



# THERE'S MORE



All figures in this publication are in US dollars unless otherwise specified.

New Gold is an intermediate gold producer with the *Mesquite Mine* in the United States, the *Cerro San Pedro Mine* in Mexico and *Peak Gold Mines* in Australia. The Company is expected to produce between 380,000 and 400,000 ounces of gold in 2011, with its fully-funded, near-term development project *New Afton* adding further incremental growth in 2012. In 2010, New Gold further strengthened its balance sheet to provide additional flexibility to execute on its corporate strategy. With a strong portfolio of mining and development assets with exploration upside, New Gold is well positioned to continue to deliver on its value enhancing growth strategy.

New Gold finished 2010 with a cash position of \$491 million, up 81% from \$272 million (including restricted cash) at the end of 2009. In 2010, the Company achieved a 27% increase in gold production, coupled with an 8% reduction in total cash cost compared to 2009. At December 31, 2010, New Gold's attributable Proven and Probable gold reserves were 8.4 million ounces. Measured and Indicated gold resources, inclusive of reserves, were 12.9 million ounces.

*Notwithstanding these results, it is the potential that lies ahead that has the most relevance now for shareholders. Even after our progress so far, there's more – much more value to be surfaced as the New Gold story unfolds.*

New Gold has an objective of continuing to maximize shareholder value to become the leading intermediate gold producer. New Gold plans on achieving this through:

- Delivering on operational targets (safety, cost, production, environmental and social responsibility);
- Maintaining a strong financial position;
- Internal growth through project development and the continuous improvement of existing operations; and
- External growth through additional value enhancing merger and acquisition opportunities.



#### TRADING SYMBOLS INFORMATION

TSX:NGD, NYSE AMEX:NGD

#### SHARE CAPITAL (March 1, 2011)

Basic 399 million  
Market Capitalization C\$3.9 billion

#### CASH BALANCE (as at December 31, 2010)

\$491 million

#### GOLD RESERVES

8.4 million ounces

#### INVESTOR INQUIRIES

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# Executive Profiles

## RANDALL OLIPHANT, EXECUTIVE CHAIRMAN

Mr. Oliphant is also a director and the President and Chief Executive Officer of Silver Bear Resources Inc. Mr. Oliphant is on the Advisory Board of Metalmark Capital LLC (formerly Morgan Stanley Capital Partners), a New York based private equity group, and serves on the boards of WesternZagros Resources Ltd. and Franco-Nevada Corporation. Since 2003, Mr. Oliphant has served on the boards of a number of public and private companies and not-for-profit organizations. From 1999 to 2003, he was the President and Chief Executive Officer of Barrick Gold Corporation. Mr. Oliphant is a Chartered Accountant.

## ROBERT GALLAGHER, CHIEF EXECUTIVE OFFICER & DIRECTOR

Mr. Gallagher has been President and CEO of New Gold since June 2008 and was previously President and CEO of Peak Gold from February 2008. Before that time, he spent 15 years with Placer Dome from June 1977 to October 1993 and seven years with Newmont Mining Corporation from August 2000 to December 2007, most recently as Vice President Operations, Asia Pacific. Mr. Gallagher is a mining engineer who has worked in the mining industry for over 30 years.

## EXECUTING ON OUR STRATEGY

### Delivering on Operational Targets

- Exceeded production guidance in 2009 and 2010
- Total cash cost<sup>(1)</sup> per ounce below guidance in 2009 and 2010
- Projecting further growth in production in 2011
- New Afton remains on schedule to commence production in mid-2012

### Maintaining a Strong Financial Position

- Significantly enhanced financial flexibility in 2010
- \$491 million in cash at 12/31/10
- Established a \$150.0 million undrawn revolving credit facility further enhancing financial flexibility
- Surfaced additional cash from undervalued assets

### Disciplined Growth

- Successfully combined four junior gold companies since 2008
- Developing two solid organic growth assets
- Evaluating accretive external growth opportunities

### Enhancing Value

- Closed El Morro transaction, fully funded by 70% partner Goldcorp Inc.
- Sold non-core Amapari project for total cash proceeds of \$95 million
- Sold C\$139 million of Asset Backed Notes for cash proceeds of C\$81 million since late 2009

## CORPORATE RESPONSIBILITY

The Company's commitment to disciplined growth is entrenched in the concept of growing responsibly. This underlies management's belief that economic achievement, environmental performance and social contributions are indivisible components in the success of the Company. The Company has a Health, Safety, Environment and Sustainability Policy in place outlining this commitment.

The Company actively engages in meaningful dialogue with local community residents and organizations to identify economic, training, social and development priorities and contributes to the development of the communities surrounding its operations.

New Gold's corporate responsibility objectives are to prevent pollution, minimize the impact the operations may cause to the environment and practice the progressive rehabilitation of areas impacted by its activities. The Company has a history of operating in a socially responsible and sustainable manner, and of meeting international standards in the three countries where it currently operates mines. The Company is a member of the Canadian Business for Social Responsibility and is a partner of the United Nations Global Compact.



# Operations

## Mesquite

The Mesquite Mine is located in Imperial County, California, approximately 70 kilometres northwest of Yuma, Arizona and 230 kilometres east of San Diego, California. It is an open pit, run-of-mine heap leach operation. The mine was operated between 1985–2001 by Goldfields Mining Corporation, subsequently Santa Fe Minerals Corporation, and finally Newmont Mining Corporation with Western Goldfields Inc. acquiring the mine in 2003. New Gold acquired the Mesquite Mine as part of the acquisition of Western Goldfields Inc. on May 27, 2009. The mine resumed production on time and on budget in 2008. Despite its rich operating history, the mine today has 3.1 million ounces of gold reserves meaning it should continue to be a strong cash flow contributor for New Gold for years to come. In 2011, Mesquite is forecast to produce 145,000 to 155,000 ounces of gold at total cash cost<sup>(1)</sup> of \$620 to \$640 per ounce sold.

