

newgold

THERE'S MORE



*CIBC Whistler Institutional
Investor Conference*

January 2012

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 (including that the business of various transactions will be integrated successfully in the New Gold organization) that 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; 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 the 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 "Risk Factors" included in New Gold'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.



Cautionary statement (cont'd)

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

Information concerning the properties and operations discussed herein 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.

TECHNICAL INFORMATION

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

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-IFRS measure. Total cash cost presented do not have a standardized meaning prescribed by IFRS 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 IFRS and is not necessarily indicative of operating costs presented under IFRS. A reconciliation will be provided in the MD&A accompanying the quarterly financial statements.



Leading intermediate gold producer

Three producing assets

Three fully-funded growth projects

C\$5.0 billion market capitalization

\$433 million in cash⁽¹⁾

Strong Board and Management

newgold

Diversified asset portfolio⁽¹⁾

8.4 Moz
Gold Reserve

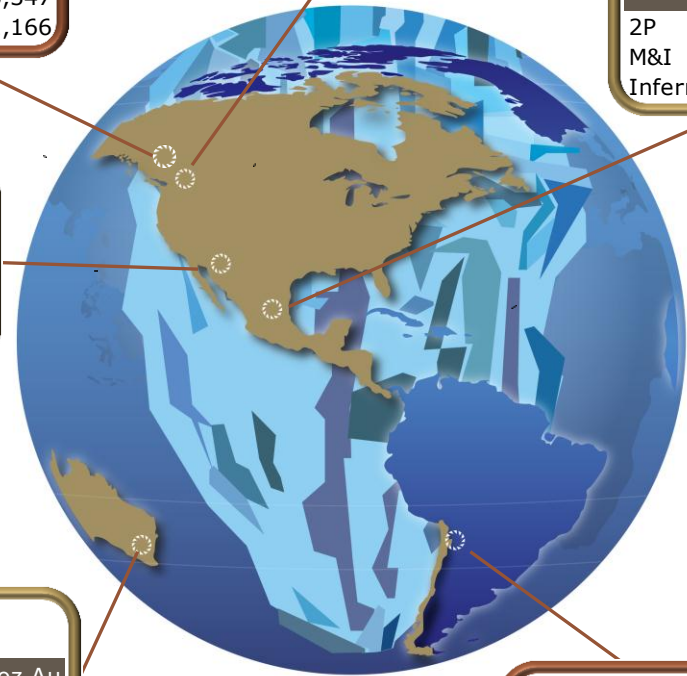
18.7 Moz
M&I Resource⁽¹⁾

New Afton	
Canada	
000s oz Au	
2P	1,052
M&I	1,671
Inferred	438

Blackwater	
Canada	
000s oz Au	
M&I	5,347
Inferred	1,166

Cerro San Pedro	
Mexico	
000s oz Au	
2P	1,261
M&I	2,144
Inferred	1,021

Mesquite	
United States	
000s oz Au	
2P	3,125
M&I	5,675
Inferred	1,019



Peak Mines	
Australia	
000s oz Au	
2P	480
M&I	974
Inferred	306

El Morro⁽²⁾	
Chile	
000s oz Au	
2P	2,517
M&I	2,517
Inferred	1,310

 Operating assets  Development projects

Notes: 1. Refer to New Gold website for detailed disclosure on Reserve and Resource calculations. Measured and Indicated Resources inclusive of Reserves, and Capoose Indicated Resources of 384koz.
2. Represents New Gold's attributable share of Reserves and Resources.



September 2011 year-to-date overview

	YTD	
	Gold sales (000s ounces)	Cash cost ⁽¹⁾ (\$/oz)
<p style="text-align: center;">Mesquite</p> <ul style="list-style-type: none"> Tracking below cost guidance despite year-over-year diesel price appreciation 	117	\$628
<p style="text-align: center;">Cerro San Pedro</p> <ul style="list-style-type: none"> Excellent year continues though cyanide supply impacted third quarter 	110	\$73
<p style="text-align: center;">Peak Mines</p> <ul style="list-style-type: none"> Costs impacted by Australian dollar, cost pressure, recoveries and timing of concentrate sale 	65	\$580
	292	\$409

Note: 1. Refer to Cautionary Statement and note on Total cash cost.



