Q1 2021 Earnings Call and Webcast

May 5, 2021

Cautionary Statements

ALL 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 are “forward-looking”. All statements in this presentation, other than statements of historical fact, which address events, results, outcomes 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”, “targeted”, “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 of such terms. Forward-looking statements in this presentation include, among others, statements with respect to: the Company’s planned increases in grade at the Rainy River Mine and New Afton Mine; plans to generate free cash flow; anticipated operational and financial results during the remainder of 2021; the strengthening in the Company’s financial position in future periods; the Company’s plans regarding diesel based GHG emission reductions; the anticipated effect of the construction of the TAT plant; the Company’s return to the Phase 2 area of the pit at the Rainy River Mine; the Company’s strip ratio at the Rainy River Mine; and the commencement and ramping up of B3 zone production at the New Afton Mine.

All forward-looking statements in this presentation are based on the opinions and estimates of management that, while considered reasonable as at the date of this press release in light of management’s experience and perception of current conditions and expected developments, are inherently subject to important risk factors and uncertainties, many of which are beyond New Gold’s ability to control or predict. Certain material assumptions regarding such forward-looking statements are discussed in this presentation, New Gold’s latest annual MD&A, its most recent annual information form and technical reports on the Rainy River Mine and New Afton Mine filed at www.sedar.com and on EDGAR at www.sec.gov. In addition to, and subject to, such assumptions discussed in more detail elsewhere, the forward-looking statements in this presentation are also subject to the following assumptions: (1) there being no significant disruptions affecting New Gold’s operations other than as set out herein; (2) political and legal developments in jurisdictions where New Gold operates, or may in the future operate, being consistent with New Gold’s current expectations; (3) the accuracy of New Gold’s current mineral reserve and mineral resource estimates; (4) the exchange rate between the Canadian dollar and U.S. dollar, and to a lesser extent, the Mexican Peso, being approximately consistent with current levels; (5) prices for diesel, natural gas, fuel oil, electricity and other key supplies being approximately consistent with current levels; (6) equipment, labour and materials costs increasing on a basis consistent with New Gold’s current expectations; (7) arrangements with First Nations and other Aboriginal groups in respect of the New Afton Mine and Rainy River Mine being consistent with New Gold’s current expectations; (8) all required permits, licenses and authorizations being obtained from the relevant governments and other relevant stakeholders within the expected timelines; (9) there being no significant disruptions to the Company’s workforce at either the Rainy River or New Afton Mine due to cases of COVID-19 or any required self-isolation requirements (due, among other things, to cross-border travel to the United States or any other country); (10) the responses of the relevant governments to the COVID-19 outbreak being sufficient to contain the impact of the COVID-19 outbreak; (11) there being no material disruption to the Company’s supply chains and workforce that would interfere with the Company’s anticipated course of action at the Rainy River Mine and the systematic ramp-up of operations; (12) the long-term economic effects of the COVID-19 outbreak not having a material adverse impact on the Company’s operations or liquidity position; and (13) Artemis Gold Inc. being able to complete the remaining C$50 million cash payment due on August 24, 2021 for the acquisition of the Blackwater project.

