Q4 and Full Year 2023 Earnings Call and Webcast

February 14, 2024

newgold™

Cautionary Notes

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 guidance and expectations regarding production, costs, capital investments and expenses on a mine-by-mine and consolidated basis, associated timing and accomplishing the factors contributing to those expected results; successfully completing the Rainy River and New Afton growth projects and accomplishing the anticipated benefits thereof; successfully increasing gold and copper production, decreasing costs and capital spend as well as generating significant free cash flow as a result thereof over the next three years; successfully accomplishing the targeted sustainable production platform of 600,000 gold eq. ounces per year until at least 2030; the potential to successfully extend the New Afton mine life beyond 2030 and the Rainy River mine life beyond 2031 with minimal capital investment; successfully reducing operating costs and lowering capital expenditures over the next three year and the consistent free cash flow anticipated to be generated as a result thereof commencing in the second half of 2024; the potential for the Company to successfully improve the production profiles from 2027 to 2031 with minimal capital investment; successfully reducing the strip ratio in the second half of 2024 and significantly after 2024 at Rainy River and achieving the benefits associated therewith; successfully achieving first production from the underground Main Zone in the second half of 2024 with production ramp-up expected throughout 2025; expectations regarding strengthened production in the second half of 2024 and the projected allocation of production percentages between the first and second half of the year as well as the Company's ability to successfully deliver on guidance; projected Rainy River and New Afton mining sequence and processing schedules; successfully achieving the operation KPI estimates in 2024 at both Rainy River and New Afton; expectations regarding the throughput rates at Rainy River and New Afton; successfully completing the Tailings Management Area raise in Q3 2024; planned activities and timing for 2024 and future years at the Rainy River Mine and New Afton Mine, including planned development and exploration activities and related expenses; expectations about being well positioned to repay debt in 2027; expectations regarding significantly decreasing waste stripping activities after the first half of 2024 at Rainy River; successfully achieving commercial production from the C-Zone in the second half of 2024, with a modest ramp-up through 2024; projections that the majority of investment relating to stabilization is completed and the project remains on plan; expectations that 2024 will be the final year of significant capital spending; achievement of the Company's proposed strategic pipeline for mine life extension and the anticipated factors and opportunities contributing thereto; anticipated availability of opportunities for resources to reserve conversion as well as resource growth, and the Company's ability to successfully undertake such opportunities over the coming years; successful commissioning of the underground crusher and conveyor in the second half of 2024 and achieving the benefits associated therewith; successful execution of New Afton's proposed underground and regional exploration strategy and on the anticipated timeline; and accomplishing the Company's 2024 strategic goals.

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 presentation 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 management's discussion and analysis ("MD&A"), its most recent annual information form and technical reports on the Rainy River Mine and New Afton Mine filed on SEDAR+ at www.sedarplus.ca 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, including material disruptions to the Company's supply chain, workforce or otherwise; (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 and the grade of gold, copper and silver expected to be mined; (4) the exchange rate between the Canadian dollar and U.S. dollar, and to a lesser extent the Mexican peso, and commodity prices being approximately consistent with current levels and expectations for the purposes of guidance and otherwise; (5) prices for diesel, natural gas, fuel oil, electricity and other key supplies being approximately consistent with current levels; (6) equipment, labour and material costs increasing on a basis consistent with New Gold's current expectations; (7) arrangements with First Nations and other Indigenous 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 and the absence of material negative comments or obstacles during any applicable regulatory processes; and (9) the results of the life of mine plans for the New Afton Mine and Rainy River Mine described herein being realized.

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, the "Risk Factors" included in New Gold's most recent annual information form, MD&A and other disclosure documents filed on and available on SEDAR+ at www.sedarplus.ca 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.

Introduction

Patrick Godin, CEO

2023 Highlights

Operational Achievements

SAFE, RESPONSIBLE MINING

Continued implementation of Courage to Care, reflected in the positive safety statistics, with combined TRIFR[1] of 0.80

OPERATIONAL PERFORMANCE

Safely achieved top end of production guidance range, a 22% increase over 2022. All-in sustaining cost achieved midpoint of guidance range, an 15% decrease over 2022.

