

Delivering on Growth

Denver Gold Forum

September 2010



newgold
a clear direction

Cautionary statement

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

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain information contained in this presentation, including any information relating to New Gold's future financial or operating performance may be deemed "forward looking". All statements in this presentation, other than statements of historical fact, that address events or developments that New Gold expects to occur, are "forward-looking statements". Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "does not expect", "plans", "anticipates", "does not anticipate", "believes", "intends", "estimates", "projects", "potential", "scheduled", "forecast", "budget" and similar expressions, or that events or conditions "will", "would", "may", "could", "should" or "might" occur. All such forward looking statements are based on the opinions and estimates of management as of the date such statements are made and are subject to important risk factors and uncertainties, many of which are beyond New Gold's ability to control or predict. Forward-looking statements are necessarily based on estimates and assumptions that are inherently subject to known and unknown risks, uncertainties and other factors that may cause New Gold's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking statements. Such factors include, without limitation: significant capital requirements; fluctuations in the international currency markets and in the rates of exchange of the currencies of Canada, the United States, Australia, Mexico and Chile; price volatility in the spot and forward markets for commodities; impact of any hedging activities, including margin limits and margin calls; discrepancies between actual and estimated production, between actual and estimated reserves and resources and between actual and estimated metallurgical recoveries; changes in national and local government legislation in Canada, the United States, Australia, Mexico and Chile or any other country in which New Gold currently or may in the future carry on business; taxation; controls, regulations and political or economic developments in the countries in which New Gold does or may carry on business; the speculative nature of mineral exploration and development, including the risks of obtaining and maintaining the validity and enforceability of the necessary licenses and permits and complying with the permitting requirements of each jurisdiction that New Gold operates, including, but not limited to, Mexico, where New Gold is involved with ongoing challenges relating to its environmental impact statement for Cerro San Pedro Mine; the lack of certainty with respect to the Mexican and other foreign legal systems, which may not be immune from the influence of political pressure, corruption or other factors that are inconsistent with the rule of law; the uncertainties inherent to current and future legal challenges the company is or may become a party to, including the third party claim related to the El Morro transaction with respect to New Gold's exercise of its right of first refusal on the El Morro copper-gold project in Chile and its partnership with Goldcorp Inc., which transaction and third party claim were announced by New Gold in January 2010; diminishing quantities or grades of reserves; competition; loss of key employees; additional funding requirements; actual results of current exploration or reclamation activities; changes in project parameters as plans continue to be refined; accidents; labour disputes; defective title to mineral claims or property or contests over claims to mineral properties. In addition, there are risks and hazards associated with the business of mineral exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and gold bullion losses (and the risk of inadequate insurance or inability to obtain insurance, to cover these risks) as well as "Risks Factors" included in New Gold's Annual Information Form filed on March 26, 2010 and Management Information Circular filed on April 8, 2010, both available at www.sedar.com. Forward-looking statements are not guarantees of future performance, and actual results and future events could materially differ from those anticipated in such statements. All of the forward-looking statements contained in this presentation are qualified by these cautionary statements. New Gold expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, events or otherwise, except in accordance with applicable securities laws.

Cautionary statement (cont'd)

CAUTIONARY NOTE TO U.S. READERS CONCERNING ESTIMATES OF MEASURED, INDICATED AND INFERRED RESOURCES

Information concerning the properties and operations of New Gold has been prepared in accordance with Canadian standards under applicable Canadian securities laws, and may not be comparable to similar information for United States companies. The terms "Mineral Resource", "Measured Mineral Resource", "Indicated Mineral Resource" and "Inferred Mineral Resource" used in this presentation are Canadian mining terms as defined in accordance with NI 43-101 under guidelines set out in the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Standards on Mineral Resources and Mineral Reserves adopted by the CIM Council on December 11, 2005. While the terms "Mineral Resource", "Measured Mineral Resource", "Indicated Mineral Resource" and "Inferred Mineral Resource" are recognized and required by Canadian regulations, they are not defined terms under standards of the United States Securities and Exchange Commission. Under United States standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve calculation is made. As such, certain information contained in this presentation concerning descriptions of mineralization and resources under Canadian standards is not comparable to similar information made public by United States companies subject to the reporting and disclosure requirements of the United States Securities and Exchange Commission. An "Inferred Mineral Resource" has a great amount of uncertainty as to its existence and as to its economic and legal feasibility. It cannot be assumed that all or any part of an "Inferred Mineral Resource" will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies. Readers are cautioned not to assume that all or any part of Measured or Indicated Resources will ever be converted into Mineral Reserves. Readers are also cautioned not to assume that all or any part of an "Inferred Mineral Resource" exists, or is economically or legally mineable. In addition, the definitions of "Proven Mineral Reserves" and "Probable Mineral Reserves" under CIM standards differ in certain respects from the standards of the United States Securities and Exchange Commission.

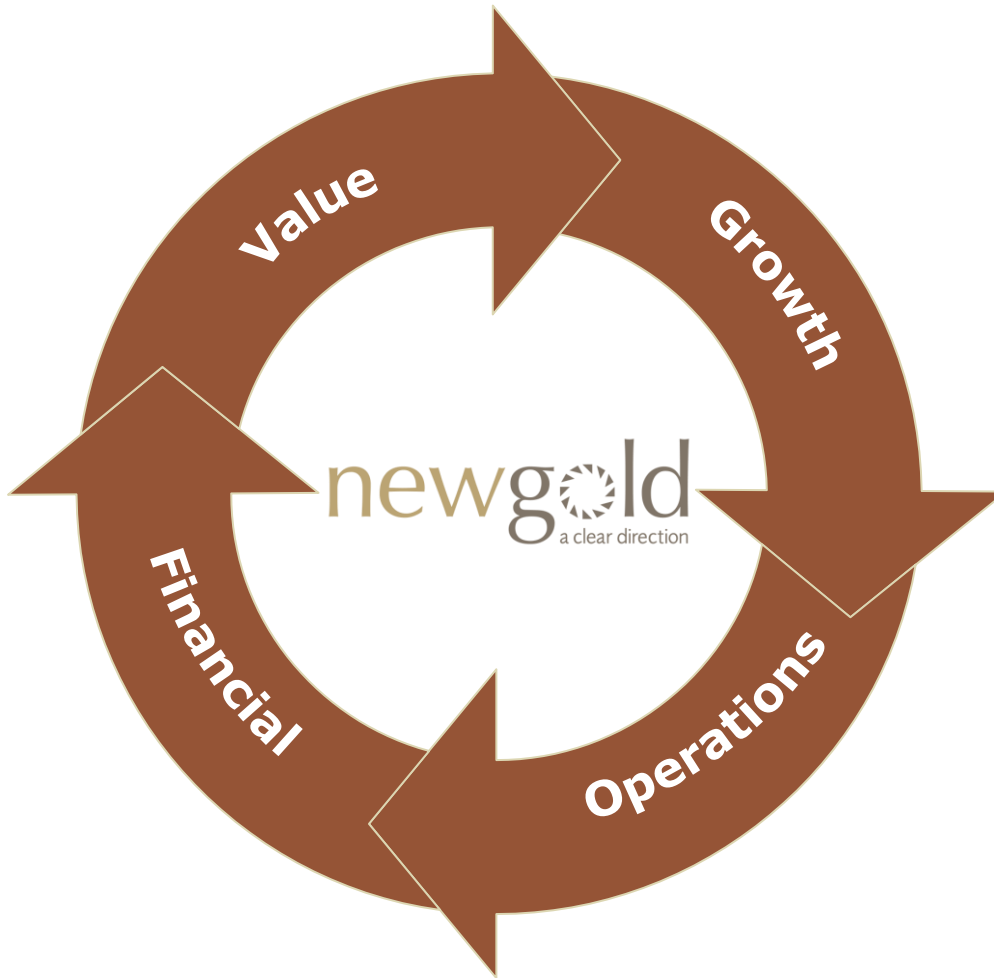
TOTAL CASH COST

"Total cash cost" per ounce figures are calculated in accordance with a standard developed by The Gold Institute, which was a worldwide association of suppliers of gold and gold products and included leading North American gold producers. The Gold Institute ceased operations in 2002, but the standard is widely accepted as the standard of reporting cash cost of production in North America. Adoption of the standard is voluntary and the cost measures presented may not be comparable to other similarly titled measures of other companies. New Gold reports total cash cost on a sales basis. Total cash cost includes mine site operating costs such as mining, processing, administration, royalties and production taxes, but is exclusive of amortization, reclamation, capital and exploration costs. Total cash cost is reduced by any by-product revenue and is then divided by ounces sold to arrive at the total by-product cash cost of sales. The measure, along with sales, is considered to be a key indicator of a company's ability to generate operating earnings and cash flow from its mining operations. This data is furnished to provide additional information and is a non-GAAP measure. Total cash cost presented do not have a standardized meaning prescribed by GAAP and may not be comparable to similar measures presented by other mining companies. It should not be considered in isolation as a substitute for measures of performance prepared in accordance with GAAP and is not necessarily indicative of operating costs presented under GAAP. A reconciliation has been provided in the MD&A accompanying the audited annual financial statements and the unaudited quarterly financial statements.

