

***Delivering on Growth***  
***Annual and Special Meeting of Shareholders***

May 13, 2009



# 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 the proposed transaction and New Gold or Western Goldfields 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 or Western Goldfields 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 subject to important risk factors and uncertainties, many of which are beyond New Gold or Western Goldfields' 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 or Western Goldfields' actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking statements. Assumptions upon which such forward looking statements are based on include that New Gold and Western Goldfields will be able to satisfy the conditions in the Business Combination Agreement, that the due diligence investigations of each party will not identify any materially adverse facts or circumstances, that the required approvals will be obtained from the shareholders of each of New Gold and Western Goldfields, that all third party regulatory and governmental approvals to the transactions will be obtained and all other conditions to completion of the transaction will be satisfied or waived. Many of these assumptions are based on factors and events that are not within the control of New Gold and Western Goldfields and there is no assurance they will prove to be correct. Such factors include, without limitation: capital requirements; fluctuations in the international currency markets and in the rates of exchange of the currencies of Canada, the United States, Australia, Brazil, 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, Brazil, Mexico and Chile or any other country in which New Gold and Western Goldfields currently or may in the future carry on business; taxation; controls, regulations and political or economic developments in the countries in which New Gold and Western Goldfields does or may carry on business; the speculative nature of mineral exploration and development, including the risks of obtaining necessary licenses and permits; 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 and Uncertainties" included in the Annual Information Form/10-K and MD&A for each of New Gold and Western Goldfields available at [www.sedar.com](http://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 and Western Goldfields expressly disclaim 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 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.

## (1) TOTAL CASH COST

"Total cash cost" 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 the accepted 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 and does not have any standardized meaning prescribed by GAAP. 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. The calculation of "Cash Cost" is consistent with Western Goldfields' prior disclosures of "Cost of Sales"; Western Goldfields does not have by-product credits.

## A CLEAR DIRECTION

- **Vision**
  - To become a million ounce, low cost gold producer
- **Mission**
  - Achieve our vision by:
    - Delivery on operational targets (safety, cost, production and environment & social responsibility)
    - Maintaining a strong financial position
    - Growing internally through project development and continuous improvement at our existing operations
    - Growing externally through continued consolidation with junior gold producers

# 2008 Highlights – Excellent Operational Results

“A Clear Direction”

- Completed business combination with Peak Gold Ltd. and Metallica Resources Inc. on June 30, 2008
- Excellent operational results exceeding guidance by 9%
  - Gold production of 272,000 oz
  - Copper production of 8.2 million lbs
  - Silver production of 1.1 million oz
- Total cash costs<sup>(1)</sup> of \$549 per ounce, net of by-product sales
- Adjusted net earnings<sup>(2)</sup> of \$19.2 million or \$0.13 per share
- Cash flow from operations of \$66.1 million
- New Afton project construction schedule extended with start up expected in the second half of 2012
- Peak Mines produced its two millionth gold ounce and received local recognition for environmental achievements

(1) See slide two for information regarding total cash cost

(2) This data is furnished to provide additional information and is a non-GAAP measure. 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 net earnings presented under GAAP.

# 2008 Highlights Cont'd

## “A Clear Direction”

- Successful ramp-up of Cerro San Pedro in its first full year of operation, achieved ISO 14001 certification and granted safety award
- Reforested more than 400 hectares of land outside the Cerro San Pedro mine site (52 hectares in 2008)
- Continued ongoing community programs
  - Weekly medical care provided to 10 communities at CSP
  - Supporting income generating projects near Amapari
- Ground-breaking agreement signed with First Nations groups at New Afton project
- Completed El Morro Feasibility study; permitting process and detailed engineering are underway

# Q1 2009 Highlights

## “A Clear Direction”

- Net earnings 12.1 million or \$0.06 per share
- Cash flow from operations of \$7.7 million
- Gold production of 54,938 ounces
- Gold sales of 55,397 at total cash cost <sup>(2)</sup> of \$513, net of by-product sales
- Cash and equivalents of \$137 million
- Reduced debt position by C\$50 million to C\$242 million with buy-back of a portion of Senior Secured Notes for cash consideration of C\$30 million
- Amapari on care and maintenance, undergoing strategic review

(1) See slide two for information regarding total cash cost

# Transaction Highlights

New Gold announced a Business Combination with Western Goldfields to form the next intermediate gold producer on March 4, 2009. Highlights of the transaction include:

- Delivering on growth – building a leading intermediate gold producer
- Strong cash flow to fully fund the development at New Afton
- Delivers on industry consolidation in a rising gold price environment
- Strong, experienced management and board of directors
- Enhanced market presence

# Transaction Overview

Merger Terms:	<ul style="list-style-type: none"> <li>• 1.0 New Gold share and nominal cash consideration for each Western Goldfields share</li> <li>• 19.2% premium to Western Goldfields based on closing price on March 3, 2009</li> <li>• 20.1% premium to Western Goldfields based on each company's 20-day VWAP on the Toronto Stock Exchange</li> </ul>
Pro Forma Ownership (FDITM):	<ul style="list-style-type: none"> <li>• New Gold 58% / Western Goldfields 42%</li> </ul>
Structure:	<ul style="list-style-type: none"> <li>• Business combination via plan of arrangement</li> <li>• Share exchange</li> </ul>
Company Name and Headquarters:	<ul style="list-style-type: none"> <li>• Name for the combined company to be New Gold Inc.</li> <li>• Corporate headquarters in Vancouver</li> </ul>
Conditions:	<ul style="list-style-type: none"> <li>• Western Goldfields shareholder vote (66 2/3% of shareholders voting)</li> <li>• New Gold shareholder vote (majority of shareholders voting)</li> <li>• Regulatory and court approvals</li> </ul>
Other Terms:	<ul style="list-style-type: none"> <li>• Unanimously approved by both boards and management</li> <li>• 6.2% of WGI shares and 10.7% of NGD shares entered into support agreements</li> <li>• Reciprocal non-solicitation and right to match superior proposals</li> <li>• Reciprocal break fee of CDN\$8.8 million payable under certain circumstances</li> </ul>
Indicative timetable:	<ul style="list-style-type: none"> <li>• Circular mailed to shareholders - April 2009</li> <li>• Shareholder votes - May 13/14 for New Gold/Western Goldfields, respectively</li> <li>• Closing – on or about June 1, 2009</li> </ul>

