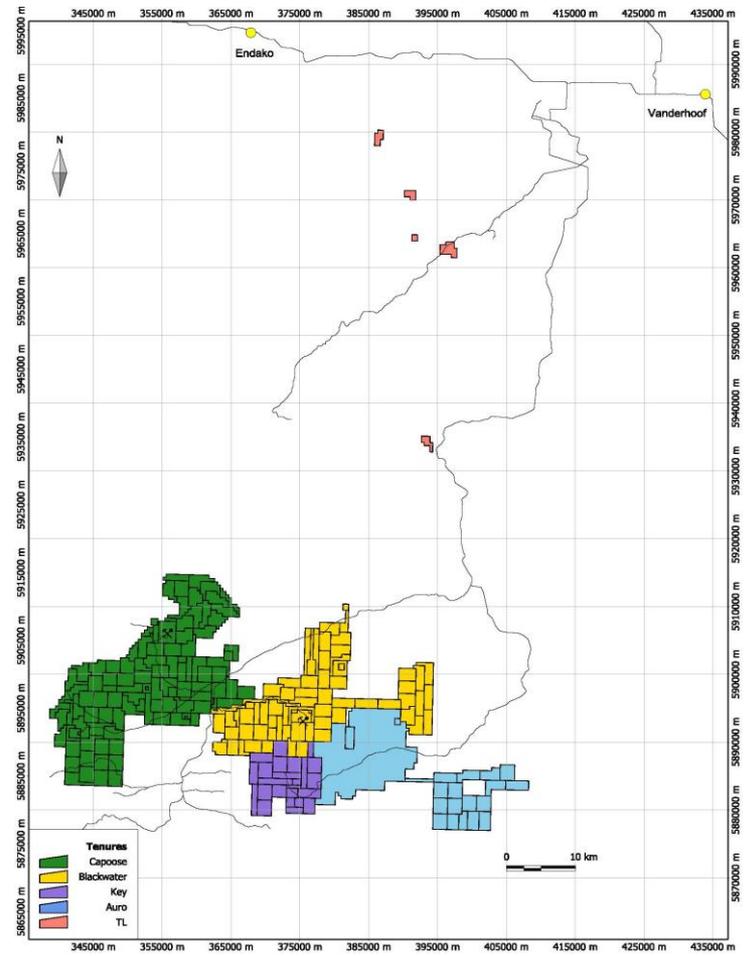
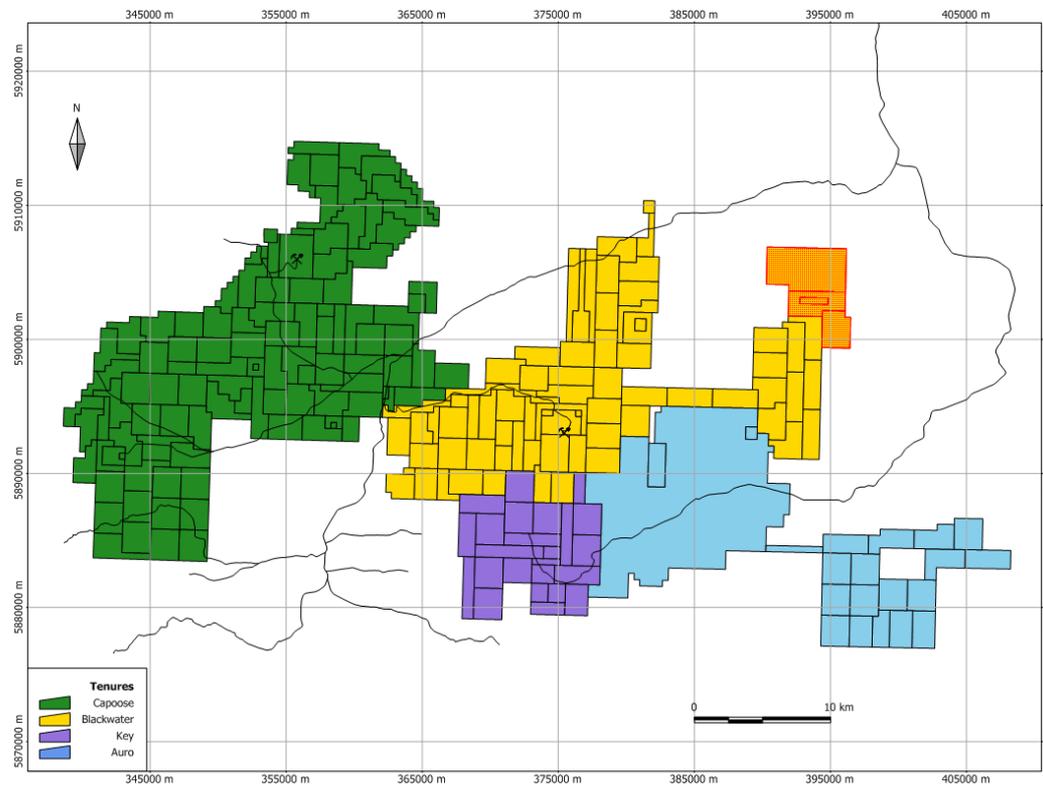
Continue local Community and First Nations relations programs and capacity building