TECHNICAL INFORMATION

The scientific and technical information in this presentation has been prepared under the supervision of Mark Petersen, a qualified person under National Instrument 43-101 and employee of New Gold.

Executing on our strategy



Disciplined Growth

- Combined 4 junior companies in 2 years
- 82% increase in Q2'10 operating cash flow

Operational Execution

- 62% increase in Q2'10 gold production to ~90koz
- 56% increase in Q2'10 gold sales

Financial Strength

- \$132 million increase in net cash since beginning of 2010
- Two fully-funded organic growth assets

Value Enhancement

- Focused on: El Morro, AB Notes, Amapari
- Surfaced ~ \$570 million of Net Asset Value
- Regain Cerro San Pedro value

CONTINUE GROWING THE COMPANY AND GENERATING VALUE FOR SHAREHOLDERS

Management and Board of Directors

EXECUTIVE MANAGEMENT TEAM

Randall Oliphant, Executive Chairman

Robert Gallagher, President & CEO

Brian Penny, Executive VP and CFO

James Currie, Executive VP and COO

BOARD OF DIRECTORS

James Estey, Director

Robert Gallagher, President, CEO & Director

Vahan Kololian, Director

Martyn Konig, Director

Pierre Lassonde, Director

Craig Nelsen, Director

Randall Oliphant, Executive Chairman

Ian Telfer, Director

Raymond Threlkeld, Director

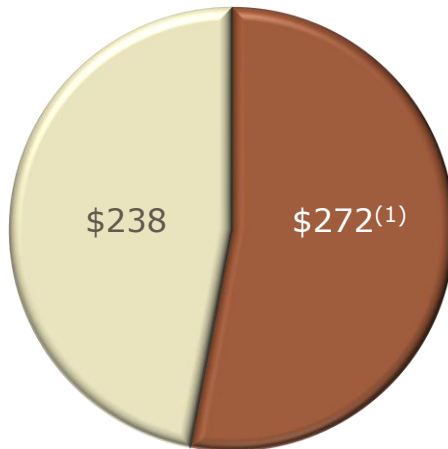
Capitalization and liquidity

Basic shares outstanding (millions)	392
FDITM shares outstanding (millions)	407
TSX share price – September 14, 2010 (C\$)	\$6.20
Market capitalization (C\$ millions)	\$2,430
Cash (US\$ millions)⁽¹⁾	\$376
Debt (US\$ millions) ⁽¹⁾	\$210
Insider ownership (million shares)	15

Significantly enhanced financial flexibility

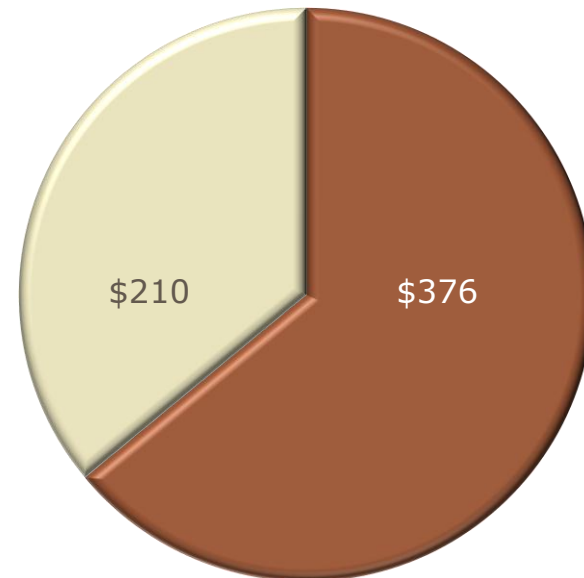
December 31, 2009

Net Cash \$34 million



June 30, 2010

Net Cash \$166 million

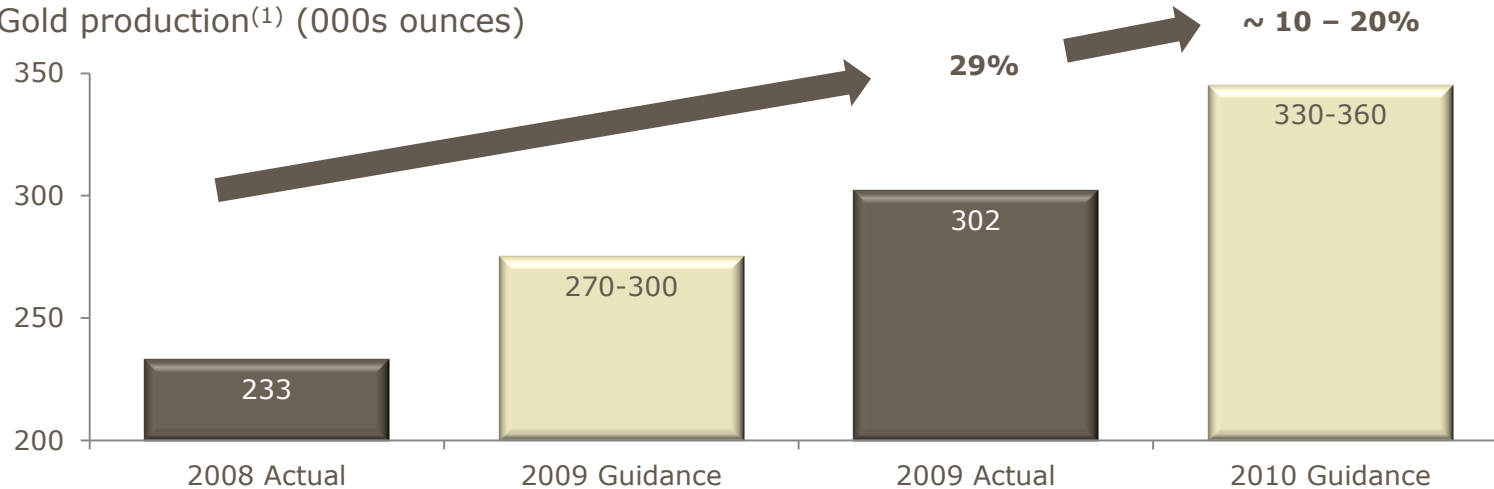


- \$132 million increase in net cash without issuing a share
- Further ~\$225 million in additional flexibility through 100% El Morro carry versus prior 70% carry

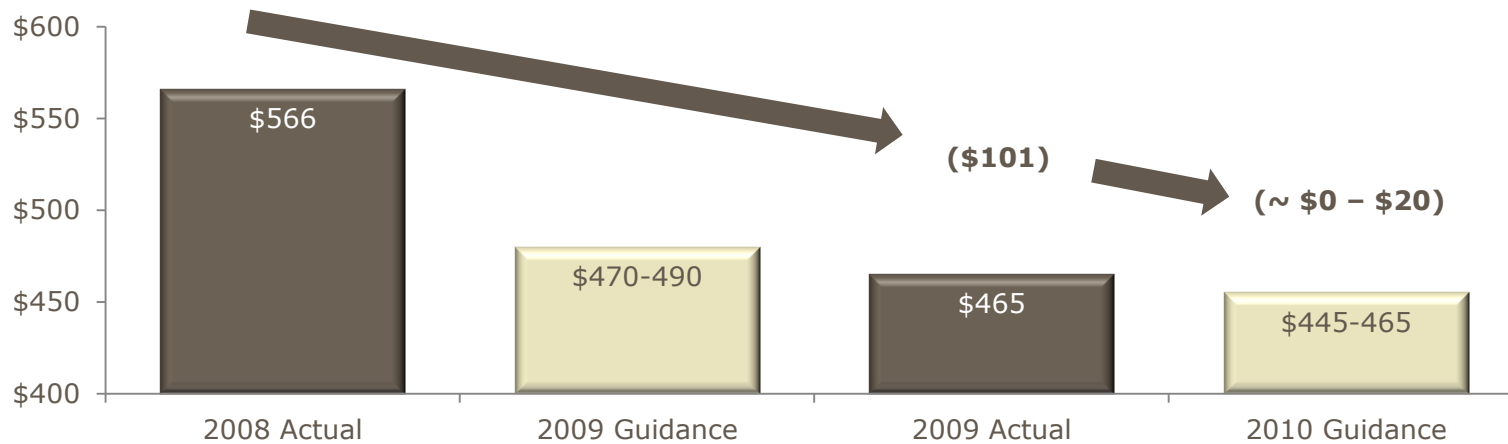
■ Cash
■ Debt

Delivering on guidance and growth

Gold production⁽¹⁾ (000s ounces)