PROJECT EXECUTION

On-time completion of key project milestones, with the New Afton C-Zone and Rainy River Underground Main projects nearing completion

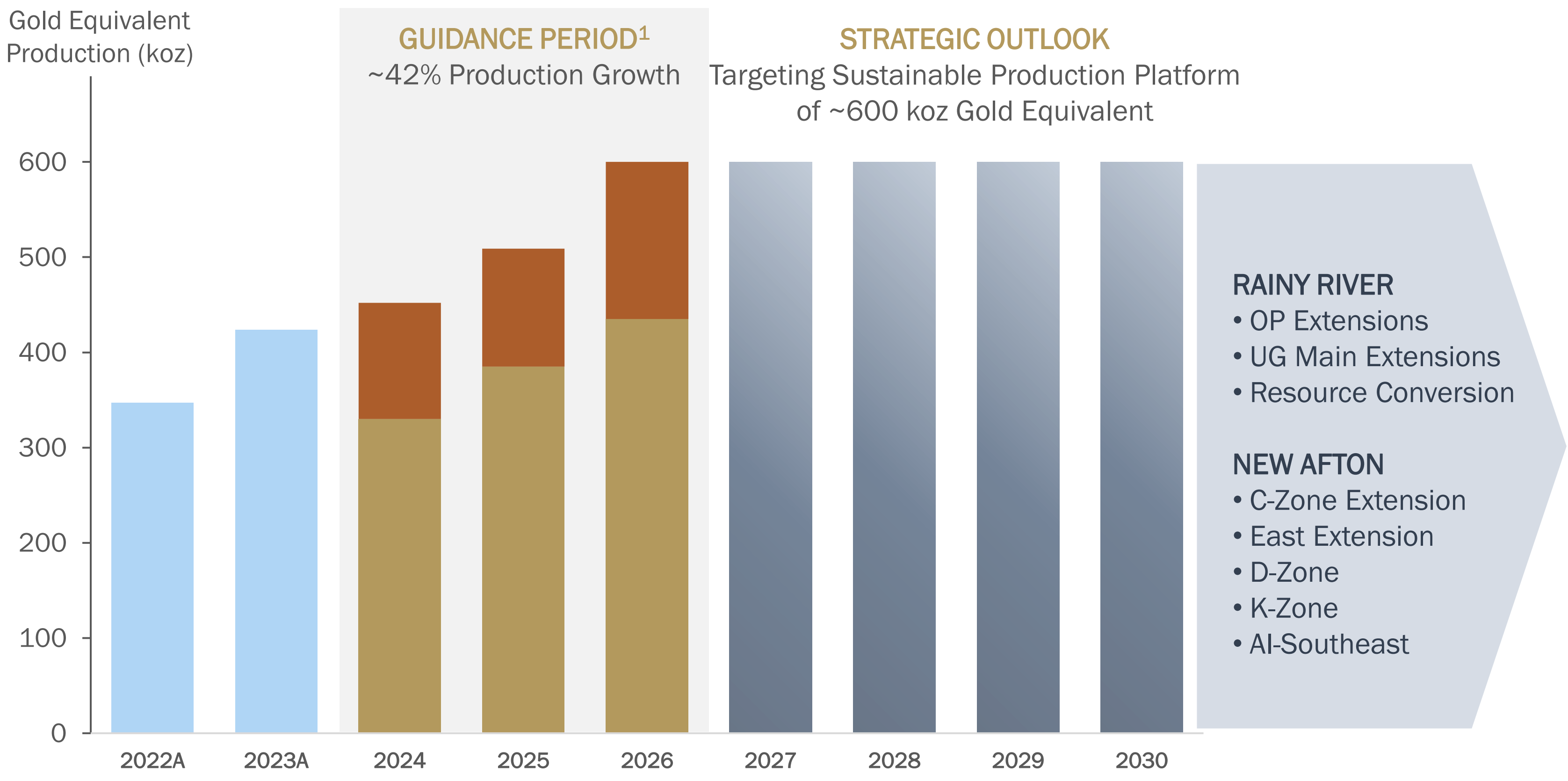
MINE LIFE EXTENSION

74% replacement of Rainy River Mineral Reserves and presentation of strategic pipeline for mine life extension at New Afton

1. Total Recordable Injury Frequency Rate (TRIFR) calculated as recorded incidents × 200,000 / total number of hours worked