Cautionary Statements

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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 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 and the availability and management of capital resources; additional funding requirements; price volatility in the spot and forward markets for metals and other commodities; fluctuations in the international currency markets and in the rates of exchange of the currencies of Canada, the United States and, to a lesser extent, Mexico; volatility in the market price of the Company's securities; hedging and investment related risks; dependence on the Rainy River Mine and New Afton Mine; discrepancies between actual and estimated production, between actual and estimated mineral reserves and mineral resources and between actual and estimated metallurgical recoveries; risks related to early production at the Rainy River Mine, including failure of equipment, machinery, the process circuit or other processes to perform as designed or intended; risks related to construction, including changing costs and timelines; adequate infrastructure; fluctuation in treatment and refining charges; changes in national and local government legislation in Canada, the United States and, to a lesser extent, Mexico or any other country in which New Gold currently or may in the future carry on business; global economic and financial conditions; risks relating to New Gold's debt and liquidity; the adequacy of internal and disclosure controls; taxation; impairment; conflicts of interest; risks relating to climate change; 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; 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; risks relating to proposed acquisitions and the integration thereof; information systems security threats; diminishing quantities or grades of mineral reserves and mineral resources; competition; loss of, or inability to attract, key employees; rising costs of labour, supplies, fuel and equipment; actual results of current exploration or reclamation activities; uncertainties inherent to mining economic studies; 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; unexpected delays and costs inherent to consulting and accommodating rights of Indigenous groups; risks, uncertainties and unanticipated delays associated with obtaining and maintaining necessary licenses, permits and authorizations and complying with permitting requirements; disruptions to the Company's workforce at either the Rainy River Mine or the New Afton Mine, or both, due to cases of COVID-19 or any required self-isolation (due to cross-border travel, exposure to a case of COVID-19 or otherwise); the responses of the relevant governments to the COVID-19 outbreak not being sufficient to contain the impact of the COVID-19 outbreak; disruptions to the Company's supply chain and workforce due to the COVID-19 outbreak; an economic recession or downturn as a result of the COVID-19 outbreak that materially adversely affects the Company's operations or liquidity position; there being further shutdowns at the Rainy River or New Afton Mines; the Company not being able to complete its construction projects at the Rainy River Mine or the New Afton Mines on the anticipated timeline or at all; the Company not being able to complete the exploration drilling program to be launched at the Rainy River Mine and Cherry Creek on the anticipated timeline or at all; Artemis Gold Inc. not being able to make the remaining C$50 million cash payment due in connection with its acquisition of the Blackwater Project on August 24, 2021. 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 most recent annual information form, MD&A and other disclosure documents filed on and available at www.sedar.com and on EDGAR at www.sec.gov. 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 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.

For further information on the Company's response to COVID-19, please refer to: https://www.newgold.com/covid-19/

Q1 2021
Quarterly Review

Rob Chausse, CFO

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Operating Highlights

On-Track to Achieve Annual Guidance

Operational Highlights	Rainy River Q1 2021	Rainy River Q1 2020	New Afton Q1 2021	New Afton Q1 2020	Consolidated Operations Q1 2021	Consolidated Operations Q1 2020
Gold eq. produced (oz)[1]	**56,513**	51,106	**39,512**	52,329	**96,026**	103,435
Gold eq. sold (oz)[1]	**53,577**	53,538	**38,241**	50,398	**91,818**	103,936
Gold produced (oz)	**54,656**	50,381	**11,994**	16,409	**66,650**	66,790
Gold sold (oz)	**51,796**	52,782	**11,744**	15,991	**63,539**	68,773
Copper produced (Mlbs)	**-**	-	**13.8**	18.5	**13.8**	18.5
Copper sold (Mlbs)	**-**	-	**13.3**	17.7	**13.3**	17.7
Operating expense ($ per gold eq. oz)	**1,006**	1,060	**1,046**	655	**1,022**	864
Total cash costs ($ per gold eq. oz)[2]	**1,006**	1,060	**1,153**	762	**1,067**	916
AISC ($ per gold eq. oz)[2]	**1,586**	1,755	**1,388**	1,033	**1,550**	1,446
Sustaining capital and sustaining leases ($M)[2]	**29.3**	35.7	**8.5**	13.3	**37.9**	49.1
Growth capital ($M)[2]	**1.3**	0.1	**17.2**	10.8	**18.5**	19.0

- Lower quarterly gold equivalent production primarily due to lower grades and lower throughput at New Afton due to the mud rush incident
- Higher costs in the quarter due to the strengthening of the Canadian dollar and lower sales volumes

1. Total gold eq. ounces include silver and copper produced converted to a gold eq. based on a ratio of $1,800 per gold ounce, $25.00 per silver ounce and $3.50 per copper pound used for 2021 guidance estimates. All copper is produced by the New Afton Mine.
2. Refer to the "Non-GAAP Financial Performance Measures" section of this presentation.