New Afton – Underground production started

New Afton(100%)



Remaining Capital

~ \$200 million

Average Annual Cash Flow⁽⁴⁾

~ \$225 million

Average Annual Sustaining Capital

~ \$20 million

- Fully-funded, fully-permitted project
- Team with significant block cave experience
- Caving successfully initiated – multiple drawbells blasted
- 139,000 tonnes stockpiled at end of third quarter
- Production to start in mid-2012
- At today's prices, project payback ~3 years
- Potential for additional resources

Location	Canada
Mine type	Underground
Reserves ¹ – Gold/Copper (Moz/MIbs)	1.05/993
Resources ¹ – Gold/Copper (Moz/MIbs)	1.67/1,535
Estimate mine life	12 years
LOM production/yr (Au oz/Cu lbs) ²	85k/75m
LOM cash cost/oz co-product (Au/Cu) ³	\$475/\$1.10

Note: 1. Refer to New Gold website for detailed disclosure on Reserve and Resource calculations.

2. Refer to Cautionary Statements.

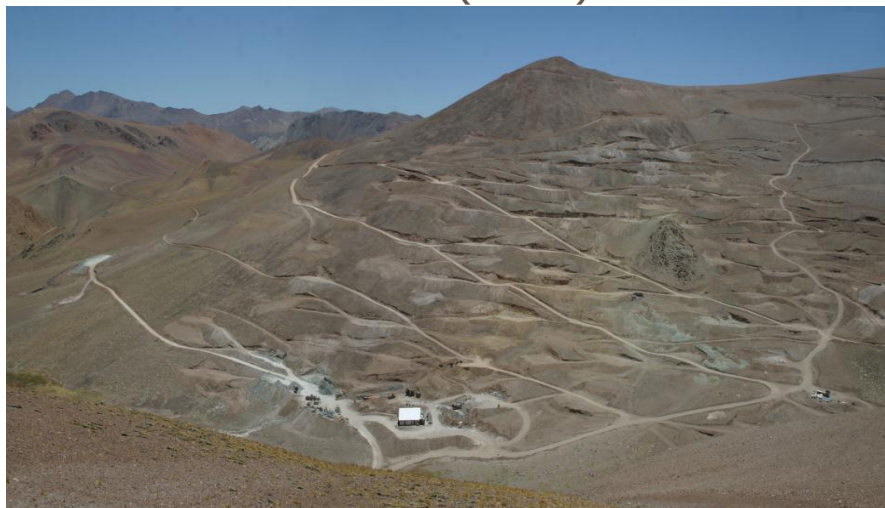
3. Refer to Cautionary Statements and note on Total cash cost. Life of mine co-product costs based \$1,200/oz gold and \$2.50/lb copper and a parity USD/CAD foreign exchange rate.

4. Using spot commodity prices.



El Morro (30%) – A world class project

El Morro (30%)



Gold Reserve⁽¹⁾

2.5 Moz

Copper Reserve⁽¹⁾

1.8 Blbs

- Goldcorp Board formally approved construction in January 2012
- Current Resource entirely within La Fortuna deposit
- 1.3 Moz inferred gold resource at higher gold and copper grades in deeper portion of La Fortuna deposit
- Neighbouring El Morro deposit underexplored
- Capital fully-funded by 70% partner Goldcorp
- Environmental Impact Assessment approved March 16, 2011

Location	Chile
Mine type	Open Pit
Reserves ¹ – Gold/Copper (Moz/MIbs)	2.52/1,842
Resources ¹ – Gold/Copper (Moz/MIbs)	2.52/1,842
Estimate mine life	17 years
LOM production/yr (Au oz/Cu lbs) ²	90k/85m
LOM cash cost/oz co-product (Au/Cu) ³	\$550/\$1.45

Note: 1. Refer to New Gold website for detailed disclosure on Reserve and Resource calculations. Measured and Indicated Resources inclusive of Reserves. El Morro Reserves and Resources shown on attributable 30% basis.
 2. Refer to Cautionary Statements.
 3. Refer to Cautionary Statements and note on Total cash cost. Life of mine co-product costs based \$1,200/oz gold and \$2.75/lb copper.