Total cash cost⁽¹⁾ (\$ per ounce)



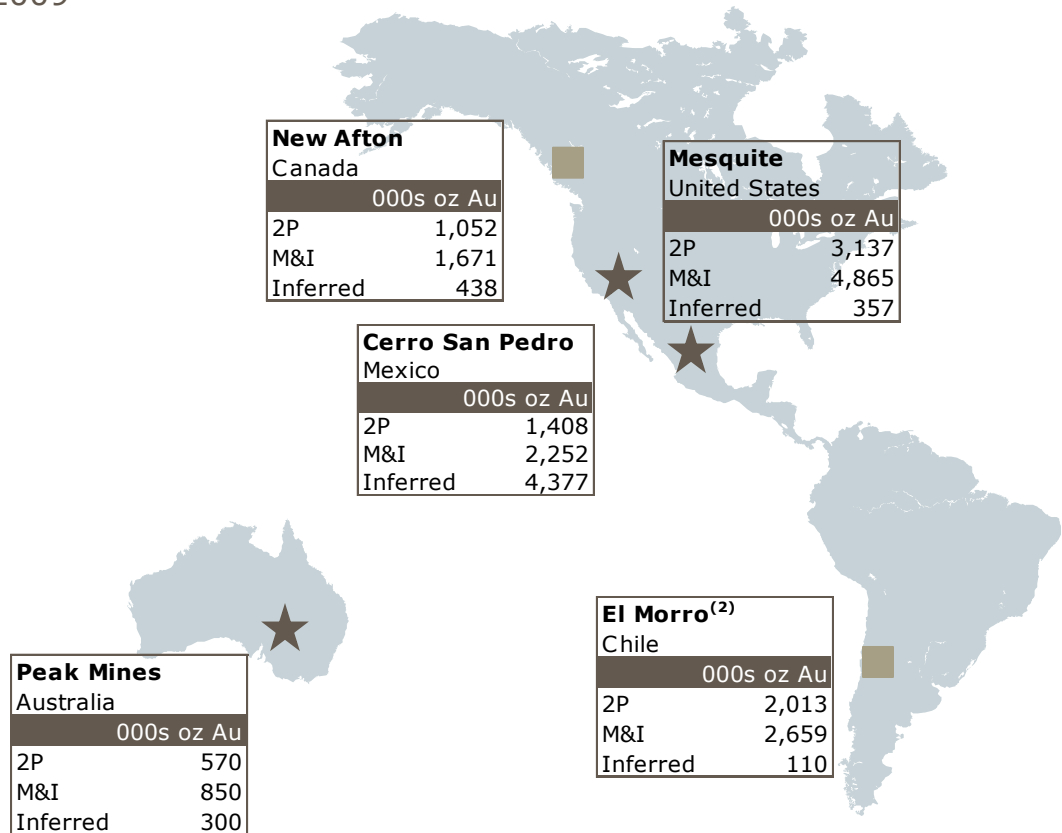
- Assumed by-product prices of \$15.00 per ounce silver and \$2.75 per pound of copper

Asset overview

GLOBALLY DIVERSIFIED PORTFOLIO OF ASSETS⁽¹⁾

- 10% increase in reserves from 2008 to 2009
- 12.3 million ounce M&I gold Resource
- 8.2 million ounce gold Reserve
- Diversified gold production base

★ Producing Mines
 ■ Development Projects



Notes: 1. Refer to Appendix for detailed disclosure on Reserve and Resource calculations. Measured and Indicated Resources inclusive of Reserves.
 2. Represents New Gold's 30% attributable share of Reserves and Resources.

Mesquite – Continuous improvement

Large deposit with proven history

- Brought back into production – January 2008
- Previously operated for 15 years – 4 million ounces mined
- 0.5 million ounce increase in Reserves at end of 2009

Production continues to increase

- Gold recovery rates from leach pad continue to improve
- 38,786 and 88,288 gold ounces sold in Q2'10 and H1'10, respectively
 - \$28.6 million earnings from mine operations in H1'10

Future holds potential for additional organic growth

- Working with regulators to increase mining rate
- Continue to evaluate economics of processing alternatives for sulphide gold resources underlying current pits
 - Resources (~1 Moz) could be converted to Reserves
 - Potential to find additional sulphide resources with exploration drilling - ~\$3M budgeted for 2010
 - Three drill rigs on site have commenced drilling



Location	United States
Mine type	Open pit
Reserves ¹ – Gold (Moz)	3.1
Resources ^{1,2} – Gold (Moz)	4.9
Estimate mine life ³	13+ years
Gold production 2010 guidance oz ⁴	145k – 155k

Cerro San Pedro – Fully Operational

Mine fully operational

- 24,833 and 37,957 gold ounces sold in Q2'10 and H1'10, respectively
- Q2'10 total cash cost⁽⁴⁾, net of by-product sales, was \$288 per ounce
- \$14.6 million earnings from mine operations in Q2'10

Focused on environment and community

- Obtained ISO: 14001 environmental certification in 2008
- Over \$40 million annually in regional expenditure benefitting the local community

Sulphide resource provides significant optionality

- 2009 drilling identified inferred sulphide resource including higher grade manto zone:
 - Total of 3.5 million ounces of sulphides added to Inferred Resources
- 2010 drilling focused on further delineating and expanding manto portion of sulphides – drilling has commenced
 - Manto grades: 1.98 g/t Au; 114.5 g/t Ag; 6.17% Zn; 1.61% Pb



Location	Mexico
Mine type	Open pit
Reserves ¹ – Gold/Silver (Moz)	1.4/52
Resources ^{1,2} – Gold/Silver (Moz)	2.3/78
Estimate mine life	~9 years
Gold production 2010 guidance oz ³	95k – 105k

Peak Mines – Strong contributor

Track record of Reserve replacement

- In operation since 1992 – originally built by Rio Tinto
- Produced over 2 million ounces over its life after starting with 1 million ounces in Reserves
- Continue to focus on long history of annual replacement of reserves from underground drilling

Low-cost producer generating strong cash flow

- Continue to benefit from high copper production
- 18,783 and 36,176 gold ounces sold in Q2'10 and H1'10, respectively
 - Moving into higher gold grade zones in H2'10
- H1'10 total cash cost⁽⁴⁾, net of by-product sales, was \$303 per ounce
- \$26.2 million earnings from mine operations in H1'10

Exploration focus on continuing to extend mine life

- Additional targets being drilled from surface within 40 kilometre mine corridor
 - Jubilee, Great Cobar and Fortitude SE are primary focus for 2010 exploration



Location	Australia
Mine type	Underground
Reserves ¹ – Gold/Copper (Koz/MIbs)	570/67
Resources ^{1,2} – Gold/Copper (Koz/MIbs)	850/127
Estimate mine life	~8 years
Gold production 2010 guidance oz ³	90k – 100k

New Afton – On time & on budget

Team in place with development progressing as planned

- Three key members at New Afton – General Manager, Mine Manager and Technical Services Manager all have significant experience at block cave operations
- Most surface infrastructure in place and mill building exterior completed
- Over 10,000 metres of underground development, or 50% of total required, have now been completed
- Preparation for continued surface construction ongoing

Robust economics and cash flow

- ~ \$245 million capital spent, ~ \$385 million remaining⁽⁵⁾
- Project remains on time/budget for mid-2012 start
- At today's gold and copper prices, potential for ~\$200 million per year of cash flow

Additional Resource targets identified

- Potential for additional resources below current block
 - Drill once underground development complete
- Additional targets identified on 111km² of exploration licenses



Location	Canada
Mine type	Underground
Reserves ¹ – Gold/Copper (Moz/MIbs)	1.05/993
Resources ^{1,2} – Gold/Copper (Moz/MIbs)	1.67/1,535
Estimate mine life	12 years
LOM production/yr (Au oz/Cu lbs) ³	85k/75m
LOM cash cost/oz co-product (Au/Cu) ⁴	\$359/\$0.90

Notes:

1. Refer to Appendix for detailed disclosure on Reserve and Resource calculations.

2. Resources are inclusive of Reserves.

3. Refer to Cautionary Statements.

4. Refer to Cautionary Statements and note on Total cash cost. Life of mine co-product costs based on \$900/oz gold and \$2.25/lb copper.