Financial Highlights and Capital Expenditures

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Significant Exposure to Gold and Copper Prices

Financial Highlights	Q1 2021	Q1 2020
Revenues ($M)	**164.9**	142.3
Net earnings (loss), per share ($)	**0.02**	(0.04)
Adj. net earnings (loss), per share ($)[1]	**0.01**	(0.03)
Operating cash flow, per share ($)	**0.08**	0.08
Adj. operating cash flow, per share ($)[1]	**0.09**	0.07
Average realized gold price ($/oz)[1]	**1,788**	1,458
Average realized copper price ($/lb)	**3.83**	2.56

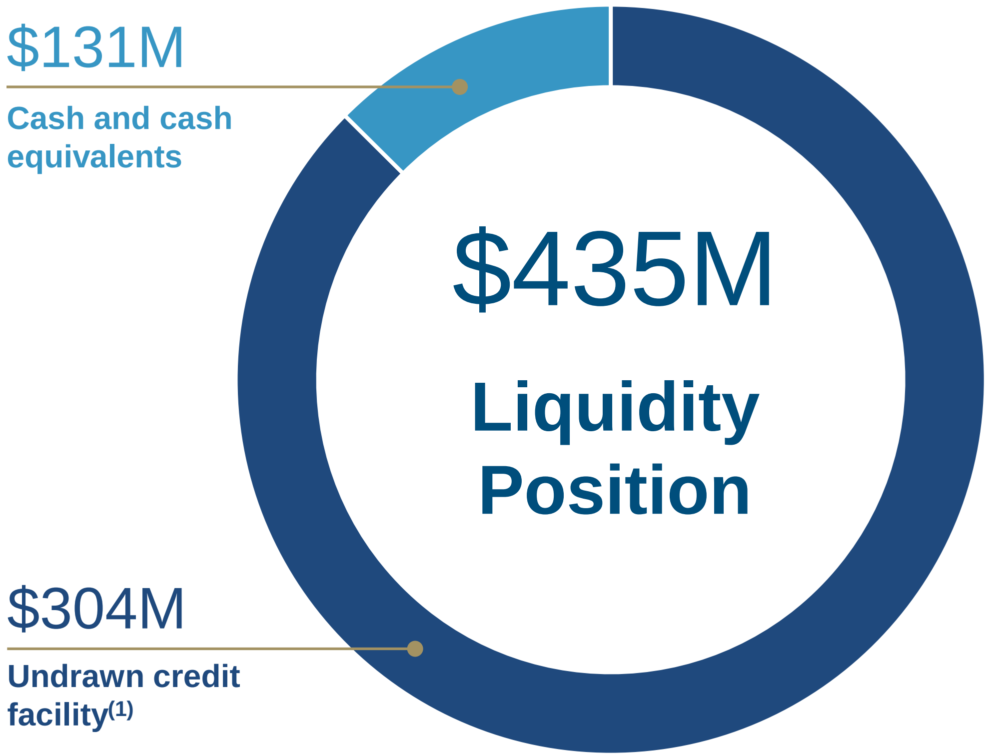
- Higher quarterly revenues, earnings and cash flow due to higher gold and copper prices, partially offset by lower sales volumes

Capital Expenditures	Rainy River Q1 2021	Rainy River Q1 2020	New Afton Q1 2021	New Afton Q1 2020	Consolidated Operations Q1 2021	Consolidated Operations Q1 2020
Sustaining capital and sustaining leases ($M)[1]	**29.3**	35.7	**8.5**	13.3	**37.9**	49.1
Growth capital ($M)[1]	**1.3**	0.1	**17.2**	10.8	**18.5**	19.0

- Rainy River – Sustaining capital primarily related to capitalized mining costs, advancement of the planned annual tailings dam raise and capital maintenance, growth capital related to the development of underground Intrepid zone
- New Afton – Sustaining capital primarily related to B3 mine development and the advancement of the planned tailings dam raise, growth capital primarily related to C-Zone development and the TAT project