Guidance and Strategic Outlook

Highlights



GROWTH
35% increase in gold production & 60% increase in copper production over the next three years[1]

PROFITABILITY
51% reduction in AISC[2] & 77% reduction in growth capital[2] over the next three years[1], driving increasing margins and cash flow

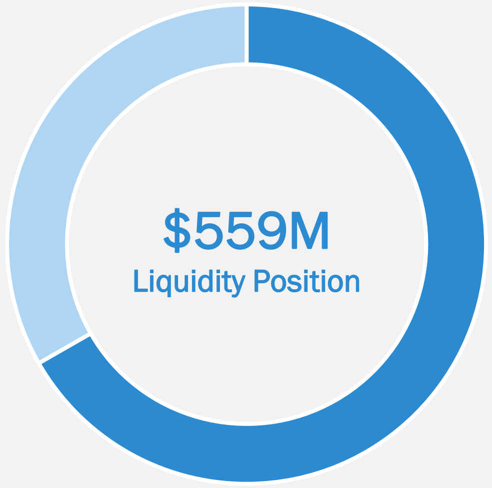
SUSTAINABILITY
Targeting strategic production platform of 600,000 gold equivalent ounces per year with line-of-sight until at least 2030

LONGEVITY
Pipeline of opportunities and exploration upside to extend mine lives well into the next decade with modest capital investment

1. Based on mid-point of 2026 Guidance
2. This is a non-GAAP measure that does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. Refer to the "Non-GAAP Financial Performance Measures" section of this presentation.

Focus on Cash Flow

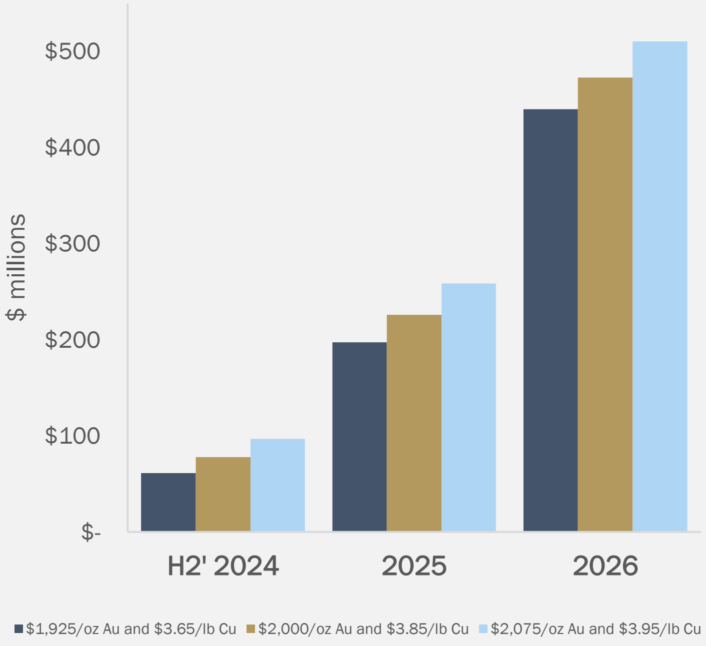
STRONG LIQUIDITY POSITION
GOING INTO 2024



$186M
Cash and Cash equivalents[1]

$373M
Undrawn credit facility[2]

FREE CASH FLOW[3] GENERATION
OVER THE NEXT THREE YEARS



MINIMAL ADDITIONAL CAPEX
TO ACHIEVE STRATEGIC OUTLOOK TO 2031

- Following completion of ongoing growth projects in the near-term, minimal capital is required post-2026
- No debt repayment until 2027
- The strategic production platform of 600,000 gold equivalent ounces to 2030 is based on mineral reserves and conservative reserves replacement targets
- Several opportunities to add to or extend mine lives beyond 2031, at little to no capital investment

1. Based on cash and equivalents as at December 31, 2023.
2. $27 million of $400 million facility is currently used for Letters of Credit related to mine closure costs as of December 31, 2023.
3. Free cash flow is cash generated from operations, less capital expenditures on mining interests, lease payments, settlement the gold stream obligation and the Ontario Teachers' Pension Plan free cashflow interest. This is a non-GAAP measure that does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. Refer to the "Non-GAAP Financial Performance Measures" section of this presentation.

