Blackwater: Discovery and development of an emerging multi-million ounce gold-silver district in the Nechako Plateau, British Columbia, Canada

Mark A. Petersen
Michele Della Libera
Joanna L. Lipske
Dirk Tempelman-Kluit

NewGenGold
November 27, 2013
Cautionary statements

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

Total cash costs shown net of by-product sales 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 as well as information respecting Rainy River and its assets, 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 use of forward-looking terminology such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, “projects”, “potential”, “believes” or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will be taken”, “occur” or “be achieved” or the negative connotation. Without limiting the foregoing, examples of forward-looking information in this presentation include, among others, statements with respect to: New Gold’s guidance for production, cash costs, all-in sustaining costs, expenditures and cash flows, modifications to operations, the timing of development decisions, the estimation of mineral reserves and resources and the realization of mineral reserves and resources, the timing and amount of estimated future production (including mining and milling rates), the expected life of New Gold’s mines, expected future production costs (including cash costs) and the timing of completion of the acquisition of Rainy River.

All such forward-looking statements are based on the reasonable 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. In addition to assumptions specifically identified in this presentation, the key assumptions and estimates are discussed in New Gold’s most recent interim management discussion and analysis and technical reports filed at www.sedar.com. The estimates and assumptions upon which the forward-looking statements in this presentation are based are inherently subject to known and unknown risks, uncertainties and other factors that may cause 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; price volatility in the spot and forward markets for commodities; fluctuations in the international currency markets and in the rates of exchange of the currencies of Canada, the United States, Australia, Mexico and Chile; 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 in which New Gold operates, including, but not limited to: in Canada, obtaining the necessary permits for Blackwater and the Rainy River Gold Project; in Mexico, where Cerro San Pedro has a history of ongoing legal challenges related to our environmental authorization (EIS); and in Chile, where the courts have temporarily suspended the approval of the environmental permit for El Morro; the lack of certainty with respect to 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 New Gold is or may become a party to: diminishing quantities or grades of Reserves; competition; loss of key employees; additional funding requirements; rising costs of labour, supplies, fuel and equipment; actual results of current exploration or reclamation activities; uncertainties inherent to mining economic studies including the PEA for Blackwater and the Rainy River Feasibility Study for the Rainy River Gold Project; 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; New Gold may be unable to successfully complete the acquisition of all of the securities of Rainy River or the completion of such acquisition may be delayed or more costly than anticipated; uncertainties with respect to the successful integration of the business of Rainy River within the business of New Gold; unexpected delays and costs inherent to consulting and accommodating rights of First Nations; and uncertainties with respect to obtaining all necessary surface rights for the Rainy River Project. In addition, there are risks and hazards associated with the business of mineral exploration, development and mining, including environmental events and 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 “Risk Factors” included in New Gold’s (and, in respect to information related to the acquisition of Rainy River Resources Ltd. (“Rainy River”), Rainy River and/or the Rainy River Gold Project, in Rainy River’s) disclosure documents filed on and 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.

All footnotes and endnotes have been shown at the conclusion of the presentation.
Surficial Geology

Source: adapted from Plouffe and Levson, 2004
Sources: Diakow & Levson, 1997; New Gold 2013
Stratigraphy

Lithology:
- mudstone
- siltstone, sandstone
- conglomerate
- granitoid
- rhyolite dyke
- rhyolite flow
- rhyolite tuff, breccia
- felsic dyke
- dacite, crystal tuff
- polyolithic volcanic breccia
- porphyritic andesite
- andesite, breccia
- pyroxene basalt
- silica-pyrite breccia
- silica-pyrite-sericite alteration
- olivine basalt

Source: New Gold 2013
Early 1970’s  Regional reconnaissance for porphyry copper systems  
*Rio Tinto, BP Minerals, Granges Exploration*

1985-1997  Prospect scale exploration in Capoose and Mt. Davidson areas  
*Granges Exploration*

1997 – 2004  Exploration hiatus

2005 – 2009  Exploration Resurgence & Blackwater Discovery  
*Silver Quest, Richfield Ventures*

2010 – 2013  Resource Delineation & Development; Property-wide reconnaissance  
*Richfield Ventures, New Gold Inc.*
Reconnaissance Geochemical Survey: 1973

250-1120 ppm Zn
130-700 ppm Pb

70 ppb Au

300-400 ppm Zn
30-125 ppm Pb
175-750 ppb Au

9.2 ppm Ag
44 ppm Pb

Mount Davidson
Till / Soil Geochemical Sampling: 1982-1984
Till / Soil Geochemical Sampling: 1982-1984

Legend
Zinc in soil (ppm)