1. Refer to the "Non-GAAP Financial Performance Measures" section of this presentation.

Capital Resources and Strong Liquidity Position



New Gold Debt Structure			
	Face Value ($M)	Maturity	Interest Rate
Revolving Credit Facility	$350[1]	Oct. 2023	LIBOR + 2.75% - 4.25%
Senior Unsecured Notes	$100	May 2025	6.375%
Senior Unsecured Notes	$400	July 2027	7.50%

2021 Copper Put Option		
Term	Quantity	Floor
April 2021 - September 2021	1,700 t/month	$3.10/lb

C$50 million in additional liquidity from the Blackwater sale due in August 2021

1. $46 million of $350 million facility is currently used for Letters of Credit related to mine closure costs as of March 31, 2021.

Q1 2021
Business Review

Renaud Adams, President & CEO

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Committed to Sustainability and ESG

Environment

Water Management

- Operations are focused on strengthening water standards and processes and our approach to water stewardship

Tailings Management

- New Gold supports and adheres to the Mining Association of Canada's Toward Sustainable Mining Tailings Management Protocol and is a member of the Canadian Dam Association

Climate Action

- Reducing our carbon footprint by focusing on energy efficiency, reducing fossil fuel consumption, and reducing electricity generated from fossil fuels

Social

Indigenous Relations

- New Gold works with community members to identify opportunities for economic benefit through training, business development and procurement opportunities

Community Investment

- Actively support Indigenous education programs for K-12 and post secondary opportunities for Indigenous communities

Community Engagement

- Operations seek to identify and review community of interest on an annual basis to ensure engagement is happening with all relevant stakeholders

Governance

- Board committee oversees technical operations and sustainability
- CEO accountable for sustainability
- Director of Sustainability responsible for strategy development and working with sites
- Site GMs, Community & Enviro Managers responsible for site-based activities, regulators and priorities
- Community and enviro teams implement plans

New Gold is committed to minimizing environmental impacts, creating long term value for stakeholders, and prioritizing the health, safety and well-being of our people

Reinvesting In Our Future

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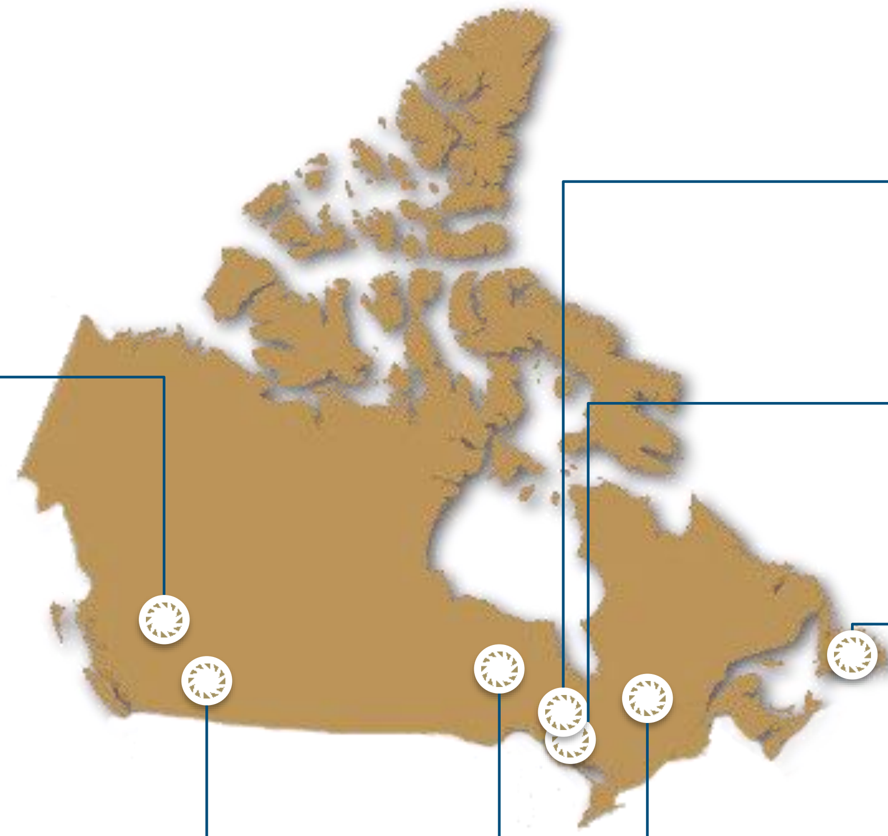
Legend	
Producer	■ (dark blue)
Developer / Explorer	■ (light blue)
Greenfield	■ (green)