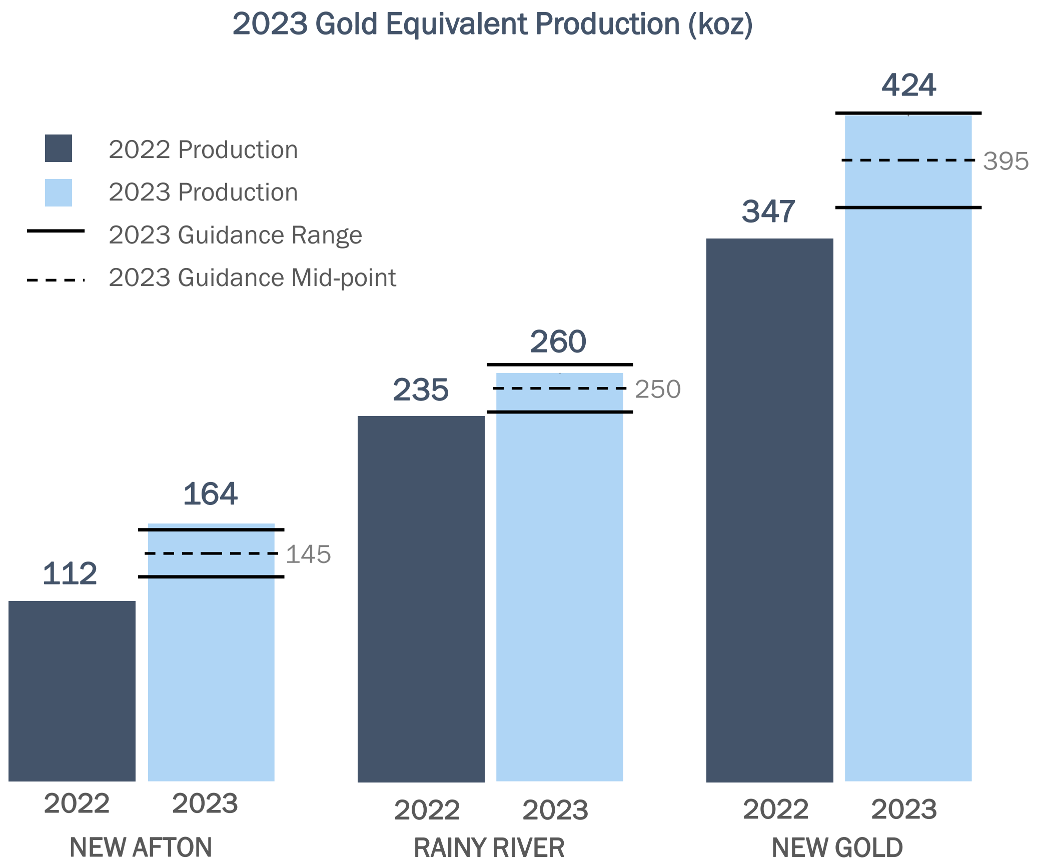
newgold™

Q4 and Full Year 2023 Review

Keith Murphy, CFO

2023 Production

A Strong Year for Both Operations



NEW AFTON

- 2023 production of 67.4 koz gold and 47.4 Mlb copper, for 163.8 koz gold equivalent
- 46% increase in gold equivalent production compared to FY 2022
- Exceeded top end of guidance range

RAINY RIVER

- 2023 production of 253.7 koz gold (259.7 koz gold equivalent)
- 10% increase in gold equivalent production compared to FY 2022
- Achieved top end of guidance range