Blackwater – An exciting new discovery

Blackwater



Location	Canada
Proposed mine type	Open Pit
M&I Resources ¹ – Gold/Silver (Moz)	5.3/27.1
Inferred Resources ¹ – Gold/Silver (Moz)	1.2/6.0
Targeted production ²	2017

Indicated Gold Resource⁽¹⁾

5.3 Moz

Inferred Gold Resource⁽¹⁾

1.2 Moz

Next Resource Update

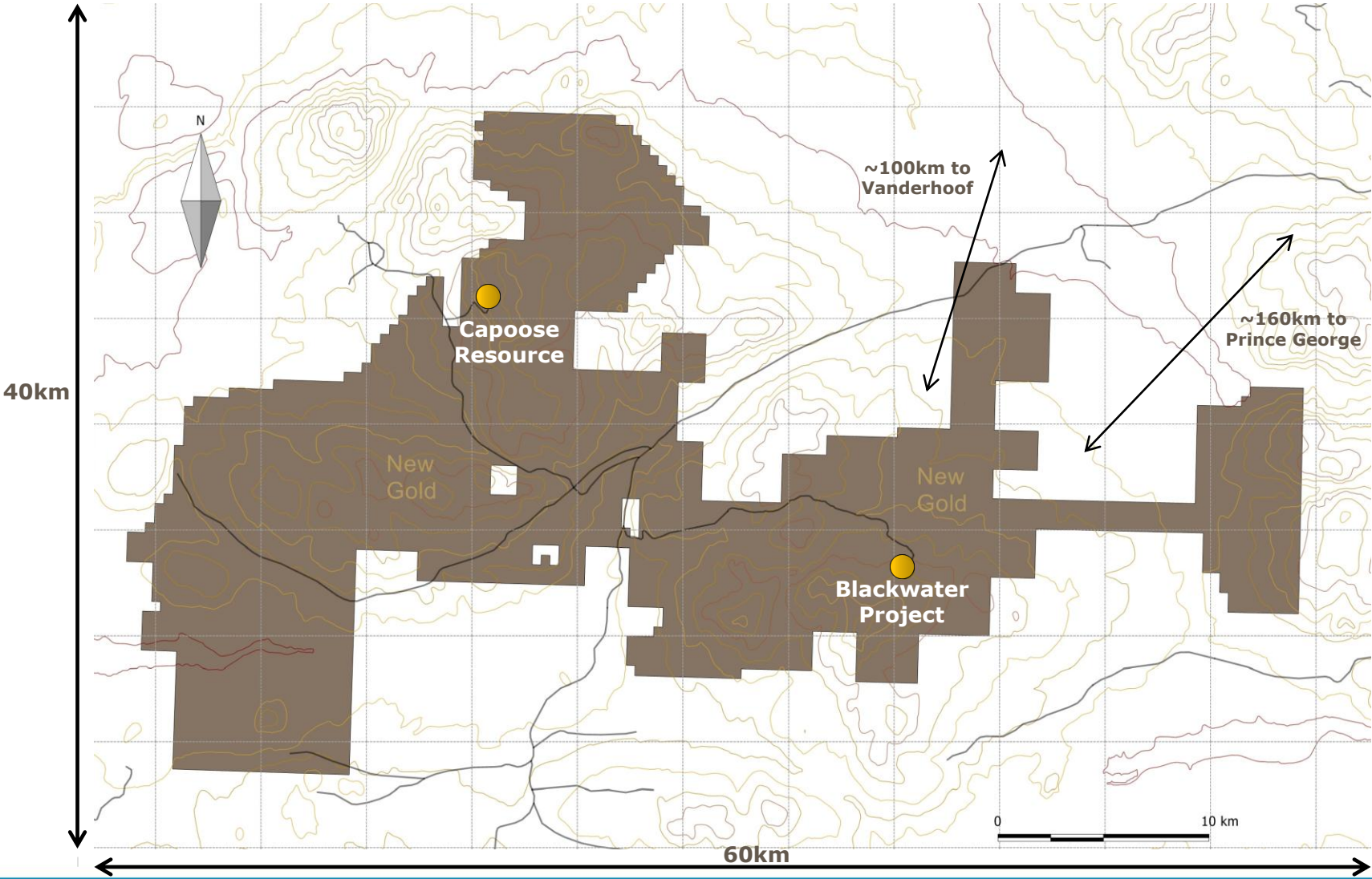
February 2012

- Added 2 million ounces in ~7 months of drilling
 - Remains open in all directions and at depth
- Acquired Silver Quest and Geo Minerals consolidating project and adding to land position (670km²)
- Year-round accessibility for drilling/ development
- Central British Columbia near infrastructure
- Ability to fund continued exploration/development internally
- Tax synergies with New Afton

Note: 1. Refer to New Gold website for detailed disclosure on Reserve and Resource calculations.