# Organizational Structure

## Board of Directors

<b>Randall Oliphant</b> , Executive Chairman	<b>Pierre Lassonde</b> , Director
<b>Robert Gallagher</b> , Chief Executive Officer & Director	<b>Craig Nelsen</b> , Director
<b>James Estey</b> , Director	<b>Paul Sweeney</b> , Director
<b>Vahan Kololian</b> , Director	<b>Ian Telfer</b> , Director
<b>Martyn Konig</b> , Director	<b>Raymond Threlkeld</b> , Director

*Note: Represents the 10 nominees for the combined board of directors per the Joint Management Information Circular Supplement dated April 8<sup>th</sup>, 2009.*

# Organizational Structure

## Management Team

<p><b>Randall Oliphant</b>, Executive Chairman</p>	<p>Mr. Oliphant is the President and CEO of Silver Bear Resources Inc. Mr. Oliphant is on the Advisory Board of Metalmark Capital LLC (formerly Morgan Stanley Capital Partners), and serves on the boards of WesternZagros 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 CEO of Barrick Gold Corporation. Mr. Oliphant is a Chartered Accountant.</p>
<p><b>Robert Gallagher</b>, Chief Executive Officer &amp; Director</p>	<p>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 almost 30 years.</p>
<p><b>Brian Penny</b>, Executive VP and Chief Financial Officer</p>	<p>Mr. Penny has over 20 years of experience in mine finance and accounting. While serving as Chief Financial Officer with Kinross Gold Company, Mr. Penny was responsible for all finance, banking, hedging and financial reporting activities including the financial due diligence surrounding a U.S. \$1.3 billion merger with TVX Gold Inc. and Echo Bay Mines Ltd. Mr. Penny is a Certified Management Accountant.</p>
<p><b>James (Jim) Currie</b>, Executive VP and Chief Operating Officer</p>	<p>Mr. Currie is a mining engineer with 30 years of experience in the mining industry, having worked on projects in North and South America, Asia and Africa. Previously he was Vice President Operations for Miramar Mining Corp. in Vancouver and was responsible for the development of their 10 million ounce gold resource at Hope Bay in the Canadian Arctic. Prior to that, Mr. Currie held the position of General Manager of Mauritanian Copper Mines SA.</p>

# Pro Forma Capitalization

	New Gold	Western Goldfields	Combined
TSX Share Price – March 3, 2009	C\$2.30	C\$1.93	C\$2.30
TSX Share Price – 20-day VWAP (March 3, 2009)	C\$2.81	C\$2.34	-
TSX Share Price – May 11, 2009	C\$2.21	C\$2.20	C\$2.21
Basic Shares Outstanding (millions)	212	142 <sup>(1)</sup>	354 <sup>(1)</sup>
FD ITM Shares Outstanding (millions)	212	152	365
Basic Market Capitalization (C\$ millions)	\$469	\$312	\$783
FD ITM Market Capitalization (C\$ millions)	\$469	\$335	\$806
Cash (US\$ million)	\$137 <sup>(2)</sup>	\$27 <sup>(3)</sup>	\$164
Long-Term Investments (ABCP US\$ millions) <sup>(4)</sup>	\$70	-	\$70
Debt (US\$ millions) <sup>(5)</sup>	\$147 (C\$187 Senior – 2017) \$43 (C\$55 Convertible – 2014)	\$69 <sup>(3)</sup>	\$275
2009F Production Guidance (000s oz Au)	190-210	140-150	330-360
2009F Total Cash Cost Guidance (US\$/oz) <sup>(6)</sup>	\$465-\$485	\$530-\$540	\$493-\$508

(1) Adjusted for 6,250,000 Western Goldfields' in the money options, at the date of the announcement, to be exercised prior to completion of the acquisition

(2) New Gold figures as at March 31, 2009

(3) Western Goldfields figures as at March 31, 2009, the cash position includes \$7.5 million of restricted cash