5. Capital estimate includes a \$28 million contingency.

El Morro (30%) – Significant exploration potential

Potential for meaningful Reserve/Resource growth

- Excellent leverage to higher gold/copper prices as Reserves calculated at \$500 gold and \$1.25 copper
- Current Reserves and Resources entirely contained within La Fortuna deposit
- La Fortuna Resource has significant potential to grow
- Neighbouring El Morro deposit largely underexplored to date
- Goldcorp to spend \$10 million on exploration in 2010

Strong partner developing the mine

- Permit to begin development – expected late 2010
- Goldcorp to make development of El Morro a priority
- Peñasquito project team now focused on El Morro
 - Total capital ~ \$2.5 billion per Feasibility Study

30% interest a very significant asset

- 20% of New Gold's share of cash flow from day one
- New Gold's 30% interest in El Morro would make it the company's largest cash flow generating asset

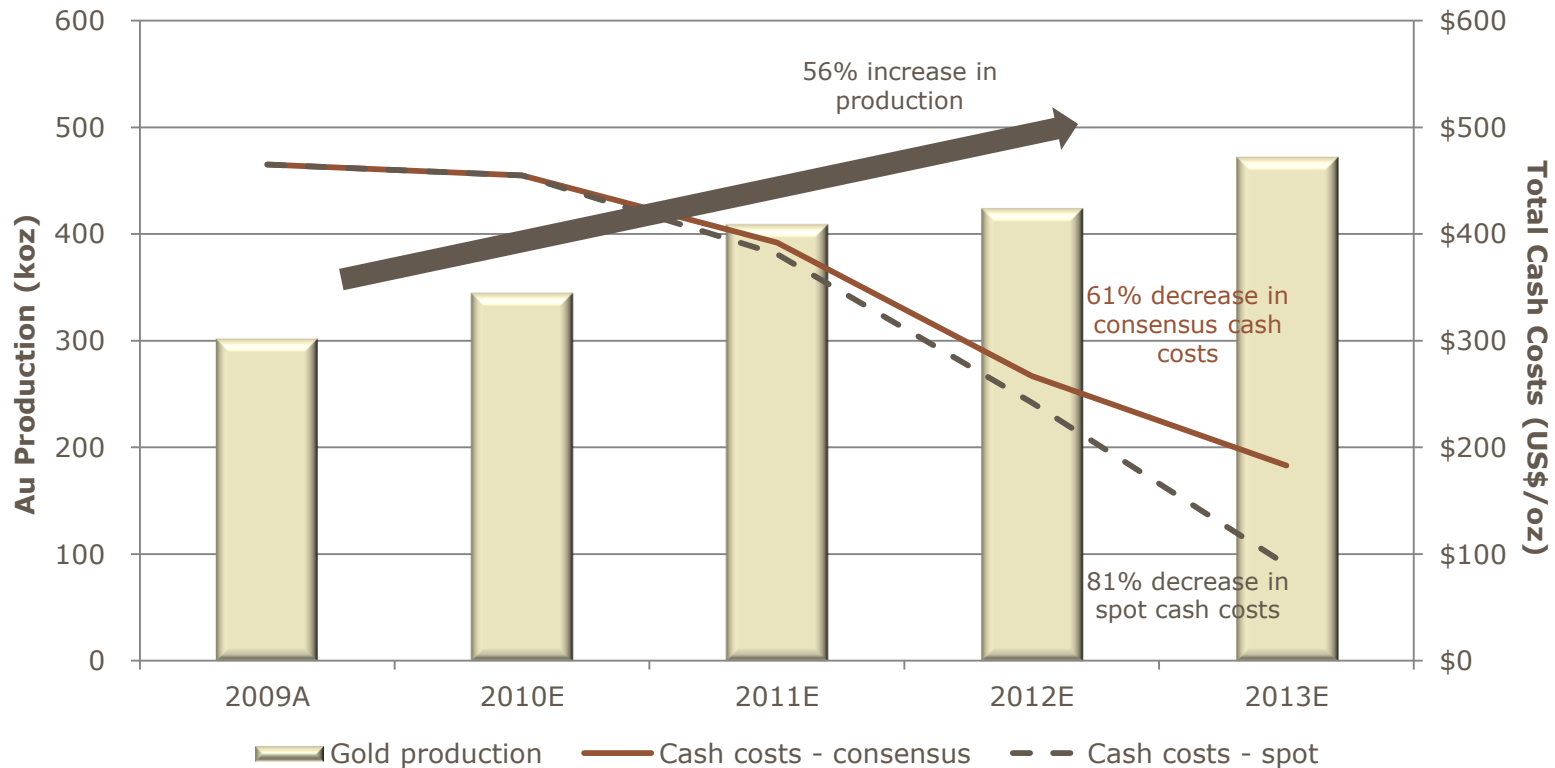


Location	Chile
Mine type	Open Pit
Reserves ¹ – Gold/Copper (Moz/Mlbs)	2.01/1,715
Resources ^{1,2} – Gold/Copper (Moz/Mlbs)	2.66/2,018
Estimate mine life	15 years
LOM production/yr (Au oz/Cu lbs) ³	95k/105m
LOM cash cost/oz co-product (Au/Cu) ⁴	\$375/\$0.94

Gold production growth

EXCEPTIONAL GOLD PRODUCTION GROWTH PROFILE

Production Profile 1,2,3
(2009A-2013E)