Artemis Gold

Stage:	Developer
Investment:	6% (equity)
	8% (gold stream)
Market cap:	C$700mm
Location:	British Columbia

Talisker Resources

Stage:	Explorer
Investment:	14.9% (equity)
Market cap:	C$75mm
Location:	British Columbia

Harte Gold

Stage:	Producer
Investment:	14.9% (equity)
Market cap:	C$155mm
Location:	Ontario

Angus Gold

Stage:	Greenfield
Investment:	9.9% (equity)
Market cap:	C$20mm
Location:	Ontario

Burin Gold

Stage:	Greenfield
Investment:	9.9% (equity)
Market cap:	Private
Location:	Newfoundland

Northern Superior

Stage:	Greenfield
Investment:	9.9% (equity)
Market cap:	C$75mm
Location:	Ontario/Quebec

Broadening Our Canadian Exploration Platform

Rainy River: Q1 2021 Highlights

First quarter delivered to plan – Planned increases in grade through the year

Production	Q1 2021	Q1 2020
Gold production (oz)	54,656	50,381
Gold eq. production (oz)[1]	56,513	51,106
Operating Costs	**Q1 2021**	**Q1 2020**
Total cash costs per gold eq. oz[2]	1,006	1,060
AISC per gold eq. oz[2]	1,586	1,755
Capital & Exploration ($M)	**Q1 2021**	**Q1 2020**
Sustaining capital & sustaining leases[2]	29.3	35.7
Growth capital[2]	1.3	0.1
Exploration	0.4	0.2

- Open pit mine achieved 150,767 tpd, in-line with 2021 target ~151,000 tpd
- Mill averaged 26,301 tpd
- Waste stripping strategically prioritized during winter months
- Average gold grade of 0.80 g/t – planned increases in second half of year
- Gold recovery of 89%

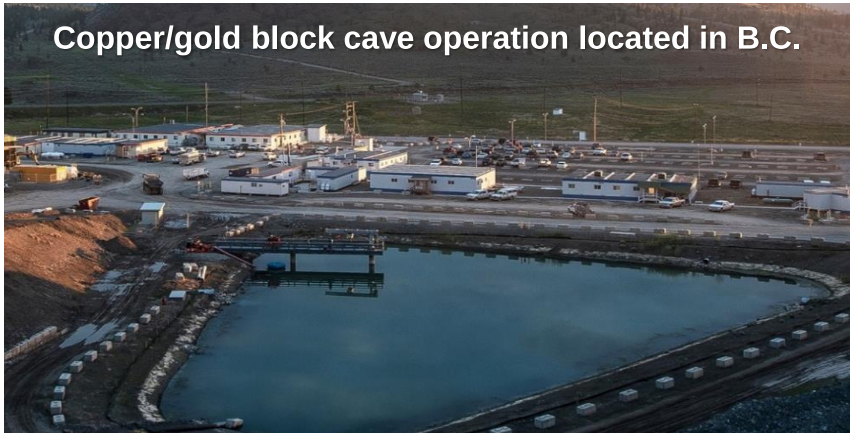
- Intrepid zone decline development advanced 650m – production planned for late-2022
- Exploration program on North-East Trend
  - Completed 11 diamond core holes totaling 4,023 metres
  - Follow-up drilling program to continue in H2 focused on gold bearing mineralization within defined shear zones, along strike and at depth

Focus remains on further operational and cost optimizations and the continued conversion of underground reserves for inclusion in an optimized underground mine plan

1. Gold eq. ounces for Rainy River in Q1 2021 includes 133,730 ounces of silver converted to a gold eq. based on a ratio of $1,800 per gold ounce and $25.00 per silver ounce used for 2021 guidance estimates.
2. Refer to the "Non-GAAP Financial Performance Measures" section of this presentation.