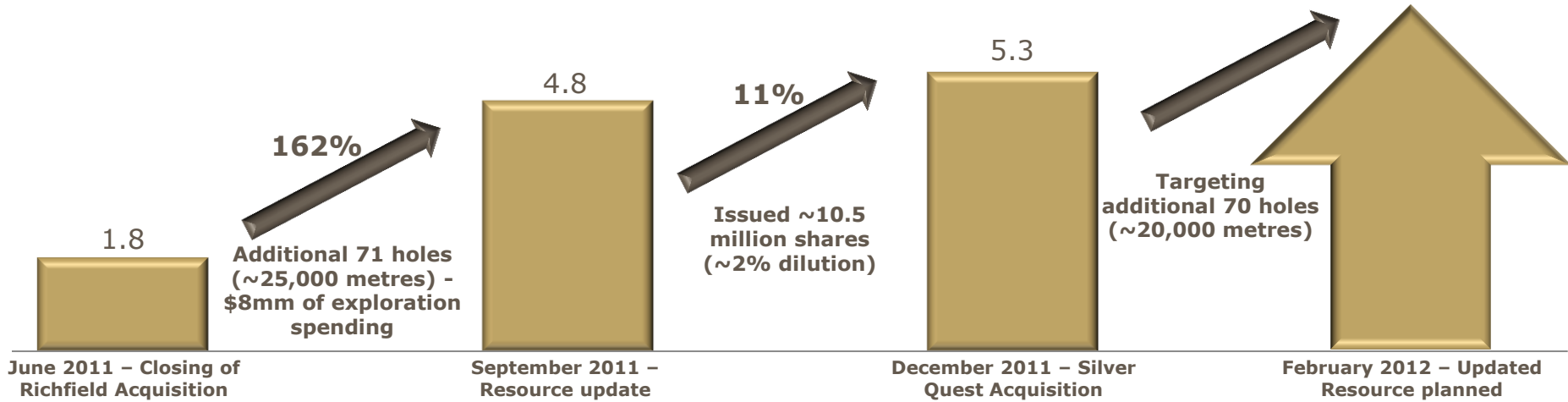
2. Blackwater start date based on indicative timeline which is dependent on continued exploration success, environmental approvals and the determination that the deposit is economically viable.