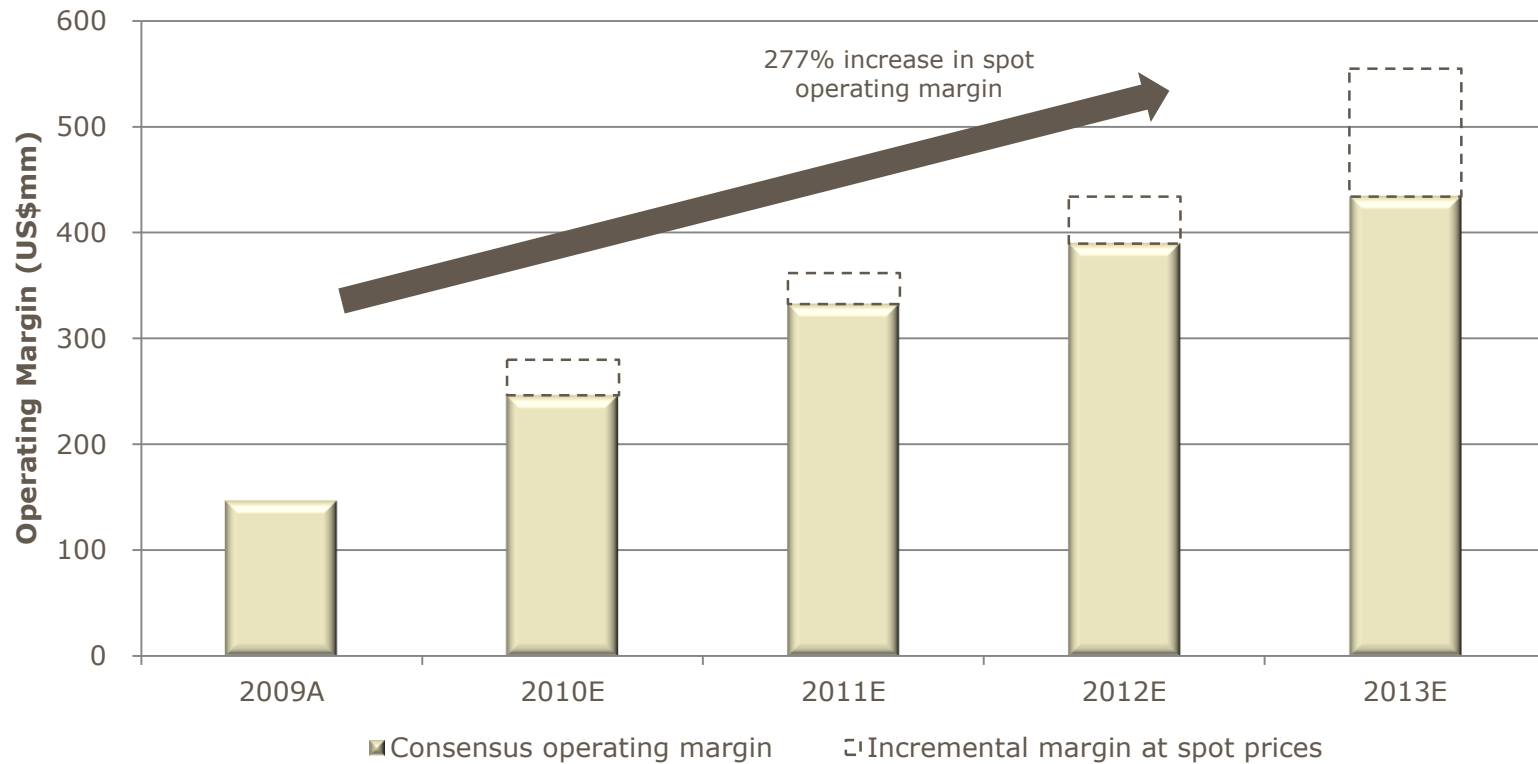
EL MORRO PROVIDES ADDITIONAL VALUE OVER AND ABOVE CURRENT GROWTH PROFILE

1. By-product consensus cash cost based on silver and copper prices as follows: 2010 \$18.22/oz, \$3.18/lb; 2011 - \$18.70/oz, \$3.42/lb; 2012 - \$17.86/oz, \$3.33/lb; 2013 - \$16.62/oz, \$2.98/lb.
2. Spot cash cost per ounce based on difference between above noted prices and current spot prices: Silver - \$20.50/oz, Copper - \$3.45/lb
3. Refer to Cautionary Statements regarding Forward Looking Statements and Total Cash Cost.

Operating margin

EXCEPTIONAL CASH FLOW GENERATION AND GROWTH

Operating Margin ^{1,2,3,4,5}
(2009A-2013E)



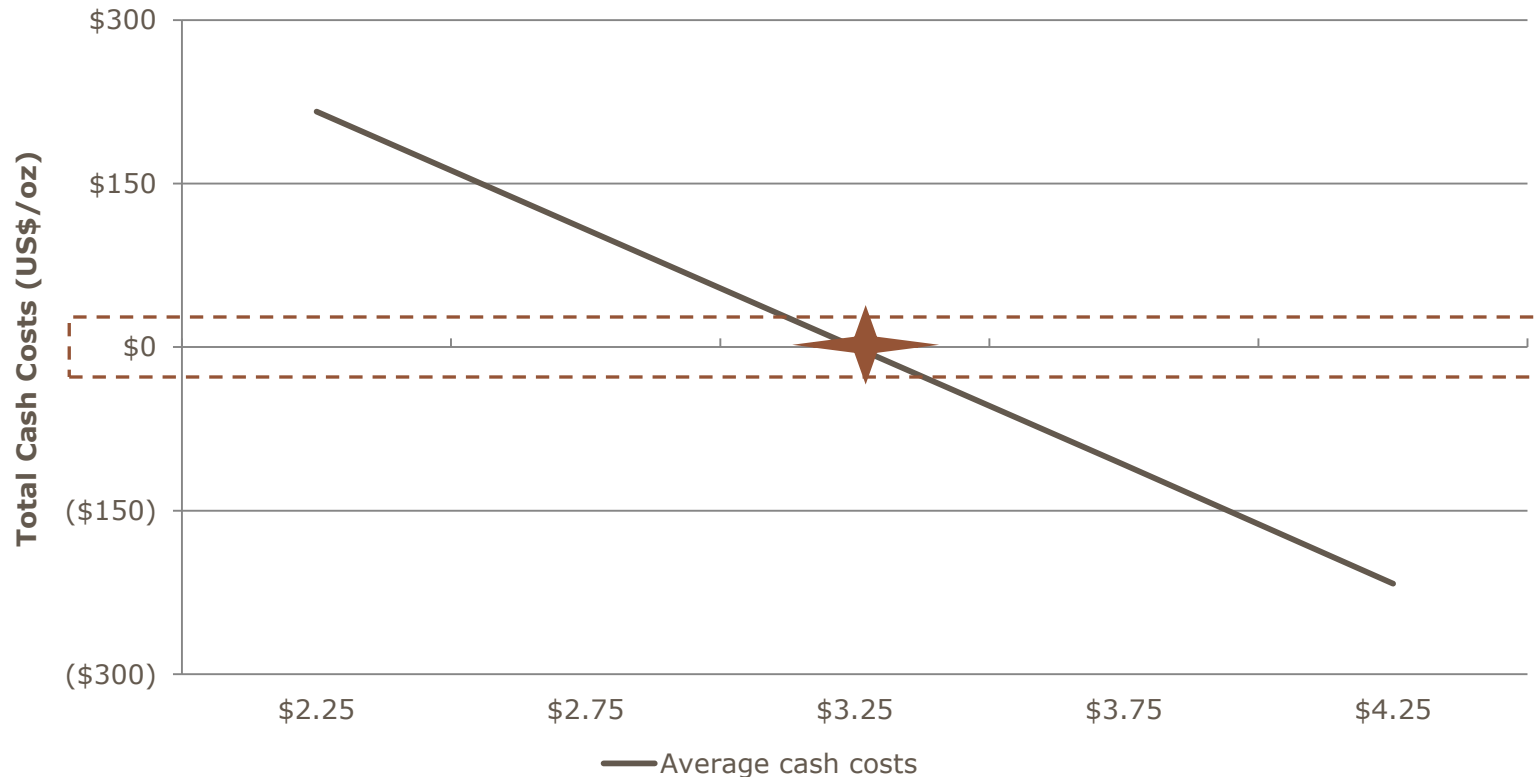
Notes:

1. Operating margin is a non-GAAP measure calculated as production multiplied by the assumed gold price less cash costs net of by-product credits.
2. Consensus margin based on declining consensus gold price as follows: 2010 - \$1,168/oz; 2011 - \$1,204/oz; 2012 - \$1,185/oz; 2013 - \$1,102/oz.
3. Incremental margin based on current spot prices: Gold - \$1,265/oz, Silver - \$20.50/oz, Copper - \$3.45/lb.
4. Excludes El Morro.
5. Refer to Cautionary Statements regarding Forward Looking Statements and Total Cash Costs.

Copper leverage

AT \$3.25/lb COPPER – BY-PRODUCT CASH COST GO TO ZERO

Assumes average of 90 million lbs of copper per year
(2013-2017) ^{1,2,3}

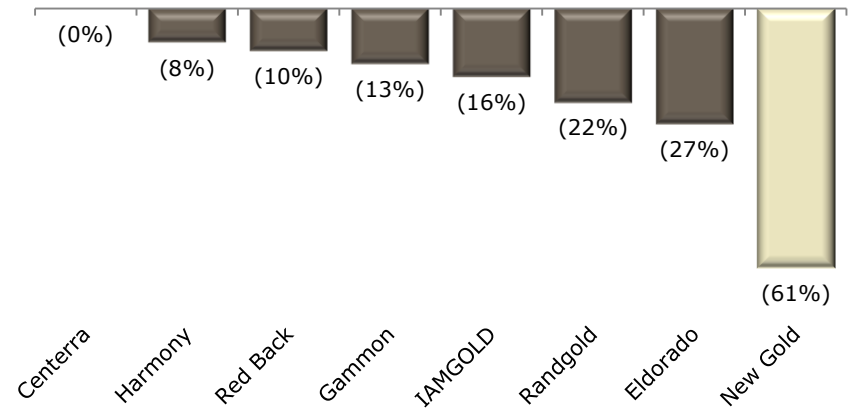


- Every \$0.50 per pound change in copper price results in \$45 million change in revenue/cash flow