## Cerro San Pedro

The Cerro San Pedro Mine ("CSP") is located in the state of San Luis Potosí in central Mexico, approximately 20 kilometres east of the city of San Luis Potosí. The project property is a gold-silver, open pit, run-of-mine heap leach operation and consists of 36 mining and exploration concessions totalling 78 square kilometres in the historic Cerro San Pedro mining district. The current focus of exploration is on the southern half of a two-plus kilometre San Pedro trend of gold-silver-zinc-lead mineralization that extends south from beneath the current open pit mine operation. CSP is forecast to produce between 135,000 to 145,000 ounces of gold and 1.9 to 2.1 million ounces of silver in 2011. Total cash cost<sup>(1)</sup>, net of by-product revenues, are forecast to be \$240 to \$260 per ounce sold. New Gold's Cerro San Pedro Mine has an enviable record of compliance with Mexican and international environment standards and enjoys overwhelming local support as a valuable corporate citizen.

## Peak Mines

The Company's 100% owned Peak Mines gold-copper mining operation is an underground mine/mill operation located in the Cobar Mineral Field near Cobar, New South Wales, Australia. Peak Mines commenced production in 1992 and consists of mining and exploration licenses totalling 845 square kilometres of prospective ground covering the mining operation and mineralized extensions. The operation has consistently replaced annual depletion over the last 19 years. At the end of 2010, Peak had 1.0 million ounces of Measured and Indicated Resources, its highest level since Rio Tinto sold the mine in 2003. In 2011, Peak is forecast to produce 90,000 to 100,000 ounces of gold and 12 to 14 million pounds of copper. Total cash cost<sup>(1)</sup>, net of by-product revenues, are forecast to be \$410 to \$430 per ounce sold.



# DEVELOPMENT PROJECTS

## New Afton

New Afton is an exciting project that is currently under construction in western Canada, near Kamloops, BC. The project is a large underground copper-gold deposit, which will produce an annual estimated average of 85,000 ounces of gold and 75 million pounds of copper commencing in mid-2012. In the fourth quarter of 2010, underground development at New Afton advanced a total of 1,394 metres, for a total of 3,873 metres of underground development completed in 2010 (compared to an advance of 1,708 metres during 2009), which beat target by 11%. At today's gold and copper prices, New Afton is expected to more than double the cash flow generated by the Company.

## El Morro

El Morro is an advanced stage gold-copper project located in north-central Chile, Atacama Region, approximately 80 kilometres east of the city of Vallenar. The El Morro project is a world-class project with low expected cash costs and great organic growth potential in one of the best mining jurisdictions in the world. The Environmental Impact Assessment (EIA) necessary for the project permitting to proceed has already been submitted, and approval is anticipated in the coming months. On receipt of the required permits, New Gold's 70% joint venture partner, Goldcorp, intends to immediately commence construction of key project infrastructure as well as further explore and delineate this large deposit. Attributable to New Gold's 30% share of the project are Proven and Probable gold reserves of 2.5 million ounces, Proven and Probable copper reserves of 1.8 billion pounds, and 1.3 million ounces and 0.6 billion pounds of Inferred gold and copper resources, respectively.

# PROPERTIES & QUICK FACTS <sup>(2)</sup>

## NEW AFTON PROJECT Canada

### Average Annual Production

Gold 85 thousand oz  
Copper 75 million lbs

### Reserves

Gold 1.1 million oz  
Copper 1.0 billion lbs

### Resources

Gold 1.7 million oz  
Copper 1.5 billion lbs

## MESQUITE MINE California, USA

### 2011 Production (guidance)

Gold 145–155 thousand oz

2011 Total Cash Cost/Oz (guidance)<sup>(1)</sup> \$620–640

### Reserves

Gold 3.1 million oz

### Resources

Gold 5.7 million oz

## CERRO SAN PEDRO Mexico

### 2011 Production (guidance)

Gold 135–145 thousand oz

Silver 1.9–2.1 million oz

2011 Total Cash Cost/Oz (guidance)<sup>(1)</sup> \$240–260

### Reserves

Gold 1.3 million oz  
Silver 42.6 million oz

### Resources (oxide)

Gold 1.2 million oz  
Silver 48.4 million oz

### Resources (sulphide)

Gold 1.0 million oz  
Silver 28.2 million oz

## EL MORRO PROJECT (30%) Chile

### Reserves

Gold 2.5 million oz  
Copper 1.8 billion lbs

### Resources

Gold 2.5 million oz  
Copper 1.8 billion lbs

## PEAK MINES Australia

### 2011 Production (guidance)

Gold 90–100 oz

Copper 12–14 million lbs

2011 Total Cash Cost/Oz (guidance)<sup>(1)</sup> \$410–430

### Reserves

Gold 0.5 million oz  
Copper 58 million lbs

### Resources

Gold 1.0 million oz  
Copper 168 million lbs

1. Cash costs are net of copper/silver by-product sales.

2. For additional details on Reserves and Resources, including related disclosure, please visit [www.newgold.com/investors/ReservesandResources](http://www.newgold.com/investors/ReservesandResources).

**newgold**

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