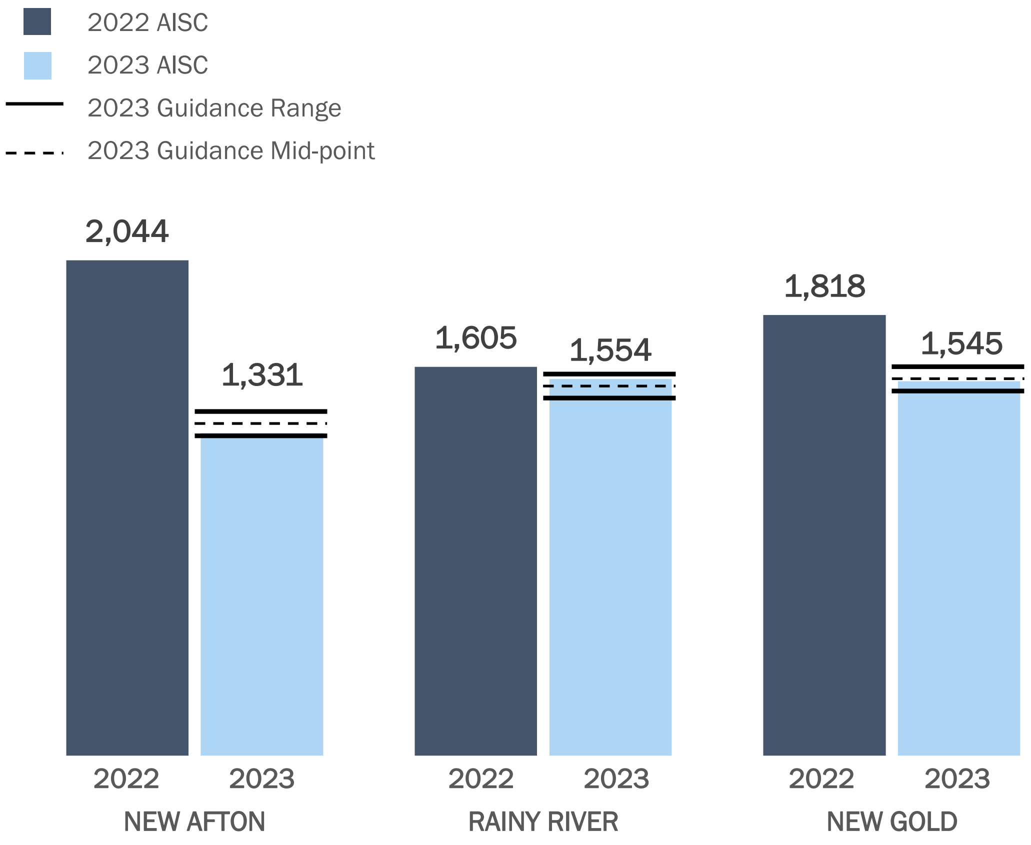
NEW GOLD

- 2023 production of 423.5 koz gold equivalent, a 22% increase compared to FY 2022 and achieving the top end of the guidance range

2023 Costs

Year-Over-Year Reduction at Both Operations

2023 All-in Sustaining Costs ($/gold eq. ounce)[1]



NEW AFTON

- All-in sustaining cost reduction of 35% year-over-year due to higher sales and lower sustaining capital spend
- Achieved the low end of the AISC guidance range

RAINY RIVER

- All-in sustaining cost reduction of 3% year-over-year due to higher sales and lower sustaining capital spend
- Achieved midpoint of AISC guidance range
- Operating expenses exceed the top end of the guidance range on lower capitalized mining costs

NEW GOLD

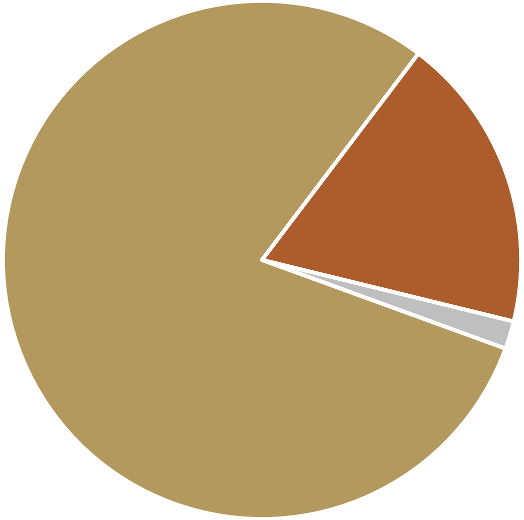
- Delivered an 15% reduction in all-in sustaining costs compared to FY 2022 and achieved the midpoint of the AISC guidance range