Peer comparison

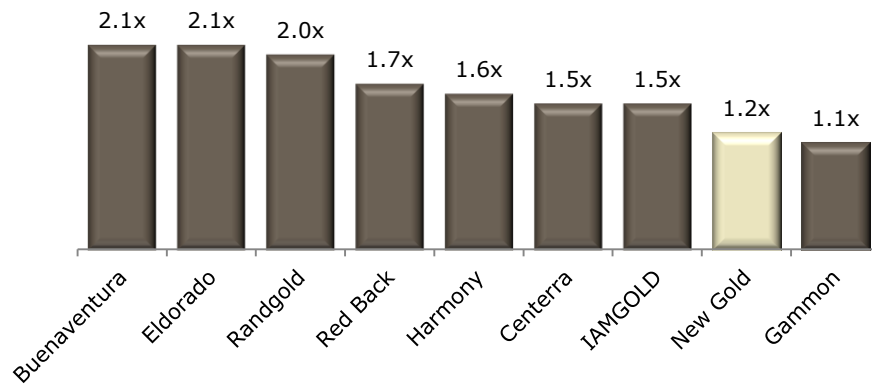
New Gold provides compelling value proposition among intermediate peers

Change in 2010E-2013E broker consensus cash costs^{1,2}



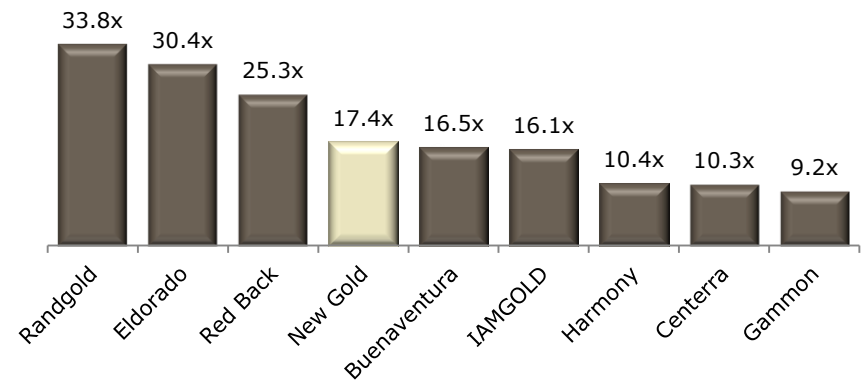
1. Note: Gammon Gold calculated based on gold equivalent cash costs
 2. Refer to Cautionary Statements regarding Forward Looking Statements and Total Cash Cost

Price/Consensus NAV



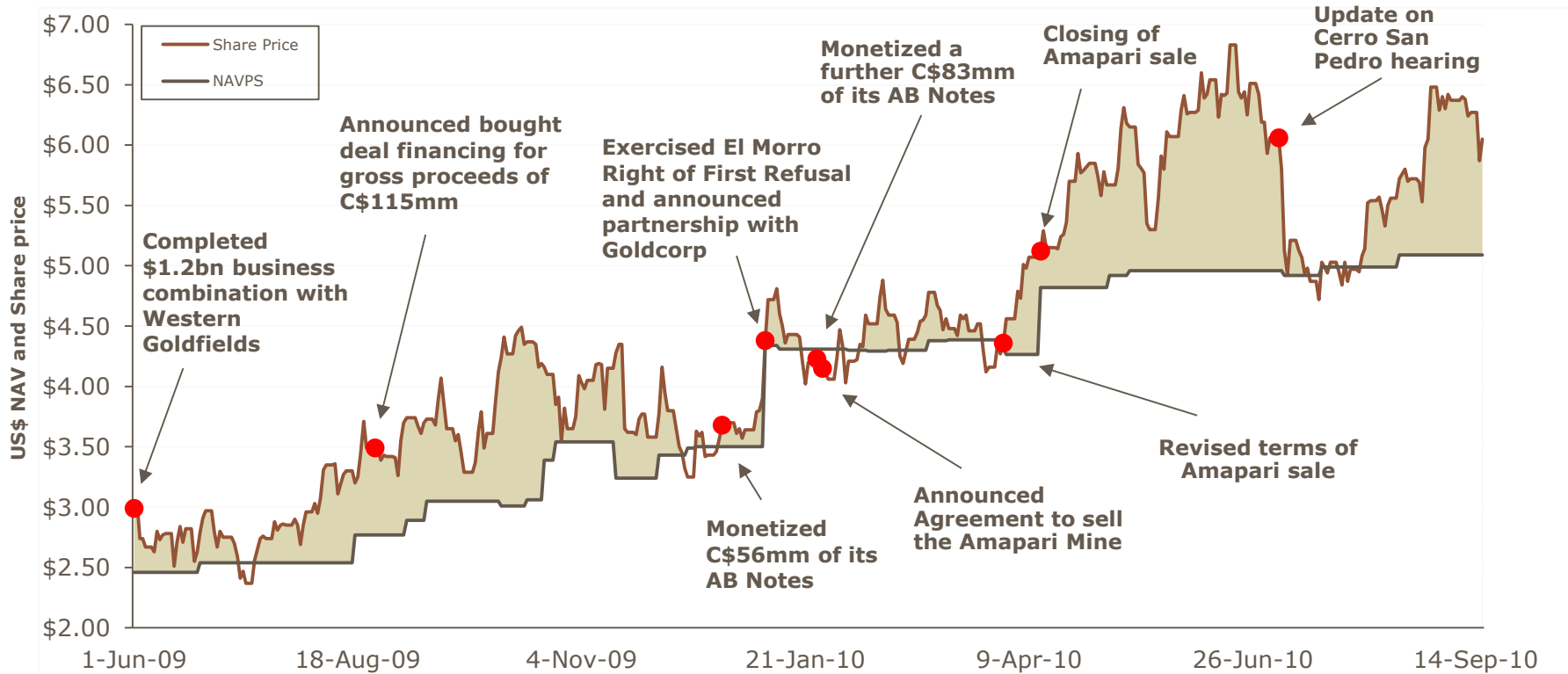
Note: As at September 14, 2010

Price/2010E CF



Note: As at September 14, 2010

Net asset value per share appreciation



As at June 1, 2009	
Asset	Estimated Value (US\$ mm)
El Morro	~\$40
Amapari	--
AB Notes	--

• 107% increase in NAVPS since closing of merger with Western Goldfields; Share price has appreciated 102% in the same timeframe

• Driven by ~\$570 million NAV increase in the previously undervalued assets

As at September 14, 2010	
Asset	Estimated/Realized Value (US\$ mm)
El Morro ⁽¹⁾	\$455
Amapari ⁽²⁾	\$80
AB Notes ⁽³⁾	\$75

Source: Broker Reports, Company Estimates and Announcements, Bloomberg.

Notes:

1. Current street consensus NAV for El Morro; Includes \$50mm cash payment received from Goldcorp as part of transaction consideration.
2. Total value of proceeds from the sale of Amapari, adjusted for current Beadell Resources share price.
3. Aggregate proceeds from the sale of New Gold's Asset Backed Notes.