- 200
- 500
- 1,000
Till / Soil Geochemical Sampling: 1982-1984

Legend
Silver in soil (ppm)

- Silver

Mount Davidson

BL

Legend

- Silver

1.0
2.0
5.0
10.0

metres
Till / Soil Geochemical Sampling: 1982-1984
1st Pass Drill Campaign: 1985

8 DD holes totaling ~507m
2nd & 3rd Drill Campaigns: 1986 - 1987

34 RC holes totaling 1,524m
22 DD holes totaling 2,725m
Cumulative Drilling 64 holes totaling 4,756m
### Granges 1992-1994 Drilling Highlights

<table>
<thead>
<tr>
<th>DH</th>
<th>From</th>
<th>To</th>
<th>Int.</th>
<th>Au g/t</th>
</tr>
</thead>
<tbody>
<tr>
<td>BD-33</td>
<td>83</td>
<td>161</td>
<td>78</td>
<td>0.79</td>
</tr>
<tr>
<td>BD-34</td>
<td>45</td>
<td>46.5</td>
<td>1.5</td>
<td>7.2</td>
</tr>
<tr>
<td>BD-35</td>
<td>123</td>
<td>171</td>
<td>48</td>
<td>0.98</td>
</tr>
</tbody>
</table>

10 DD holes totaling 1,544m
Cumulative Drilling 74 holes totaling 6,300m
Silver Quest Drilling: 2005 - 2006

7 DD holes totaling 1,333m
Cumulative Drilling 81 holes totaling 7,633m

Silver Quest 2005 Drilling Highlights

<table>
<thead>
<tr>
<th>DH</th>
<th>From</th>
<th>To</th>
<th>Int.</th>
<th>Au g/t</th>
</tr>
</thead>
<tbody>
<tr>
<td>DAV-2</td>
<td>96</td>
<td>160</td>
<td>64</td>
<td>1.80</td>
</tr>
<tr>
<td>DAV-6</td>
<td>49</td>
<td>75</td>
<td>26</td>
<td>3.98</td>
</tr>
<tr>
<td>DAV-7</td>
<td>37</td>
<td>48</td>
<td>11</td>
<td>1.25</td>
</tr>
</tbody>
</table>
Richfield 1st Pass Drilling: 2009

17 DD holes totaling 3,032m
Cumulative Drilling 98 holes totaling 10,665m

<table>
<thead>
<tr>
<th>DH</th>
<th>From</th>
<th>To</th>
<th>Int.</th>
<th>Au g/t</th>
<th>Ag g/t</th>
</tr>
</thead>
<tbody>
<tr>
<td>BW-42</td>
<td>62</td>
<td>160</td>
<td>98</td>
<td>1.25</td>
<td>4.8</td>
</tr>
<tr>
<td>BW-43</td>
<td>14</td>
<td>166</td>
<td>152</td>
<td>0.77</td>
<td>5.0</td>
</tr>
<tr>
<td>BW-44</td>
<td>59</td>
<td>148</td>
<td>89</td>
<td>1.01</td>
<td>2.7</td>
</tr>
<tr>
<td>BW-46</td>
<td>33</td>
<td>88</td>
<td>55</td>
<td>1.70</td>
<td>8.8</td>
</tr>
<tr>
<td>BW-47</td>
<td>6</td>
<td>102</td>
<td>96</td>
<td>1.01</td>
<td>3.6</td>
</tr>
<tr>
<td>BW-48</td>
<td>11</td>
<td>159</td>
<td>148</td>
<td>1.26</td>
<td>5.0</td>
</tr>
<tr>
<td>BW-55</td>
<td>41</td>
<td>106</td>
<td>65</td>
<td>1.02</td>
<td>3.6</td>
</tr>
<tr>
<td>BW-57</td>
<td>11</td>
<td>145</td>
<td>134</td>
<td>1.02</td>
<td>8.2</td>
</tr>
</tbody>
</table>
Discovery Hole BW-59: January 2010

**BW-59**
1.25 g/t Au, 3.5 g/t Ag
329m

1 DD hole totaling 589m
Cumulative Drilling 99 holes totaling 10,665m
## Initial Resource Estimate: March 2011

**Blackwater Mineral Resource – March 2, 2011**

<table>
<thead>
<tr>
<th></th>
<th>Tonnes &amp; Grade</th>
<th>Contained Metal</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(000’s)</td>
<td>Gold g/t</td>
</tr>
<tr>
<td><strong>Indicated</strong></td>
<td>53,460</td>
<td>1.06</td>
</tr>
<tr>
<td><strong>Inferred</strong></td>
<td>75,452</td>
<td>0.96</td>
</tr>
</tbody>
</table>