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

Financial Highlights

newgold

Q4 '23 Revenue by Metal



	Q4 2023	Q4 2022	FY 2023	FY 2022
Revenue ($M)	**199.2**	162.8	**786.5**	604.4
Operating expenses ($M)	**120.8**	108.5	**450.4**	382.7
Net (loss) earnings ($M)	**(27.4)**	(16.9)	**(64.5)**	(66.8)
Net (loss) earnings per share ($)	**(0.04)**	(0.02)	**(0.09)**	(0.10)
Adj. net (loss) earnings ($M)[1]	**(4.7)**	(6.3)	**48.4**	(26.1)
Adj. net (loss) earnings, per share ($)[1]	**(0.01)**	(0.01)	**0.07**	(0.04)
Cash generated from operations ($M)	**70.6**	31.9	**287.6**	190.7
Cash generated from operations, per share ($)	**0.10**	0.05	**0.42**	0.28
Cash generated from operations, before changes in non-cash operating working capital ($M)[1]	**64.9**	44.3	**293.4**	181.6
Cash generated from operations, before changes in non-cash operating working capital, per share ($)[1]	**0.09**	0.06	**0.43**	0.27

	Q4 2023	Q4 2022	FY 2023	FY 2022
Sustaining capital ($M)[1]	**24.1**	34.1	**121.6**	183.6
Growth capital ($M)[1]	**36.5**	37.1	**144.3**	109.2
Total capital ($M)	**60.6**	71.2	**265.9**	292.8

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

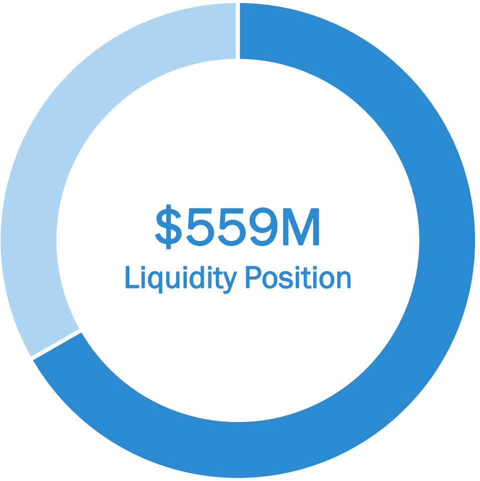
to courage care

Capital Resources and Strong Liquidity Position

No Debt Repayment Until 2027

$186M
Cash and Cash equivalents[1]

$373
Undrawn credit facility[2]



+

Ongoing Sustaining Free Cash Flow

	Face Value ($M)	Maturity	Interest Rate
Revolving credit facility	$400	Dec. 2026	LIBOR +2.25% - 3.75%
Senior unsecured notes	$400	July 2027	7.50%

Callable at 103.75%[3]

Hedging Strategy	
Q1 2024	~75% of fuel consumption hedged and ~75% of FX of AISC hedged at 1.37
Q2 2024[4]	~25% of fuel consumption hedged and ~50% of FX of AISC hedged at 1.35

1. Based on cash and equivalents as at December 31, 2023.
2. $27 million of $400 million facility is currently used for Letters of Credit related to mine closure costs as of December 31, 2023.
3. 2027 Unsecured Notes are callable during the 12-month period beginning on July 15 of the years indicated at 103.75% in 2023, 101.88% in 2024, and 100% 2025 and thereafter.
4. Includes hedges placed subsequent to December 31, 2023.

newgold™

Operations Review

Yohann Bouchard, COO

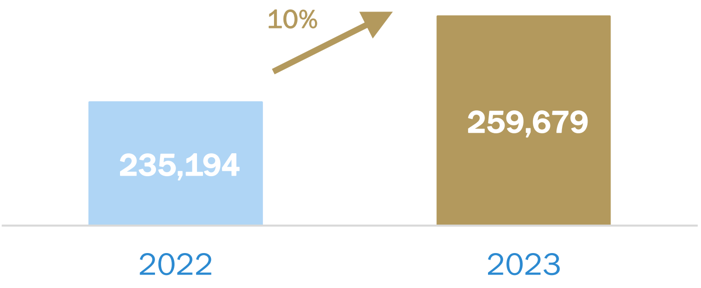
Rainy River

Rainy River Delivered Stable Production

- Rainy River achieved top end of gold equivalent[1] production guidance range of 235,000 to 265,000 ounces and the midpoint of the all-in sustaining costs guidance range
- Mine and mill performed well; delivered production increase of 10% over full year 2022
- Phase 4 of open pit is underway, with overburden removal completed
  - Strip ratio is planned to reduce significantly after 2024
- Underground Main Zone connection ramp continued to advance from the Intrepid underground
  - Underground Main Zone on-track for first production in Q4/2024 with production ramp-up expected to occur throughout 2025