New Afton: Q1 2021 Highlights

The mine continues to safely and sequentially ramp-up operations



Production	Q1 2021	Q1 2020
Gold production (oz)	11,994	16,409
Copper production (Mlbs)	13.8	18.5
Gold eq. production (oz)[1]	39,512	52,329
Operating Costs	Q1 2021	Q1 2020
Operating expense per gold eq. oz	1,046	655
Total cash costs per gold eq. oz[2]	1,153	762
AISC per gold eq. oz[2]	1,388	1,033
Capital & Exploration ($M)	Q1 2021	Q1 2020
Sustaining capital & sustaining leases[2]	8.5	13.3
Growth capital[2]	17.2	10.8
Exploration	1.4	1.5

- Underground mine averaged 11,395 tpd, ~16,200 tpd in March, near pre-incident rates
- Mill averaged 13,564 tpd – current surface stockpiles supplementing tonnes mined
- Gold – average grade of 0.39 at 79% recovery
- Copper – average grade at 0.64% at 80% recovery
- C-Zone development advanced ~820 metres – project remains on track for H2 2023 start-up

- Completed first pass reconnaissance drilling within Cherry Creek trend including 20 diamond core holes totaling 10,518 metres, preliminary interpretation defines patterns similar to New Afton deposit, follow-up program to focus on deeper targets within the trend
- Underground drilling program has commenced focused on three priority targets

Focus remains on launching B3 production, advancing C-Zone development, and following up on key exploration targets

1. Gold eq. ounces for New Afton in Q1 2021 includes 13.8 million pounds of copper and 53,494 ounces of silver converted to a gold eq. based on a ratio of $1,800 per gold ounce, $3.50 per copper pound and $25.00 per silver ounce used for 2021 guidance estimates.
2. Refer to the "Non-GAAP Financial Performance Measures" section of this presentation.

Questions

Appendix

Non-GAAP Measures

NON-GAAP FINANCIAL PERFORMANCE MEASURES

(1) CASH COSTS AND TOTAL CASH COSTS PER GOLD EQ. OUNCE
"Total cash costs per gold equivalent ounce" is a non-GAAP financial performance measure that is a common financial performance measure in the gold mining industry but does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. New Gold reports total cash costs on a sales basis and not on a production basis. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance and ability to generate liquidity through operating cash flow to fund future capital expenditures and working capital needs. New Gold believes that this measure, along with sales, is a key indicator of the Company's ability to generate operating earnings and cash flow from its mining operations.

This measure is intended to provide additional information only and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. This measure is not necessarily indicative of cash generated from operations under IFRS or operating costs presented under IFRS.

Total cash cost figures are calculated in accordance with a standard developed by The Gold Institute, a worldwide association of suppliers of gold and gold products that ceased operations in 2002. Adoption of the standard is voluntary and the cost measures presented may not be comparable to other similarly titled measures of other companies. Total cash costs include mine site operating costs such as mining, processing and administration costs, royalties, production taxes, but are exclusive of amortization, reclamation, capital and exploration costs. Total cash costs are then divided by gold equivalent ounces sold to arrive at the total cash costs per equivalent ounce sold.

In addition to gold the Company produces copper and silver. Gold equivalent ounces of copper and silver produced or sold in a quarter are computed using a consistent ratio of copper and silver prices to the gold price and multiplying this ratio by the pounds of copper and silver ounces produced or sold during that quarter.

Notwithstanding the impact of copper and silver sales, as the Company is focused on gold production, New Gold aims to assess the economic results of its operations in relation to gold, which is the primary driver of New Gold's business. New Gold believes this metric is of interest to its investors, who invest in the Company primarily as a gold mining business. To determine the relevant costs associated with gold equivalent ounces, New Gold believes it is appropriate to reflect all operating costs incurred in its operations.