*Based on 77 core holes totaling 25,263m*

---

**Map:**
- **March ‘11 Resource Shell**
- **Grade Thickness**
- **Aueq g/m**
- **Metres**

Legend:
- 500
- 50
- 0
PEA Resource Estimate: July 2012

<table>
<thead>
<tr>
<th>Tonnes &amp; Grade</th>
<th>Contained Metal</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gold</td>
</tr>
<tr>
<td>(000's)</td>
<td>g/t</td>
</tr>
<tr>
<td>Indicated</td>
<td>249,013</td>
</tr>
<tr>
<td>Inferred</td>
<td>109,992</td>
</tr>
</tbody>
</table>

* Based on 417 holes totaling 147,619m
Blackwater Mineral Resource – March 31, 2013*

<table>
<thead>
<tr>
<th>Grade (g/t AuEq) Cut-off</th>
<th>Meas’d &amp; Ind’cd</th>
<th>Inferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meas’d &amp; Ind’cd</td>
<td>396,903</td>
<td>17,600</td>
</tr>
<tr>
<td>Inferred</td>
<td>17,600</td>
<td>17,600</td>
</tr>
<tr>
<td>Gold (g/t)</td>
<td>0.74</td>
<td>0.66</td>
</tr>
<tr>
<td>Silver (g/t)</td>
<td>5.5</td>
<td>4.0</td>
</tr>
</tbody>
</table>

* Based on 1,002 core holes totaling 309,509m

**contained Metal**

<table>
<thead>
<tr>
<th>Gold (Moz)</th>
<th>Silver (Moz)</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.50</td>
<td>70.1</td>
</tr>
<tr>
<td>0.38</td>
<td>2.3</td>
</tr>
</tbody>
</table>

*Feasibility Resource Estimate: March 2013*
# Exploration Methods

### Geologic Mapping

<table>
<thead>
<tr>
<th></th>
<th>1:20,000 &amp; 1:10,000 scale surface mapping</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Top-of-bedrock RC drilling</td>
</tr>
<tr>
<td></td>
<td>SWIR Alteration Mapping</td>
</tr>
</tbody>
</table>

### Geochemical Methods

- **Stream sediments**
- **Surficial soils**
- **Glacial tills**

**Pathfinders**
- Silt size fraction - ICP
- A & B horizons – ICP-MS
- HMC Indicator minerals

**Gold**
- Moss matt HMC
- Ah horizon ICP-MS
- Pristine gold grain counts

### Geophysical Methods

- **Electromagnetics**
  - Ineffective for detecting BW style mineralisation
- **Total field magnetics**
  - Regional scale stratigraphy & structure
- **IP-Resistivity**
  - Very effective for detecting BW style mineralisation

### Drilling

<table>
<thead>
<tr>
<th></th>
<th>Glacial till and top of bedrock RC sampling</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Target-specific core drilling</td>
</tr>
</tbody>
</table>
Deposit Geology

Stratigraphy
- Late Cretaceous andesites, felsic volcaniclastics, tuffs and breccias
  - Jurassic Bowser Lake Group mudstones, sandstones, conglomerates

Structure
- Orthogonal NE-ENE and NW striking fault sets
  - Late N-S striking faults

Alteration
- Distal Potassic Hornfels: *Biotite + Kspar-Pyrite + Fe chlorite-carbonate*
- Outer Quartz-spessartine garnet + actinolite
- Central Silica – Sericite/Illite
- Late overprint: *NH₄ – bearing muscovite + Buddingtonite (rare)*

Mineralisation
- Early stage: Pyrrhotite + *spessartine garnet*
- Main stage: Pyrite-sphalerite + chalcopyrite-galena
  - *Native gold, electrum, kustellite (Au-Hg alloy)*
  - *Silver as argentite, electrum*
- Late stage: Arsenopyrite, marcasite, galena
Deposit Geology

Stratigraphy

- Late Cretaceous andesites, felsic volcaniclastics, tuffs and breccias
- Jurassic Bowser Lake Group mudstones, sandstones, conglomerates
**Deposit Geology**

**Stratigraphy**
- Late Cretaceous andesites, felsic volcaniclastics, tuffs and breccias
  - Jurassic Bowser Lake Group mudstones, sandstones, conglomerates

**Structure**
- Orthogonal NE-ENE and NW striking fault sets
  - Late N-S striking faults
Deposit Geology

Alteration

- Distal Potassic Hornfels: Biotite $\pm$ Kspar-Pyrite $\pm$ Fe chlorite-carbonate
- Outer Quartz-spessartine garnet $\pm$ actinolite
- Central Silica – Sericite/Illite
- Late overprint: $NH_4$ – bearing muscovite $\pm$ Buddingtonite (rare)
Mineralisation