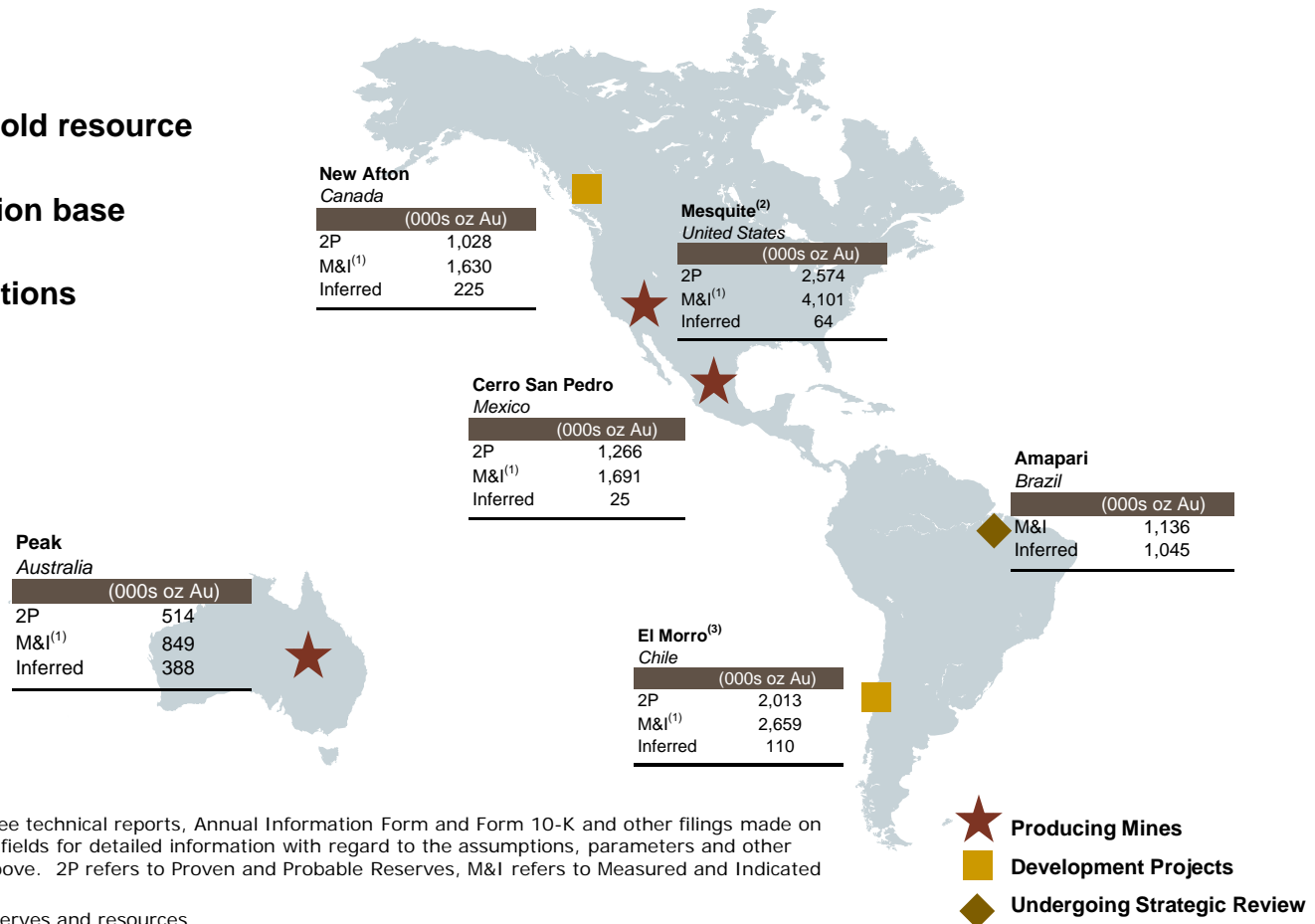
(4) New Gold figures as at March 31, 2009. Represents Fair Value of ABCP Investments

(5) Assumes foreign exchange rate of 0.79

(6) See slide two for information regarding total cash cost

## GLOBALLY DIVERSIFIED IN MINING-FRIENDLY JURISDICTIONS

- 12 million ounce M&I<sup>(1)</sup> gold resource
- Diversified gold production base
- Politically stable jurisdictions



(1) Mineral Resources are inclusive of Reserves. See technical reports, Annual Information Form and Form 10-K and other filings made on SEDAR by each of New Gold and Western Goldfields for detailed information with regard to the assumptions, parameters and other information relevant to quantities discussed above. 2P refers to Proven and Probable Reserves, M&I refers to Measured and Indicated Resources

(2) Represents Mesquite's December 31, 2008 reserves and resources

(3) El Morro Project's reserves and resources reflect New Gold's 30% interest

## MESQUITE

### Producing Mines



#### Quick Facts

Location		United States	
Ownership		100%	
Reserves <sup>1</sup>	Gold (m oz)	2.6	
Resources <sup>1,2</sup>	Gold (m oz)	4.1	
Mine type		Open Pit	
Production start-up		2008	
Total Cash Cost / Oz (est.2009/LOM Avg) <sup>4</sup>		\$530-540	\$420-430
Strip Ratio (2009/LOM Avg)		~3.0	~3.0
Grade (2009/LOM Avg)		0.54 Au g/t	0.58 Au g/t
Sustaining Capital (2009/LOM avg)		~\$1.5 m	~\$0.5 m/year
Estimate Mine Life <sup>3</sup>		13 years	

#### Annual Production

	2008	2009 F	LOM Avg
Gold (k ozs)	111	140-150	150-160

<sup>1</sup> Represents December 31, 2008 reserves and resources

<sup>2</sup> Mineral Resources are inclusive of Mineral Reserves

<sup>3</sup> 11 years of production and 2 years of residual leaching

<sup>4</sup> See slide two for information regarding total cash cost

## CERRO SAN PEDRO

### Producing Mines



### Quick Facts

Location		Mexico
Ownership		100%
Reserves <sup>1,3</sup>	Gold (m oz)	1.3
	Silver (m oz)	51
Resources <sup>2,3,4</sup>	Gold (m oz)	1.7
	Silver (m oz)	63
Mine type		Open Pit
Production start-up		2007
Total Cash Cost / Oz (2009/LOM Avg) <sup>6</sup>		\$550-570      \$390-410
Strip Ratio (2009/LOM Avg)		~2.0      ~1.0
Grade (2009/LOM Avg)		0.55 Au g/t      0.52 Au g/t 23.8 Ag g/t      21.4 Ag g/t
Ongoing Capital (2009 / LOM Avg) <sup>5</sup>		~\$2.8 m      ~\$3 m/year
Estimated mine life		~ 9 years

### Annual Production

	2007	2008	2009 F	LOM Avg
Gold (k ozs)	26.8	84.6	90-100	95-105
Silver (m ozs)	0.4	1.1	1.1-1.3	2.1-2.3

1 Cerro San Pedro Mineral reserves have been calculated based on a gold price of \$750/oz, a silver price of US\$10.00/oz and a lower NSR cut-off of US\$2.64/t

2 Cerro San Pedro Mineral resources have been estimated based on a gold price of US\$1000/oz, a silver price of US\$21/oz and a lower grade cut-off of 0.2 g/t gold and are constrained within an economically constrained "mineral resource pit" that uses the same cost and metal recovery parameters used to define mineral reserves as of December 31, 2008

3 Reported as of December 31, 2008

4 Mineral Resources are inclusive of Mineral Reserves

5 Includes both development and sustaining capex

6 See slide two for information regarding total cash cost

## PEAK

### Producing Mines



### Quick Facts

Location	Australia	
Ownership	100%	
Reserves <sup>1,3</sup>	Gold (k oz)	514
	Copper (m lbs)	76
Resources <sup>2,3,4</sup>	Gold (k oz)	849
	Copper (m lbs)	136
Mine type	Underground	
Production start-up	1992	
Total Cash Cost / Oz (2009/LOM Avg) <sup>5,7</sup>	\$370-390	\$480-500
Grade (2009/LOM Avg)	4.1 Au g/t 1.0% Cu	4.2 Au g/t 1.1% Cu
Ongoing Capital (2009/LOM Avg) <sup>6</sup>	~\$24 m	~\$12 m/year
Estimated mine life	~8 years	

### Annual Production

	2007	2008	2009 F	LOM Avg
Gold (k ozs)	116.5	100.5	90-100	90-100
Copper (m lbs)	7.49	8.25	13-15	14-16

1 Peak Mines mineral reserves have been calculated based on a gold price of US\$750/oz, a copper price of US\$2.00/lb and variable lower NSR cut-offs ranging from AUD\$112/t to AUD\$130/t that vary between individual mines and their proximity to the Peak operation processing facility.