Blackwater area map

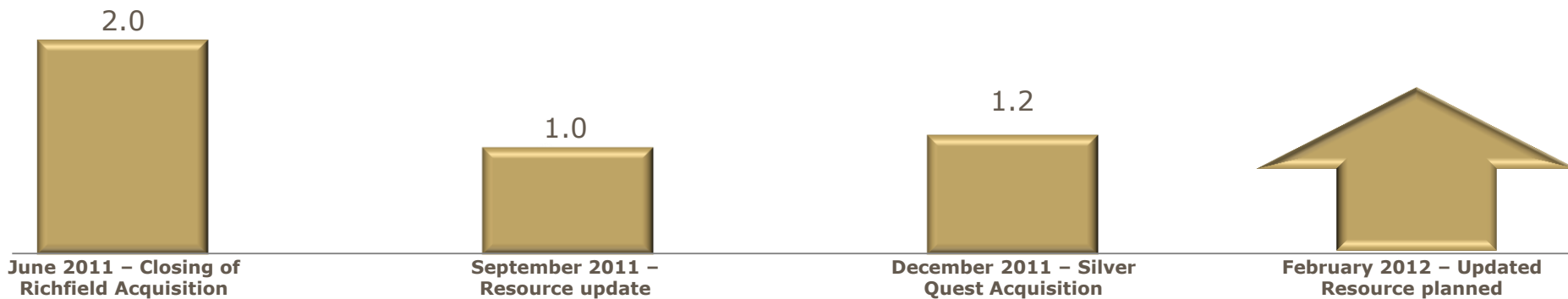


Blackwater resources growing in size and quality

Indicated Gold Resources (million ounces)⁽¹⁾



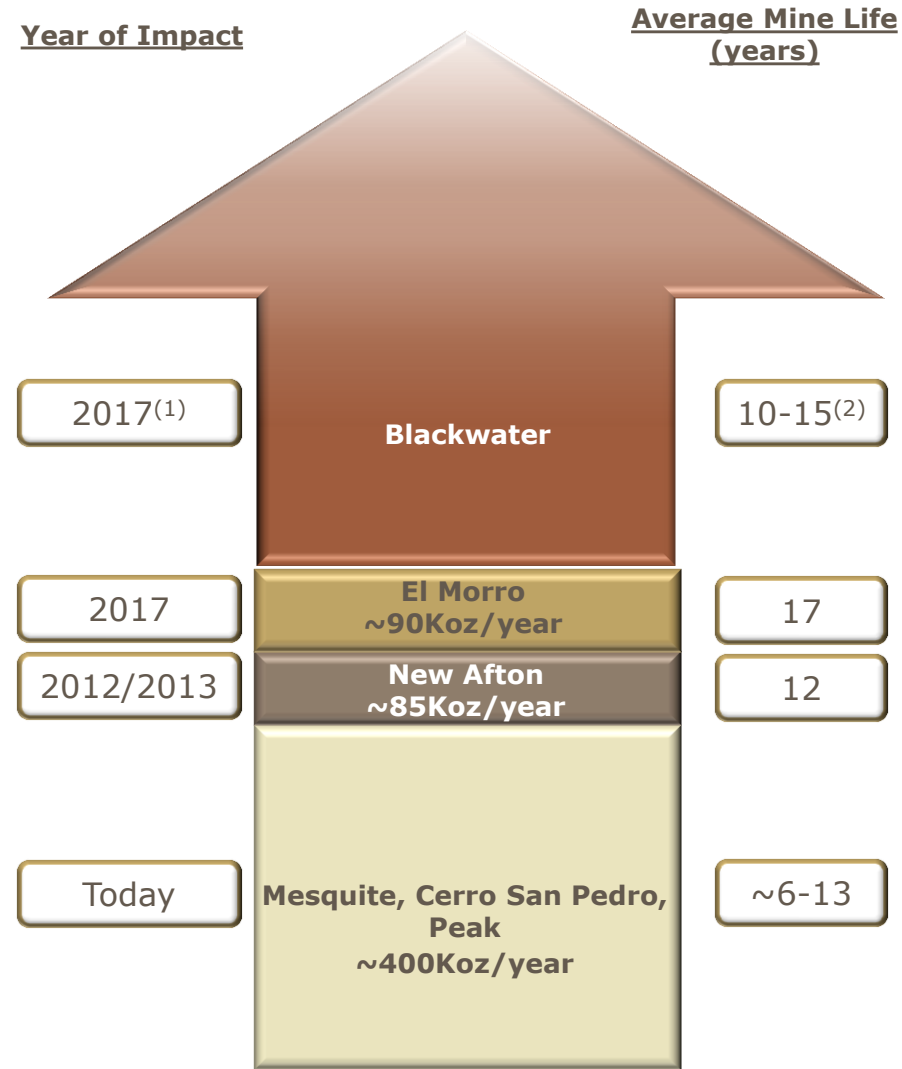
Inferred Gold Resources (million ounces)⁽¹⁾



Note: 1. Refer to New Gold website for detailed disclosure on Reserve and Resource calculations.

Robust gold production pipeline

- 1 New Afton ~20% gold production growth < 1 year
- 2 El Morro further ~20% gold production growth in 5 years
- 3 Blackwater further ~50% to 100% gold production growth in 5 years



Notes: 1. Blackwater start date based on indicative timeline which is dependent on continued exploration success, permit approvals and the determination that the deposit is economically viable. There is no assurance this timeline will be achieved nor that the deposit will ever reach the production stage.
 2. Mine life range shown is theoretical in nature. Ultimate mine life to be determined by maximizing project economics when comparing mineable resource against upfront capital and ongoing operating costs.



The New Gold investment thesis

EXPERIENCED BOARD AND MANAGEMENT

FULLY FUNDED COMPANY WITH STRONG BALANCE SHEET

DIVERSIFIED ASSET BASE IN MINING FRIENDLY JURISDICTIONS

ORGANIC GROWTH OPPORTUNITIES/METAL OPTIONALITY

PRODUCTION GROWTH/MARGIN EXPANSION

INCREASING UNDERLYING ASSET VALUE

MULTIPLE CATALYSTS

COMPELLING INVESTMENT PROPOSITION