- Early stage: Pyrrhotite + spessartine garnet

- Main stage: Pyrite-sphalerite ± chalcopyrite-galena; dendritic black sulfide “DBS”
  - Native gold, electrum, kustellite (Au-Hg alloy)
  - Silver as argentite, electrum

- Late stage: Arsenopyrite, marcasite, galena
Deposit E-W section view
Age Dating

Ar-Ar

White Sericite 58.9 – 62.9 Ma

Green Sericite 63.9 – 65.6 Ma *Hosts best Au-Ag grades*

Kspar & Biotite 63.0 – 65.7 Ma

U-Pb

Felsic dike 67.4 Ma *(Friedman et al, 2001)*

BW Stock 69.5-72.5 Ma

BW Volcaniclastics 71.4-75.3 Ma

Key Success Factors

• **Early recognition** of a large mineralizing system and **commitment** to keep exploring.

• Combined exploration methods for identification of blind targets
  
   *Integrated surface geochemical sampling*
    
    ➢ *Stream silt fraction*
    
    ➢ *HMC & gold-in-till sampling*
    
    ➢ *Ah soil horizon sampling*

   *IP-Resistivity*

   *Geologic field mapping*

   *Continued use of exploration drill and willingness to drill deeper*
Conclusions

• Blackwater’s discovery was driven by conventional geochemical and geophysical methods coupled with systematic step-out drilling, a willingness to drill deeper and perseverance!

• Early recognition of Blackwater’s potential to host a large gold resource coupled with commitment at board and senior management levels gave New Gold significant first mover advantage to acquire project.

• Aggressive strategy to acquire and consolidate of key mineral tenure to allow drill results to drive exploration and development decisions have proven critical to project success.

• Blackwater represents an emerging new gold district in an under-explored part of British Columbia.
Acknowledgements

New Gold Blackwater Exploration & Development Teams

UBC-MDRU (E. Looby, C. Hart)
Overburden Drilling Management
Heberlein Geoconsulting
K Heberlein
Living Sky Geophysics
Quantec Geophysics
GeoSim Consulting
SRK Consulting (Canada)
<table>
<thead>
<tr>
<th>Resource Category</th>
<th>Tonnes &amp; Grade</th>
<th>Contained Metal</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tonnes (000's)</td>
<td>Gold g/t</td>
</tr>
<tr>
<td>Measured &amp; Indicated³</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct processing⁴</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Measured</td>
<td>116,955</td>
<td>1.04</td>
</tr>
<tr>
<td>Indicated</td>
<td>189,044</td>
<td>0.78</td>
</tr>
<tr>
<td>M&amp;I (dir. proc.)</td>
<td>305,999</td>
<td>0.88</td>
</tr>
<tr>
<td>Stockpile material⁵</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Measured</td>
<td>26,521</td>
<td>0.30</td>
</tr>
<tr>
<td>Indicated</td>
<td>64,382</td>
<td>0.30</td>
</tr>
<tr>
<td>M&amp;I (stockpile)</td>
<td>90,904</td>
<td>0.30</td>
</tr>
<tr>
<td>Total M&amp;I</td>
<td>396,903</td>
<td>0.74</td>
</tr>
<tr>
<td>Inferred</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inferred (dir. proc.)</td>
<td>13,815</td>
<td>0.76</td>
</tr>
<tr>
<td>Inferred (stockpile)</td>
<td>3,785</td>
<td>0.31</td>
</tr>
<tr>
<td>Total Inferred</td>
<td>17,600</td>
<td>0.66</td>
</tr>
</tbody>
</table>

Notes:
1. Mineral resources are reported within a conceptual open pit shell based on metal prices of $1,400/oz gold and $28.00/oz silver. The March 2013 mineral resource estimate utilizes average metallurgical recoveries of 88.0% gold and 64.0% silver for oxide mineralisation, 85.0% gold and 58.0% silver for transitional oxide/sulfide mineralisation and 85.0% gold and 44.0% silver for sulfide mineralisation.
2. Total contained metal calculated on the basis of Tonnes * Grade / 31.10348 grams per troy ounce.
3. Gold-equivalent cut-off grade estimates are based on $1,400/oz gold and $28.00/oz silver and average metal recoveries as described in Note 1 above.
4. Direct processing material is defined as mineralisation above a 0.40 g/t AuEq cut-off and likely to be mined and processed directly.
5. Stockpile material is defined as mineralisation between a 0.30 g/t AuEq and a 0.40 AuEq cut-off that is suitable for stockpiling and future processing based on average metallurgical recoveries as described in Note 1 above.