2 Peak Mines mineral resources have been estimated based on a gold price of US\$750/oz, a copper price of US\$2.00/lb and variable lower NSR cut-offs ranging from AUD\$85/t to AUD\$95/t that vary between individual mines and their proximity to the Peak operation processing facility.

3 Reported as of December 31, 2008

4 Mineral Resources are inclusive of Mineral Reserves

5 Cash costs have been calculated based on a copper price of US\$2.00/lb for 2009 and \$1.70/lb for the LOM

6 Includes both development and sustaining capex

7 See slide two for information regarding total cash cost

## NEW AFTON

### Development Mines



### Quick Facts

Location	Canada	
Ownership	100%	
Reserves <sup>1,3</sup>	Gold (m oz)	1.03
	Copper (m lbs)	959
Resources <sup>2,3,4</sup>	Gold (m oz)	1.63
	Copper (m lbs)	1,483
Mine type	Underground	
Production start-up	Middle of 2012	
Total Cash Costs(LOM Avg.) <sup>5</sup>	Gold: \$305/oz Copper: \$1.10/lb	
Grade (LOM Avg.)	0.72 g/t Au 0.98% Cu	
Capital Expenditures Remaining	\$400m	
Sustaining Capital (LOM Avg.)	\$11m/year	
Estimated mine life	12 Years	

### Annual Production

	Annual Estimated Averages
Gold (k ozs)	85
Copper (m lbs)	75

1 New Afton mineral reserves been calculated based on a gold price of US\$475/oz, a copper price of US\$1.45/lb and a lower NSR cut-off of CAD\$15/t of ore

2 New Afton mineral resources have been estimated based on a gold price of US\$450/oz, a silver price of US\$5.25/oz, a copper price of US\$1.20/lb and a lower NSR cut-off of CAD\$10.00/t of mineralized material

3 Reported as of September 21, 2006

4 Mineral Resources are inclusive of Mineral Reserves

5 See slide two for information regarding total cash cost

## EL MORRO

### Development Mines



1 El Morro's mineral reserves and resources are reported as of March 31, 2008 and reflect New Gold's 30% interest

2 Mineral reserves have been calculated based on a gold price of \$500/oz, a copper price of US\$1.25/lb and a lower cut-off of 0.30% copper-equivalent ("EqCu") where:  $\text{EqCu}(\%) = \text{Cu}(\%) + 0.592 \times \text{Au}(\text{g/t})$  and  $\text{Cu}(\%) = \text{percent copper}$ ,  $\text{Au}(\text{g/t}) = \text{grams per tonne gold}$

3 Mineral resources have been estimated based on a gold price of US\$500/oz, a copper price of US\$1.25/lb and a lower grade cut-off of 0.3% copper-equivalent ("EqCu") where:  $\text{EqCu}(\%) = \text{Cu}(\%) + 0.592 \times \text{Au}(\text{g/t})$  and  $\text{Cu}(\%) = \text{percent copper}$ ,  $\text{Au}(\text{g/t}) = \text{grams per tonne gold}$ . Mineral resources are based on an economically constrained "mineral resource pit" that uses the same cost and metal recovery parameters used to define mineral reserves as described in the May 2008 NI 43-101 technical report for the project

4 Mineral Resources are inclusive of Mineral Reserves

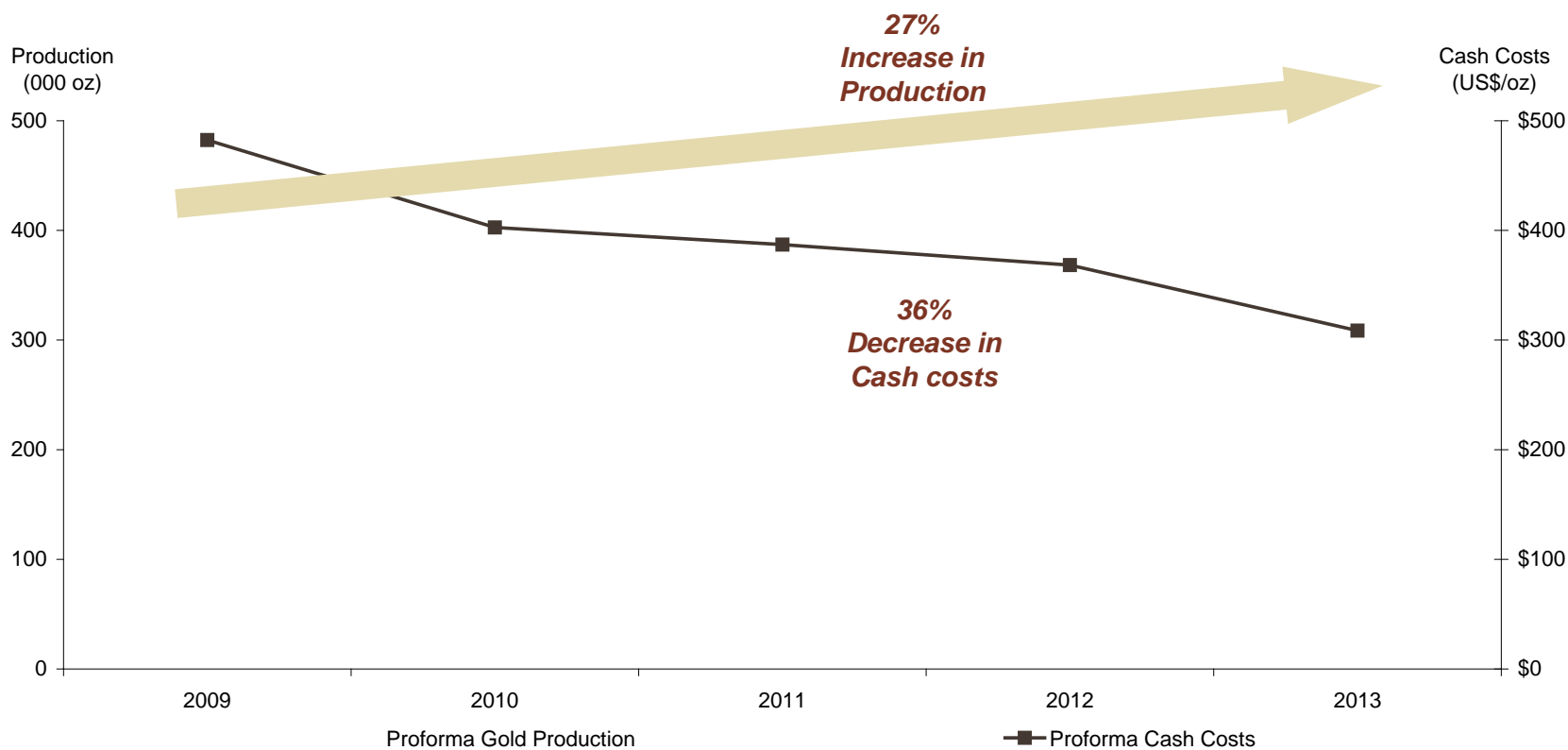
### Quick Facts (Attributable)