(2) ALL-IN SUSTAINING COSTS PER GOLD EQ. OUNCE
"All-in sustaining costs per gold equivalent ounce" is a non-GAAP financial performance measure that does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. New Gold calculates "all-in sustaining costs per gold equivalent ounce" based on guidance announced by the World Gold Council ("WGC") in September 2013. The WGC is a non-profit association of the world's leading gold mining companies established in 1987 to promote the use of gold to industry, consumers and investors. The WGC is not a regulatory body and does not have the authority to develop accounting standards or disclosure requirements. The WGC has worked with its member companies to develop a measure that expands on IFRS measures to provide visibility into the economics of a gold mining company. Current IFRS measures used in the gold industry, such as operating expenses, do not capture all of the expenditures incurred to discover, develop and sustain gold production. New Gold believes that "all-in sustaining costs per gold equivalent ounce" provides further transparency into costs associated with producing gold and will assist analysts, investors, and other stakeholders of the Company in assessing its operating performance, its ability to generate free cash flow from current operations and its overall value. In addition, the Compensation Committee of the Board of Directors uses "all-in sustaining costs", together with other measures, in its Company scorecard to set incentive compensation goals and assess performance.

"All-in sustaining costs per gold equivalent ounce" is intended to provide additional information only and does not have any standardized meaning under IFRS and may not be comparable to similar measures presented by other mining companies. It should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The measure is not necessarily indicative of cash flow from operations under IFRS or operating costs presented under IFRS.

New Gold defines "all-in sustaining costs per gold equivalent ounce" as the sum of total cash costs, net capital expenditures that are sustaining in nature, corporate general and administrative costs, capitalized and expensed exploration that is sustaining in nature, lease payments that are sustaining in nature, and environmental reclamation costs, all divided by the total gold equivalent ounces sold to arrive at a per ounce figure. The "Sustaining Capital Expenditure Reconciliation" table below reconciles New Gold's sustaining capital to its cash flow statement. The definition of sustaining versus non-sustaining is similarly applied to capitalized and expensed exploration costs and lease payments. Exploration costs and lease payments to develop new operations or that relate to major projects at existing operations where these projects are expected to materially increase production are classified as non-sustaining and are excluded. Gold equivalent ounces of copper and silver produced or sold in a quarter are computed using a consistent ratio of copper and silver prices to the gold price and multiplying this ratio by the pounds of copper and silver ounces produced or sold during that quarter.

Non-GAAP Measures

NON-GAAP FINANCIAL PERFORMANCE MEASURES

Costs excluded from all-in sustaining costs are non-sustaining capital expenditures, non-sustaining lease payments and exploration costs, financing costs, tax expense, and transaction costs associated with mergers, acquisitions and divestitures, and any items that are deducted for the purposes of adjusted earnings.

(3) SUSTAINING CAPITAL AND SUSTAINING LEASES

"Sustaining capital" and "sustaining lease" are non-GAAP financial performance measures that do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. New Gold defines "sustaining capital" as net capital expenditures that are intended to maintain operation of its gold producing assets. Similarly, a "sustaining lease" is a lease payment that is sustaining in nature. To determine "sustaining capital" expenditures, New Gold uses cash flow related to mining interests from its statement of cash flows and deducts any expenditures that are capital expenditures to develop new operations or capital expenditures related to major projects at existing operations where these projects will materially increase production. Management uses "sustaining capital" and "sustaining lease", to understand the aggregate net result of the drivers of all-in sustaining costs other than total cash costs. These measures are intended to provide additional information only and should not be considered in isolation or as substitutes for measures of performance prepared in accordance with IFRS.