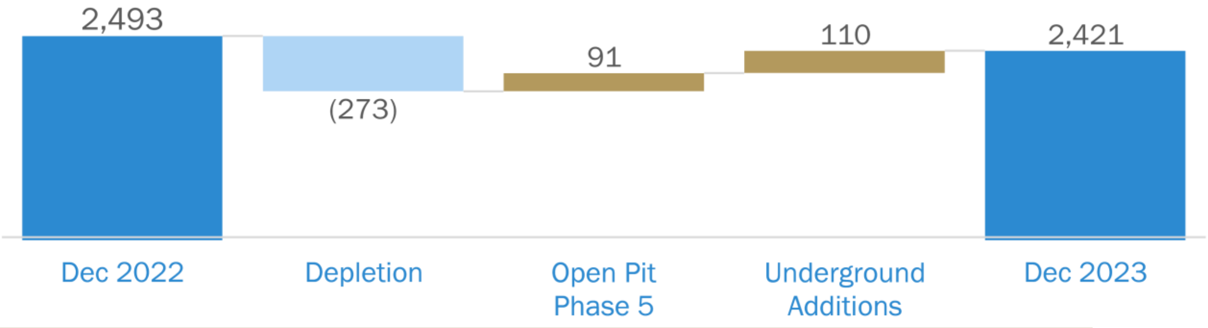
Operational Highlights	Q4 2023	FY 2023	Guidance 2023
Gold eq. production (oz)[1,2]	64,290	259,679	235,000 - 265,000
Gold production (oz)	62,692	253,745	230,000 - 260,000
Operating expenses, per gold eq. oz ($)[4]	1,222	1,091	905 - 985
All-in sustaining costs, per gold eq. oz ($)[3]	1,600	1,554	1,475 - 1,575

Gold Eq. Production (oz)[1,2]



Rainy River Gold Reserves (koz)