Location	Chile	
Ownership	30% New Gold/70% Xstrata Plc.	
Reserves <sup>1,2</sup>	Gold (m oz)	2.01
	Copper (m lbs)	1,715
Resources <sup>1,3,4</sup>	Gold (m oz)	2.66
	Copper (m lbs)	2,018
Mine type	Open Pit	
Status	Permitting Stage (12-18 months)	
Grade (LOM Avg.)	0.46 g/t Au 0.58% Cu	
Capital Funding Requirement	\$225m (\$2.5b 100%)	
Estimated mine life	15 years	

### Attributable Annual Production

	Annual Estimated Averages
Gold (k ozs)	94
Copper (m lbs)	104

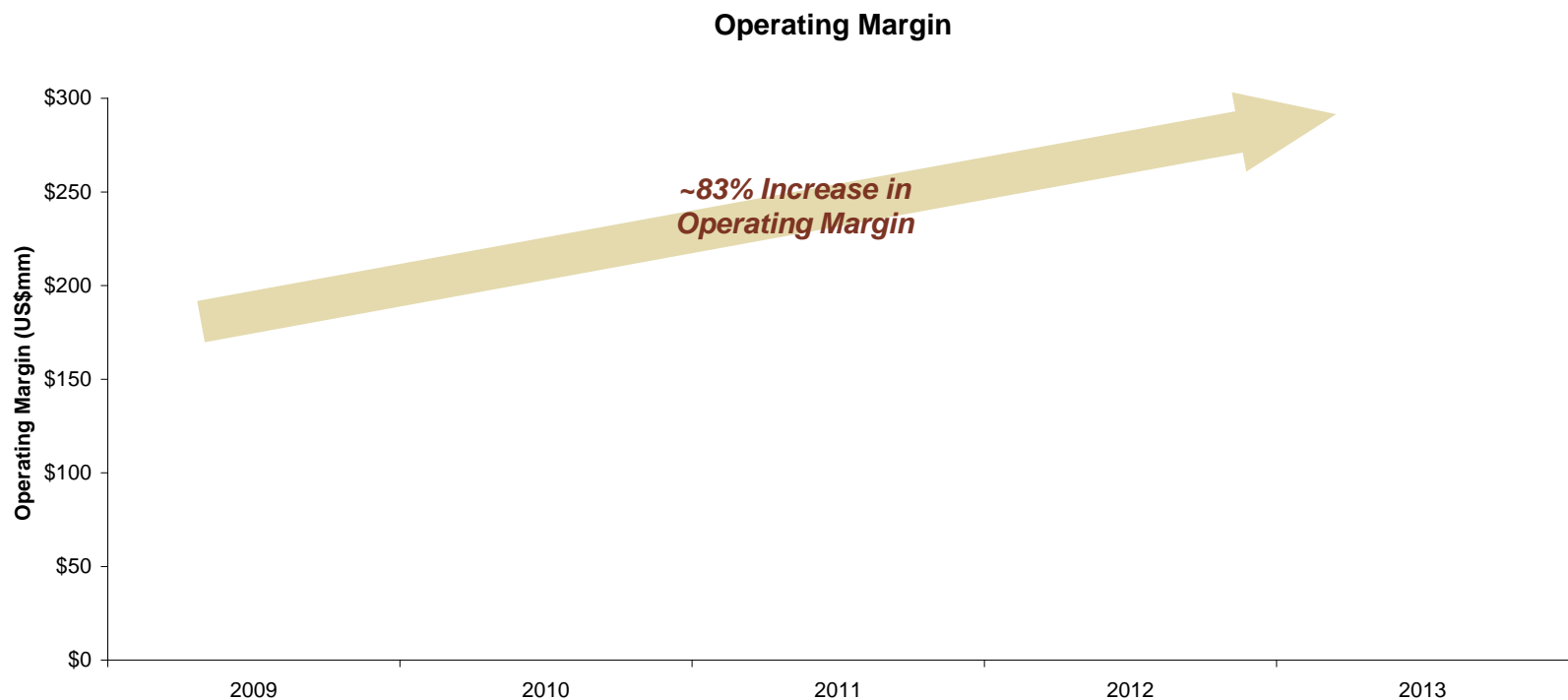
## EXCEPTIONAL GOLD PRODUCTION GROWTH PROFILE