(4) GROWTH CAPITAL

"Growth capital" is a non-GAAP financial performance measure that does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. New Gold considers non-sustaining capital costs to be “growth capital”, which are capital expenditures to develop new operations or capital expenditures related to major projects at existing operations where these projects will materially increase production. To determine "growth capital" expenditures, New Gold uses cash flow related to mining interests from its statement of cash flows and deducts any expenditures that are capital expenditures that are intended to maintain operation of its gold producing assets. Management uses "growth capital" to understand the cost to develop new operations or related to major projects at existing operations where these projects will materially increase production. This measure is intended to provide additional information only and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

(5) ADJUSTED NET EARNINGS/(LOSS)

“Adjusted net earnings” and “adjusted net earnings per share” are non-GAAP financial performance measures that do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. "Adjusted net earnings" and "adjusted net earnings per share" exclude the following from net earnings: Inventory write downs, Items included in “Other gains and losses” as per Note 3 of the Company’s consolidated financial statements; and Certain non-recurring items. Net earnings have been adjusted, including the associated tax impact, for the group of costs in “Other gains and losses” on the condensed consolidated income statements. Key entries in this grouping are: the fair value changes for the gold stream obligation; fair value changes for the free cash flow interest obligation; the gold and copper option contracts; foreign exchange forward contracts; foreign exchange gain or loss, loss on disposal of assets and fair value changes in investments. The adjusted entries are also impacted for tax to the extent that the underlying entries are impacted for tax in the unadjusted net earnings.

The Company uses "adjusted net earnings" for its own internal purposes. Management’s internal budgets and forecasts and public guidance do not reflect the items which have been excluded from the determination of "adjusted net earnings". Consequently, the presentation of "adjusted net earnings" enables investors to better understand the underlying operating performance of the Company's core mining business through the eyes of management. Management periodically evaluates the components of "adjusted net earnings" based on an internal assessment of performance measures that are useful for evaluating the operating performance of New Gold's business and a review of the non-GAAP financial performance measures used by mining industry analysts and other mining companies. "Adjusted net earnings" and "adjusted net earnings per share" are intended to provide additional information only and should not be considered in isolation or as substitutes for measures of performance prepared in accordance with IFRS. These measures are not necessarily indicative of operating profit or cash flows from operations as determined under IFRS. The following table reconciles these non-GAAP financial performance measures to the most directly comparable IFRS measure.

(6) CASH GENERATED FROM OPERATIONS, BEFORE CHANGES IN NON-CASH OPERATING WORKING CAPITAL

“Cash generated from operations, before changes in non-cash operating working capital” is a non-GAAP financial performance measure that does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. Other companies may calculate this measure differently and this measure is unlikely to be comparable to similar measures presented by other companies. "Cash generated from operations, before changes in non-cash operating working capital" excludes changes in non-cash operating working capital. New Gold believes this non-GAAP financial measure provides further transparency and assists analysts, investors and other stakeholders of the Company in assessing the Company’s ability to generate cash from its operations before temporary working capital changes.

Non-GAAP Measures

NON-GAAP FINANCIAL PERFORMANCE MEASURES

Cash generated from operations, before non-cash changes in working capital is intended to provide additional information only and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. This measure is not necessarily indicative of operating profit or cash flows from operations as determined under IFRS. The following table reconciles this non-GAAP financial performance measure to the most directly comparable IFRS measure.

(7) AVERAGE REALIZED PRICE

"Average realized price per ounce of gold sold" is a non-GAAP financial performance measure that does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. Other companies may calculate this measure differently and this measure is unlikely to be comparable to similar measures presented by other companies. Management uses this measure to better understand the price realized in each reporting period for gold sales. "Average realized price per ounce of gold sold" is intended to provide additional information only and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The following tables reconcile this non-GAAP financial performance measure to the most directly comparable IFRS measure on an aggregate and mine-by-mine basis.

Further details regarding non-GAAP financial performance measures and a reconciliation to the nearest IFRS measures are provided in the MD&A accompanying New Gold's financial statements filed from time to time on www.sedar.com.

TECHNICAL INFORMATION

The scientific and technical information contained herein has been reviewed and approved by Eric Vinet, Senior Vice President, Operations of New Gold. Mr. Vinet is a Professional Engineer and member of the Ordre des ingénieurs du Québec. He is a "Qualified Person" for the purposes of National Instrument 43-101 – Standards of Disclosure for Mineral Projects.