Goal #1 – Exploration

- Successfully complete & support ongoing exploration within New Gold Blackwater tenures
 - Regional exploration to resume in the spring when weather warms
 - Almost 15,000 meters of drilling is currently planned
 - If positive results and market conditions support, additional meters could be added
 - New tenures of 23,000ha have been recently acquired for additional exploration



Expanded Tenures



Goal #2 – Environmental Assessment

- File an Environmental Impact Statement for both Federal and Provincial governments
 - Aiming for completion by the end of the first quarter of the year.
 - Includes key regulatory meetings on:
 - Fish & Fish Habitat Offsets
 - Surface Water Assessment
 - Ground Water/ Water Quality Assessment
 - Caribou Effects Assessment
 - Socio & Economic Effects Assessment



Goal #3 – Permitting

- Complete Engineering work for preparation of major Federal and Provincial permits post Environmental Impact Statement (EIS)
- Includes MMER Schedule 2 Amendment, Fisheries Act Authorizations, NPA Exemption
- Issuing tenders, reviewing and awarding assorted contracts related to:
 - Airstrip permitting
 - Geotechnical drilling
 - Power line permitting
 - Sewage system permitting
 - Tailings storage facility permitting
 - Water management structure preliminary design



Goal #4 – Community Commitment

- Continue local Community and First Nations relations programs
 - Renewal of office lease in process
 - Hiring of new Community Manager
 - Ongoing consultations with First Nations, stakeholders, community leaders and local government
 - Continued negotiations of Participation Agreements and Memorandum of Understandings with First Nations
 - Fulfil commitments related to Traditional Knowledge/Use Studies



- 2011: \$40 million invested in project activities – 80% regionally
- 2012: \$130 million invested in project activities – 70-75% spent regionally
- 2013: \$76 million allocated for project activities – 70-75% spent locally
- 2014: >\$20 million allocated for project activities – 80% to be spent locally

Services/Supplies purchased in the Region in 2012/ 2013

- | | |
|---------------------------------------|----------------------------------|
| ✓ Industrial supplies | ✓ Heavy Equipment Rentals |
| ✓ Catering & Camp services | ✓ Office Furniture/Supplies |
| ✓ Bulk Fuel | ✓ Civil Construction |
| ✓ Light Vehicle Purchases & servicing | ✓ Carpentry/ Electrical Services |
| ✓ Expediting | ✓ Road clearing/ civil works |
| ✓ Tire Purchase and Repair | ✓ Plumbing Services |
| ✓ Steel Supply & Fabrication | ✓ Gravel & Aggregate supply |

Next Steps

- We are continuing to partner with communities to help prepare local contractors and workers for upcoming construction and operations opportunities, including:
 - Working with local training and educational institutions to help prepare people for jobs in the mining industry
 - Building an up-to-date database of local contractors

- As we move into the construction phase, we expect to hire:
 - 1,000 to 1,500 (peak) people during construction
 - 500 full-time workers to operate the mine (for 17 years)

- An extended timeframe for the development of Blackwater will allow us to create additional partnerships with local communities and the region – to help strengthen local and regional opportunities

- File EIS on May 16, 2014



Blackwater Indicative Timeline

Development Activity	2012		2013		2014		2015		2016		2017	
	H1	H2										
First Nations & Public Consultation												
Drilling												
Preliminary Economic Assessment												
Base Line Environmental Studies												
Project Description / Terms of Reference												
Environmental Assessment Reports												
Provincial Approval												
Federal Approval & Schedule 2												
Feasibility Study												
Engineering & Procurement - TBD												
Construction - TBD												

- Reflects critical path in timeline
- Reflects preliminary timeline

Notes: 1. Indicative timeline is dependent on permit approvals and market conditions. There is no assurance this timeline will be achieved nor that the deposit will ever reach the production stage.

THANK YOU