**Proforma Production Profile (2009E – 2013E)**

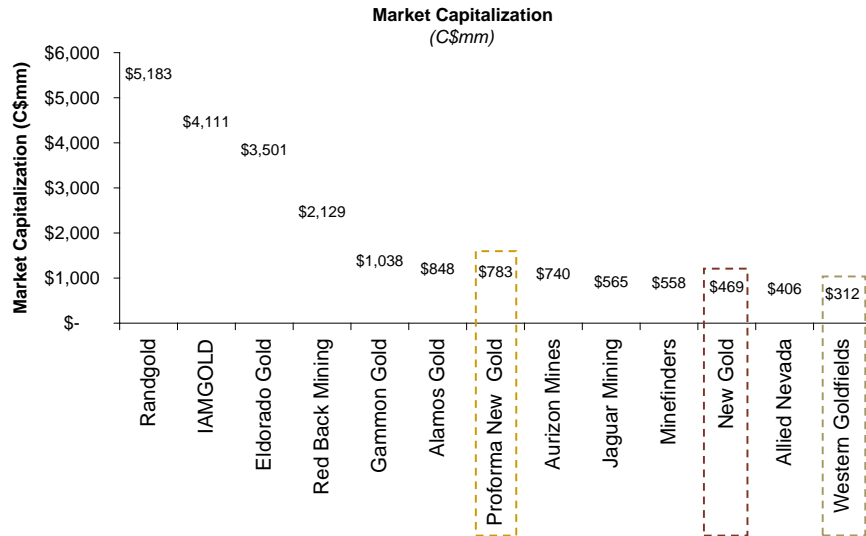
Source: Available Consensus Research estimates

## EXCEPTIONAL CASH FLOW GENERATION AND GROWTH

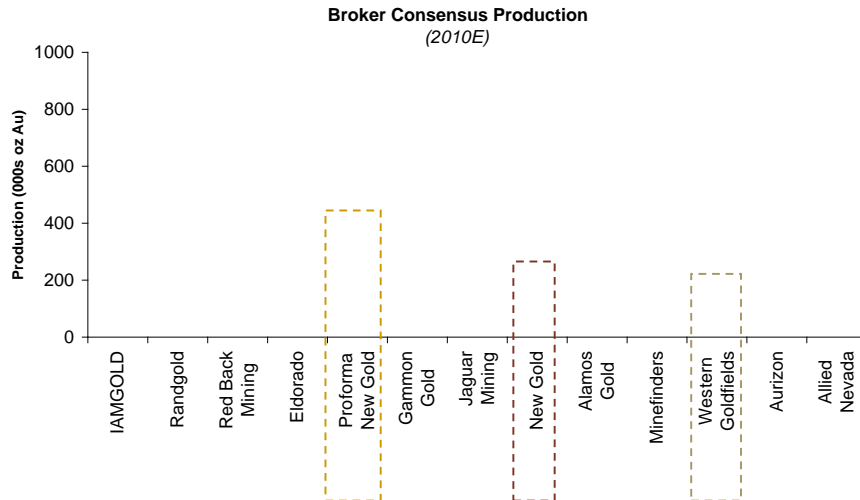
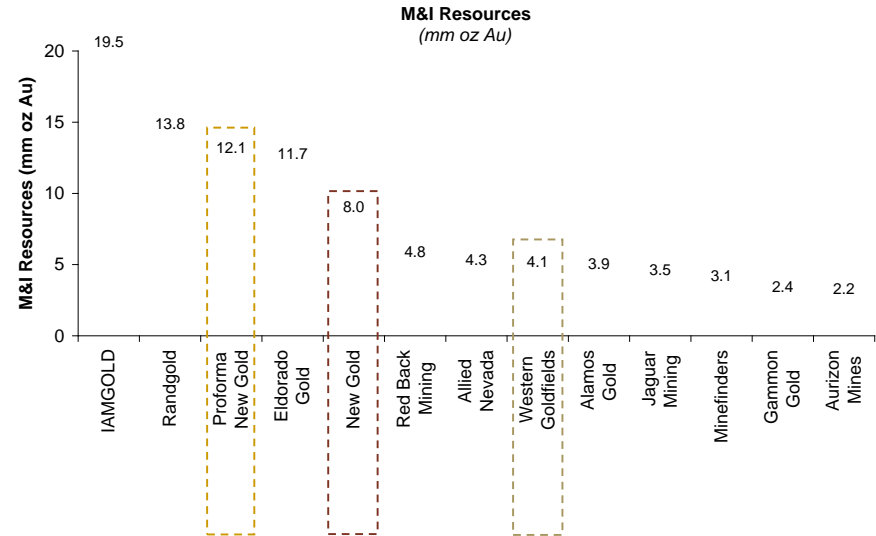


Source: Available Consensus Research production/cash cost estimates, based on \$900/oz Au

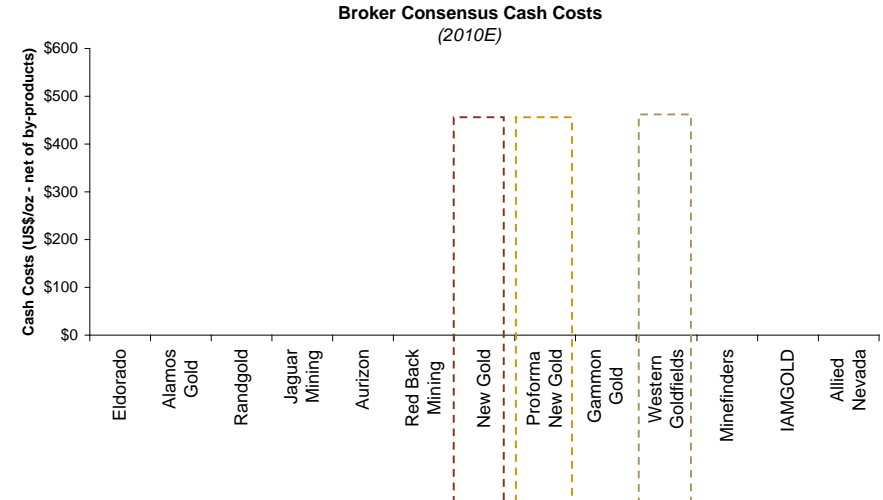
# Proforma Impact



Note: As at May 11, 2009. Proforma New Gold and Western Goldfields assume exercise of 6.25mm in the money options at the date of the announcement