Value generation

NEW GOLD VALUE CATALYSTS

Realizing value on asset backed notes	Completed
Closing of El Morro transaction	Completed
Closing of Amapari transaction	Completed
Working to resolve ongoing challenges at Cerro San Pedro	Ongoing
Delivering on operational targets	Ongoing
Mesquite Sulphide evaluation	Ongoing
Cerro San Pedro Sulphide evaluation	Ongoing
El Morro exploration and optimization	Ongoing
Advancing development of New Afton	Ongoing
Executing on future growth transaction	Ongoing

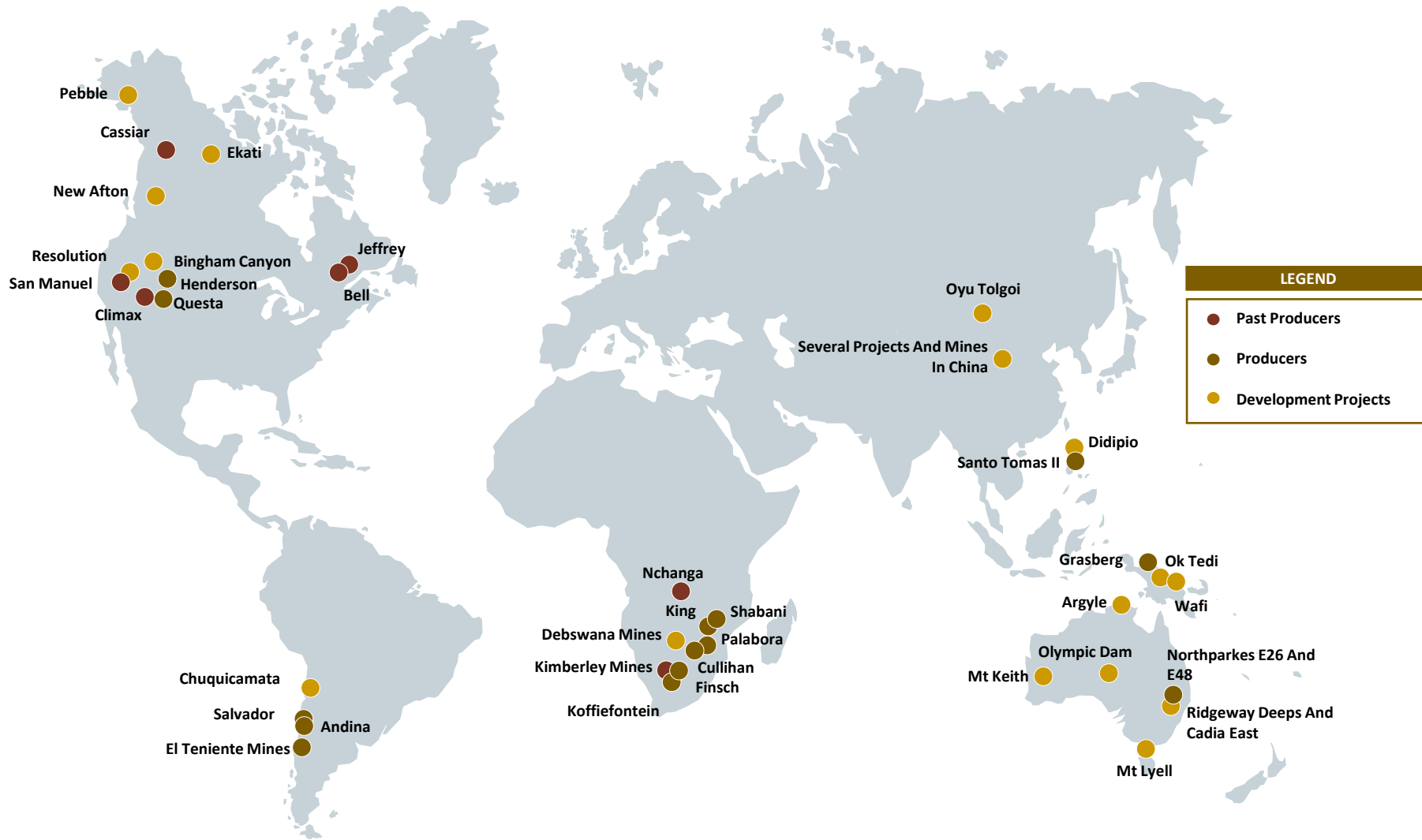
Executing on our strategy



Appendices

- Block cave mines
- Debt and financing notes
- Reserves and Resource notes
- El Morro transaction

Block cave mines



Debt and financing notes

	Senior Secured Notes	Convertible Debentures
Face Value	C\$187 million	C\$55 million
Maturity	June 28, 2017	June 28, 2014
Interest Rate	10%	5%
Payable	Semi-annually	Semi-annually
Conversion price	n/a	C\$9.35

Reserves and resource notes

Mineral Reserves statement as at December 31, 2009							
	<i>Metal grade</i>				<i>Contained metal</i>		
	<i>Tonnes 000's</i>	<i>Gold g/t</i>	<i>Silver g/t</i>	<i>Copper %</i>	<i>Gold Koz</i>	<i>Silver Koz</i>	<i>Copper Mlbs</i>
Mesquite							
Proven	73,522	0.60	-	-	1,411	-	-
Probable	<u>93,287</u>	<u>0.58</u>	-	-	<u>1,725</u>	-	-
Mesquite P&P	166,809	0.58	-	-	3,137	-	-
Cerro San Pedro							
Proven	42,709	0.61	22.41	-	838	30,772	-
Probable	<u>35,452</u>	<u>0.50</u>	<u>18.79</u>	-	<u>570</u>	<u>21,417</u>	-
CSP P&P	78,161	0.56	20.77	-	1,408	52,189	-
Peak							
Proven	1,212	3.92	11.00	0.79	153	417	21
Probable	<u>2,598</u>	<u>5.00</u>	<u>6.00</u>	<u>0.80</u>	<u>418</u>	<u>501</u>	<u>46</u>
Peak P&P	3,810	4.66	7.59	0.80	570	918	67
New Afton							
Proven	-	-	-	-	-	-	-
Probable	<u>47,400</u>	<u>0.69</u>	<u>2.03</u>	<u>0.95</u>	<u>1,052</u>	<u>3,094</u>	<u>993</u>
New Afton P&P	47,400	0.69	2.03	0.95	1,052	3,094	993
El Morro							
				100%			30%
Proven	208,473	0.53	-	0.66	1,062	-	909
Probable	<u>241,761</u>	<u>0.41</u>	-	<u>0.50</u>	<u>951</u>	-	<u>806</u>
El Morro P&P	450,234	0.46	-	0.58	2,013	-	1,715

Reserves and resource notes (cont'd)

Measure and Indicated mineral Resource statement (inclusive of Reserves) as at December 31, 2009

	Metal grade						Contained metal				
	Tonnes 000's	Gold g/t	Silver g/t	Copper %	Zinc %	Lead %	Gold Koz	Silver Koz	Copper Mlbs	Zinc Mlbs	Lead Mlbs
Mesquite											
Measured	111,576	0.52	-	-	-	-	1,860	-	-	-	-
Indicated	<u>185,363</u>	<u>0.50</u>	-	-	-	-	<u>3,004</u>	-	-	-	-
Mesquite M&I	296,939	0.51	-	-	-	-	4,865	-	-	-	-
Cerro San Pedro											
Measured (oxide)	48,254	0.52	19.72	-	-	-	799	30,600	-	-	-
Indicated (oxide)	<u>43,861</u>	<u>0.39</u>	<u>14.79</u>	-	-	-	<u>556</u>	<u>20,859</u>	-	-	-
CSP M&I (oxide)	92,115	0.46	17.38	-	-	-	1,355	51,459	-	-	-
Measured (sulphide)	18,739	0.53	17.10	-	0.80	0.19	320	10,305	-	332	79
Indicated (sulphide)	<u>42,307</u>	<u>0.42</u>	<u>11.79</u>	-	<u>0.71</u>	<u>0.13</u>	<u>576</u>	<u>16,036</u>	-	<u>660</u>	<u>123</u>
CSP M&I (sulphide)	61,046	0.46	13.42	-	0.74	0.15	897	26,341	-	992	203
Peak											
Measured	2,453	3.70	9.00	1.05	-	-	295	715	57	-	-
Indicated	<u>3,614</u>	<u>4.80</u>	<u>7.00</u>	<u>0.88</u>	-	-	<u>554</u>	<u>775</u>	<u>70</u>	-	-
Peak M&I	6,067	4.36	7.81	0.95	-	-	849	1,490	127	-	-
New Afton											
Measured	35,100	0.91	2.80	1.26	-	-	1,027	3,160	975	-	-
Indicated	<u>29,900</u>	<u>0.67</u>	<u>2.20</u>	<u>0.85</u>	-	-	<u>644</u>	<u>2,115</u>	<u>560</u>	-	-
New Afton M&I	65,000	0.80	2.52	1.07	-	-	1,671	5,275	1,535	-	-
El Morro											
				100%					30%		
Measured	211,164	0.54	-	0.65	-	-	1,108	-	903	-	-
Indicated	<u>347,242</u>	<u>0.46</u>	-	<u>0.49</u>	-	-	<u>1,551</u>	-	<u>1,115</u>	-	-
El Morro M&I	558,406	0.49	-	0.55	-	-	2,659	-	2,018	-	-