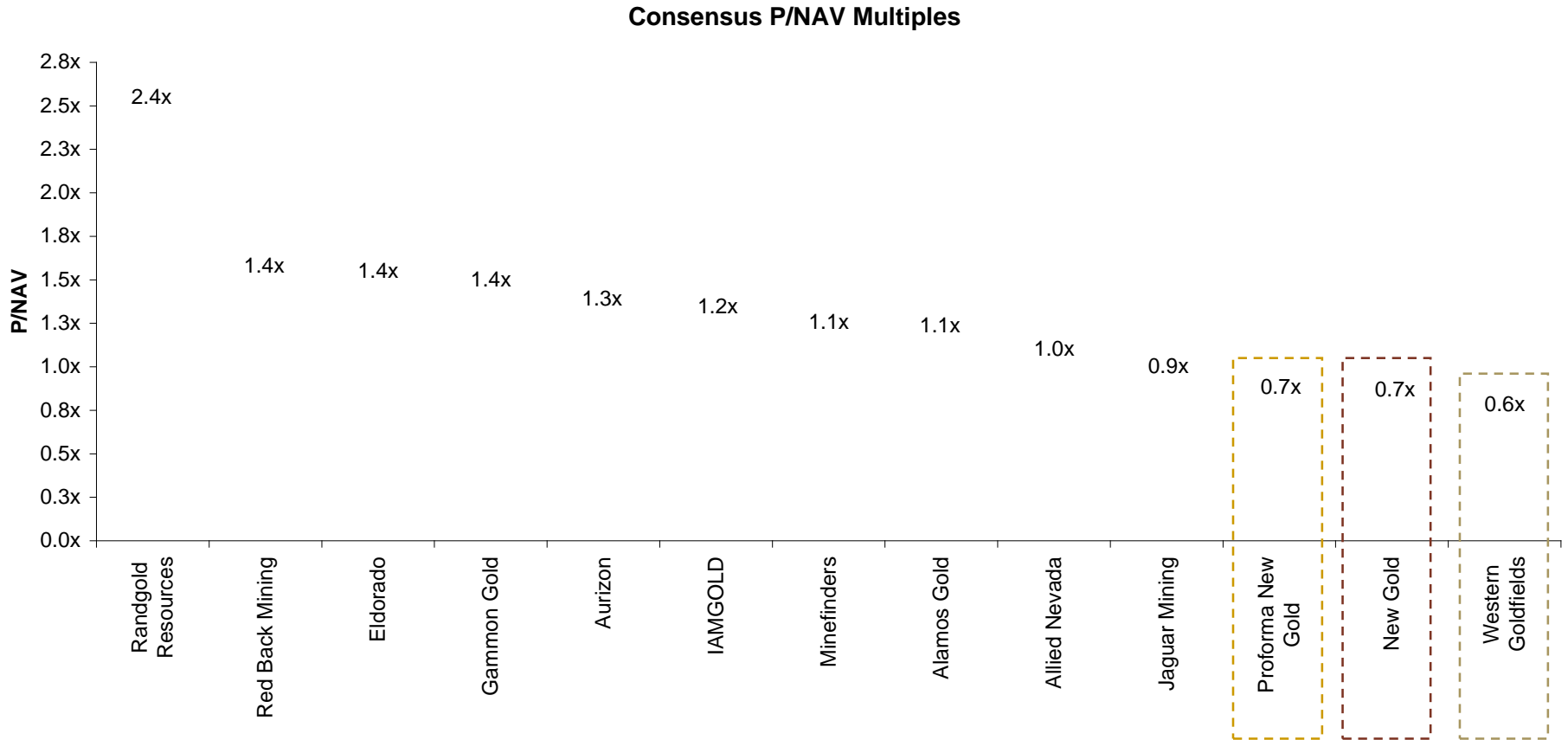


Note: Minefinders and Gammon Gold are Au-Eq ounces



Note: Minefinders and Gammon Gold are US\$/ Au-Eq oz

# Proforma Impact



Source: Available Broker consensus estimates

Note: Prices as at May 11, 2009

## THE COMBINED COMPANY HAS ADDITIONAL UPSIDE POTENTIAL

- **Mesquite**
  - Potential to increase permitted mining rate to 65 million tons per year expected to add 5,000 to 10,000 ounces annually
  - Scoping study indicates potential for enhanced sulfide recovery
- **Cerro San Pedro**
  - Sulfide Drill Program - First five diamond drill hole results were released earlier this month, all encountering significant thicknesses of manto and porphyry style sulfide mineralization. Continue to evaluate exploration upside through an active drilling campaign for the balance of the year
- **Extension to Peak Mine Life**
  - Historically reserves have been replaced at Peak, a trend that is likely to continue
- **Amapari**
  - Evaluating a recently completed Preliminary Assessment on the economics of developing the sulphide resources which would require installation of a conventional crush/grind/carbon-in-leach mill
- **Alaska Exploration – Liberty Bell Project**
  - Reconnaissance program over the ~14 square mile claim block has identified four separate areas of widespread gold-bearing mineralization

## **New Gold will continue to deliver on growth:**

- Diversified portfolio of quality gold assets located in mining-friendly jurisdictions
- Continued focus on operational enhancement at existing mines
- Solid financial position with cash flow generation
- Growth through development of project pipeline and mergers and acquisitions
- Maintain gold focus and superior leverage to a rising gold price

# Company Contact Information

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## Additional Notes on all Mineral Reserves:

- All Mineral Reserves have been calculated in accordance with the CIM Standards or the JORC Code. The JORC Code has been accepted for current disclosure rules in Canada under NI 43-101. The Mineral Reserve & Resource Statements are reported as of the following dates:
  - Peak Mines – December 31, 2008
  - New Afton Project – September 21, 2006
  - Cerro San Pedro Mine – December 31, 2008
  - El Morro – March 31, 2008
  - Mesquite Mine - December 31, 2007
- The Qualified Person(s) (as defined under NI 43-101) or Competent Person(s) (as defined under the JORC Code for the Mineral Reserve & Resource Statements) are as follows:
  - Peak Mines – Mr. Eric Strom, P.Eng. and Technical Services Superintendent for Peak Mines Pty Ltd.
  - New Afton Project – Mr. Mike Thomas, Member AusIMM and Principal Mining Consultant for AMC Consultants Pty Ltd.
  - Cerro San Pedro Mine – Mr. William L. Rose, P.E. and Principal Mining Engineer for WLR Consulting, Inc.
  - El Morro Project – Mr. Richard J. Lambert, P. E. and formerly Principal Mining Engineer for Pincock, Allen & Holt Inc., currently Executive Vice President with Scott Wilson Roscoe Postle Associates
  - Mesquite Mine – Mr. Wes Hanson, P. Geo., VP. Mine Development, Western Goldfields Inc.
- Peak Mines mineral reserves have been calculated based on a gold price of US\$750/oz, a copper price of US\$2.00/lb and variable lower NSR cut-offs ranging from AUD\$112/t to AUD\$130/t that vary between individual mines and their proximity to the Peak operation processing facility.
- New Afton mineral reserves been calculated based on a gold price of US\$475/oz, a copper price of US\$1.45/lb and a lower NSR cut-off of CAD\$15/t of ore.
- Cerro San Pedro mineral reserves have been calculated based on a gold price of \$750/oz, a silver price of US\$10.00/oz and a lower NSR cut-off of US\$2.64/t.
- El Morro mineral reserve 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. Mineral reserves have been calculated based on a gold price of \$500/oz, a copper price of US\$1.25/lb and a lower cut-off of 0.30% copper-equivalent ("EqCu") where  
$$EqCu(\%) = Cu(\%) + 0.592 \times Au (g/t) \text{ and } Cu(\%) = \text{percent copper, } Au(g/t) = \text{grams per tonne gold}$$
- Mesquite mineral reserves are calculated based on a gold price of US\$500/oz
- Inferred Mineral Resources are not known with the same degree of certainty as Mineral Reserves, do not have demonstrated economic viability and are exclusive of mineral reserves
- Numbers may not add due to rounding.
- See technical reports, Annual Information Form and Form 10-K and other filings made on SEDAR by each of New Gold and Western Goldfields for detailed information with regard to the assumptions, parameters and other relevant information.

## Additional Notes on all Mineral Resources:

- All Mineral Resources have been calculated in accordance with the CIM Standards or the JORC Code. The JORC Code has been accepted for current disclosure rules in Canada under NI 43-101. The Mineral Resources have been reported as of the following dates:
  - Amapari Mine – December 31, 2008
  - Peak Mines – December 31, 2008
  - New Afton Project – September 21, 2006
  - Cerro San Pedro Mine – December 31, 2008
  - El Morro – March 31, 2008
  - Mesquite Mine – December 31, 2008
- The qualified person(s) (as defined under NI 43-101) or competent person(s) (as defined under the JORC Code) for the Mineral Resource estimates are as follows:
  - Amapari Mine – Mr. Rex Berthelsen, Member AusIMM and Principal Geologist for New Gold Inc.
  - Peak Mines – Mr. Rex Berthelsen, Member AusIMM and Principal Geologist for New Gold Inc.
  - New Afton Project – Mr. David Rennie, P. Eng. and Consulting Geological Engineer for Scott Wilson Roscoe Postle Assoc.
  - Cerro San Pedro Mine – Mr. William L. Rose, P.E. and Principal Mining Engineer for WLR Consulting, Inc.
  - El Morro Project – Mr. Barton G. Stone, P. Geo. and Chief Geologist for Pincock, Allen & Holt Inc.
  - Mesquite Mine – Mr. Wes Hanson, P. Geo., VP. Mine Development, Western Goldfields Inc.
- Amapari mineral resources have been estimated based on a gold price of US\$750/oz and a variable lower grade cut-offs ranging from 0.6 g/t to 0.8 g/t gold for open pit oxide and sulphide resources and 1.7 g/t gold for underground sulphide resources that vary between individual mineral resources and their proximity to the Amapari operation processing facility.
- Peak Mines mineral resources have been estimated based on a gold price of US\$750/oz, a copper price of US\$2.00/lb and variable lower NSR cut-offs ranging from AUD\$85/t to AUD\$95/t that vary between individual mines and their proximity to the Peak operation processing facility.
- New Afton mineral resources have been estimated based on a gold price of US\$450/oz, a silver price of US\$5.25/oz, a copper price of US\$1.20/lb and a lower NSR cut-off of CAD\$10.00/t of mineralized material.
- Cerro San Pedro mineral resources have been estimated based on a gold price of US\$1000/oz, a silver price of US\$21/oz and a lower grade cut-off of 0.2 g/t gold and are constrained within an economically constrained “mineral resource pit” that uses the same cost and metal recovery parameters used to define mineral reserves as of December 31, 2008. The Cerro San Pedro mineral resource estimates account for mining extraction from January 1, 2007 through the end of 2008.
- El Morro mineral resource 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 resources have been estimated based on a gold price of US\$500/oz, a copper price of US\$1.25/lb and a lower grade cut-off of 0.3% copper-equivalent (“EqCu”) where  

$$EqCu(\%) = Cu(\%) + 0.592 \times Au (g/t) \text{ and } Cu(\%) = \text{percent copper, } Au(g/t) = \text{grams per tonne gold}$$
- Mineral resources are based on an economically constrained “mineral resource pit” that uses the same cost and metal recovery parameters used to define mineral reserves as described in the May 2008 NI 43-101 technical report for the project.
- Mesquite Mine mineral resources have been calculated based on a gold price of US\$650/oz
- Inferred Mineral Resources are not known with the same degree of certainty as Mineral Reserves, do not have demonstrated economic viability and are exclusive of mineral reserves
- Numbers may not add due to rounding.
- See technical reports, Annual Information Form and Form 10-K and other filings made on SEDAR by each of New Gold and Western Goldfields for detailed information with regard to the assumptions, parameters and other relevant information.