Reserves and resource notes (cont'd)

Inferred Resource statement as at December 31, 2009

	Metal grade						Contained metal				
	Tonnes 000's	Gold g/t	Silver g/t	Copper %	Zinc %	Lead %	Gold Koz	Silver Koz	Copper Mlbs	Zinc Mlbs	Lead Mlbs
Mesquite	22,804	0.49	-	-	-	-	357	-	-	-	-
Cerro San Pedro											
<i>Inside Mineral Resource Pit:</i>											
Oxides	17,931	0.29	9.69	-	-	-	168	5,586	-	-	-
Sulphides	20,964	0.33	8.54	-	1.22	0.05	224	5,758	-	564	22
							392	11,614	-	564	22
<i>Outside Mineral Resource Pit:</i>											
Oxides	86,107	0.27	6.88	-	-	-	756	19,054	-	-	-
Sulphides	210,669	0.43	8.00	-	0.45	0.07	2,945	54,161	-	2,073	319
							3,701	73,215	-	2,073	319
Manto Sulphides	4,470	1.98	114.5	-	6.17	1.61	285	16,456	-	608	159
Peak	1,999	4.70	5.00	0.75	-	-	300	347	33	-	-
New Afton	25,200	0.54	1.70	0.66	-	-	438	1,377	367	-	-
				100%				30%			
El Morro	62,335	0.18	-	0.34	-	-	110	-	141	-	-

Reserves and resource notes (cont'd)

Mineral Reserves are contained within Measured and Indicated mineral Resources. Measured and Indicated mineral Resources that are not mineral Reserves do not have demonstrated economic viability. Inferred mineral Resources are not known with the same degree of certainty as Measured and Indicated Resources, do not have demonstrated economic viability, and are exclusive of mineral Reserves.

1) Mineral Reserves for the company's mining operations and development projects have been calculated based on the following metal prices and lower cut-off criteria:

Mineral Property	Gold (US\$/oz)	Silver (US\$/oz)	Copper (US\$/lb)	Lower Cut-off
Mesquite	\$800	-	-	0.21g/t Au – Oxide reserves 0.41g/t Au – Sulphide reserves
Cerro San Pedro	\$800	\$12.00	-	US\$2.58/t NSR
Peak Mines	\$800	\$12.00	\$2.00	A\$118 – 152/t NSR
New Afton	\$800	\$12.00	\$2.00	US\$19/t NSR
El Morro	\$500	-	\$1.25	0.30% CuEq

Mineral Reserves have been estimated and reported in accordance with the standards of the Canadian Institute of Mining, Metallurgy and Petroleum and National Instrument 43-101, or the AusIMM JORC equivalent.

2) Mineral Resources for the company's mining operations and development projects have been calculated based on the following metal prices and lower cut-off criteria:

Mineral Property	Gold (US\$/oz)	Silver (US\$/oz)	Copper (US\$/lb)	Zinc (US\$/lb)	Lead (US\$/lb)	Lower Cut-off
Mesquite	\$900	-	-	-	-	0.1 g/t Au – All resources
Cerro San Pedro	\$900	\$15.00	-	\$1.00	\$0.75	0.1g/t Au – Oxide resources 0.4g/t AuEq – Sulphide resources 2.5g/t AuEq – High grade manto resources
Peak Mines	\$800	\$12.00	\$2.00	\$0.80	\$0.60	A\$95/t NSR
New Afton	\$900	\$15.00	\$2.00			0.4% CuEq – All resources
El Morro	\$500	-	\$1.25			0.30% CuEq – All resources
Amapari	\$900	-	-	-	-	0.5-0.7g/t Au – O/P; 1.4g/t Au – U/G

Mineral Resources have been estimated and reported in accordance with the standards of the Canadian Institute of Mining, Metallurgy and Petroleum and National Instrument 43-101, or the AusIMM JORC equivalent.

Reserves and resource notes (cont'd)

3) Cerro San Pedro

Cerro San Pedro mineral Resources include measured, indicated and a portion of Inferred Resources that are contained within a "Mineral Resource Pit" based on metal prices of \$900/oz gold, \$15.00/oz silver, \$1.00/lb zinc and \$0.75/lb lead at lower cut-offs of 0.1 g/t Au for oxide mineralization and 0.4 g/t AuEq for sulphide mineralization. Inferred Resources also include potentially economic mineralization extending outside the limits of the "Mineral Resource Pit" which is delimited by lower cut-off grade shells of 0.1 g/t Au for oxide mineralization and 0.4 g/t AuEq for sulphide mineralization.

4) El Morro

El Morro mineral Reserve and Resources tonnes and grade are reported on a 100% basis; contained metals are reported on a 30% basis to reflect New Gold's 30% ownership interest in the project.

El Morro mineral Reserves and Resources have been reported based on cut-off of 0.3% copper-equivalent ("EqCu") where

EqCu(%) = Cu(%) + 0.592 x Au (g/t) and Cu(%) = percent copper, Au(g/t) = grams per tonne gold, and 0.592 represents a constant based on metal prices of \$1.25/lb copper and \$500/oz gold and average metal recoveries for the deposit.

Reserves and resource notes (cont'd)

4) Qualified Persons

The following table sets out the individuals who are the Qualified Persons as defined by Canadian National Instrument 43-101 in connection with New Gold's Mineral Reserve and Mineral Resource Statements as of December 31, 2009.

<u>Mesquite</u>	Reserves	Mr. Wayne Valliant, P. Geo. And Principal Geologist for Scott Wilson Roscoe Postle Assoc.
	Resources	Mr. Richard J. Lambert, P.E. and Principal Mining Consultant for Scott Wilson Roscoe Postle Assoc.
<u>Cerro San Pedro</u>	Reserves	Mr. Christopher Moreton, PhD. and P. Geo., and Senior Consulting Geologist for Scott Wilson Roscoe Postle & Assoc.
	Resources	Mr. Richard J. Lambert, P.E. and Principal Mining Consultant for Scott Wilson Roscoe Postle Assoc.
<u>Peak Mines</u>	Reserves	Mr. Rex Berthelsen, FAusIMM, CPGeo and Principal Geologist for New Gold Inc.
	Resources	Mr. Sean Pearce, Member AusIMM, Manager Mining for Peak Gold Mines Pty. Ltd.
<u>New Afton</u>	Reserves	Mr. Dennis Bergen, P.Eng. and Associate Principal Mining Engineer for Scott Wilson Roscoe Postle & Assoc.
	Resources	Mr. David Rennie, P. Eng. and Principal Geologist for Scott Wilson Roscoe Postle Assoc.
<u>El Morro</u>	Reserves	Mr. Richard J. Lambert, P.E. and Principal Mining Consultant for Scott Wilson Roscoe Postle Assoc. (formerly Principal Mining Engineer for Pincock, Allen & Holt Inc.)
	Resources	Mr. Barton G. Stone, P. Geo. and Chief Geologist for Pincock, Allen & Holt Inc.

El Morro transaction

- Closed transaction with Goldcorp Inc. on February 16, 2010 whereby Goldcorp is the 70% partner and operator of the El Morro project and New Gold is a 30% partner

Key Benefits to New Gold

- Maintain 30% interest in a large asset coveted by the largest gold companies
- Well-financed strategic partner in Goldcorp with track record of successful mine development
- No additional cash outlay required from New Gold to attain its share of production and cash flow
- \$50 million payment plus full capital carry significantly enhances financial flexibility
- Low interest rate leads to faster payback and increased cash flow
- Construction guarantee and related penalty provide additional assurance of timely development

El Morro Shareholder Agreement Revisions

	<i>Original Agreement</i>	<i>Revised Agreement</i>
Cash payment	--	\$50 million
% of New Gold capital carried	70%	100%
Interest charge on carried funding ⁽¹⁾	Xstrata cost of capital + 100 basis points (~12.1%)	US 7-year Treasury Rate + 187 basis points (~5.2%)
Construction Guarantee	--	60 days from receipt of permits (subject to financial penalty)

NOTE: On January 13, 2010, Barrick filed a Statement of Claim related to the El Morro Transaction and New Gold's exercise of the Right of First Refusal. New Gold believes the claim is without merit and intends to respond to this action using all available legal avenues.

Investor Relations

Hannes Portmann

Vice President, Corporate Development

416-324-6014

hannes.portmann@newgold.com