74% Replacement of Depletion

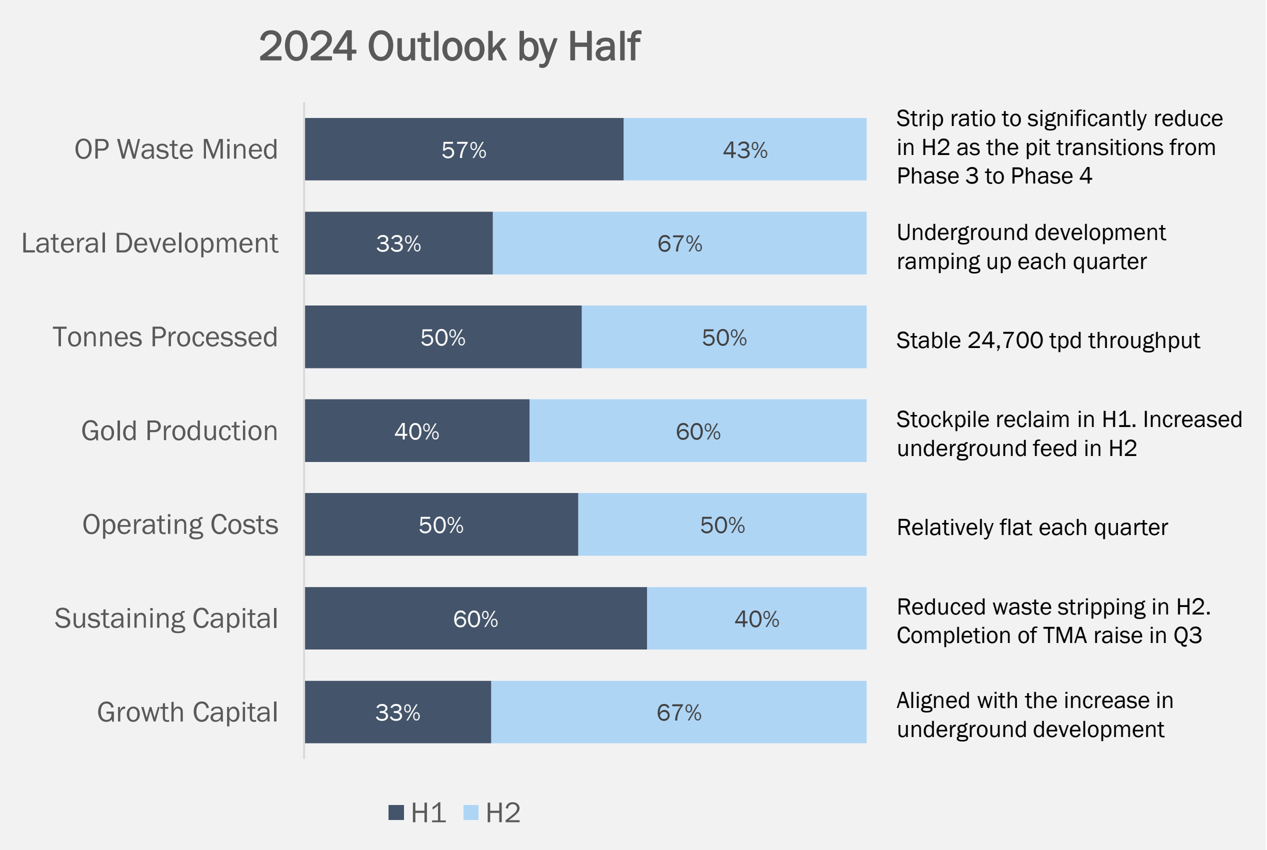


1. Gold eq. ounces for Rainy River in Q4 2023 includes production of 127,138 ounces of silver (124,421 ounces sold) converted to a gold eq. based on a ratio of $1,750 per gold ounce and $22.00 per silver ounce used for 2023 guidance estimates
2. Production is shown on a total contained basis while sales are shown on a net payable basis, including final product inventory and smelter payable adjustments, where applicable.
3. Refer to the “Non-GAAP Financial Performance Measures” section of this presentation.
4. These ounces are supplementary financial measures which are calculated as follows: “Operating expenses per gold eq. ounce sold” is total operating expenses divided by total gold equivalent ounces sold.

Rainy River 2024 Outlook

Strong Results Expected in Second Half of 2024

Operational Estimates	2023 Actual	2024 Outlook
Total ex-pit tonnes (Mt)	43.8	33.1
Strip ratio	2.53	3.92
Underground ore (kt)	313	354
Lateral development (m)	3,110	8,262
Tonnes processed (kt)	8,764	9,045
Gold feed grade (g/t)	0.99	1.01
Gold recovery (%)	91	90
Gold production (koz)	254	250 – 280
Sustaining capital ($M)[1]	103	100 – 110
Growth capital ($M)[1]	18	45 – 55

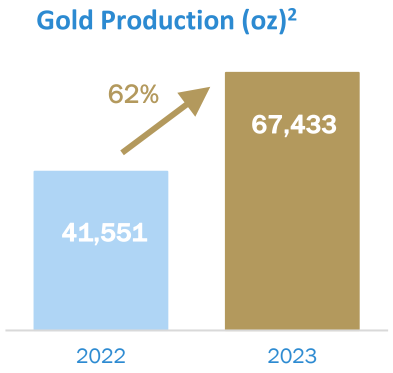


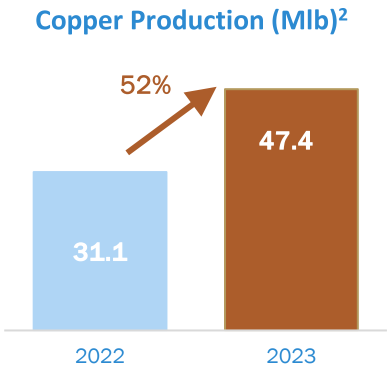
1. Refer to the "Non-GAAP Financial Performance Measures" section of this presentation.

New Afton

B3 Performing Above Expectations; C-Zone to Ramp Up

- B3 continues to deliver above 8,000 tpd target through the quarter; declining costs expected in the near term
- First draw bell completed at C-Zone; commercial production remains on-track for H2/2024
- Stabilization of the New Afton Tailings Storage facility is performing with most of the investment completed
- Strategic regional and underground exploration to extend LOM beyond 2030





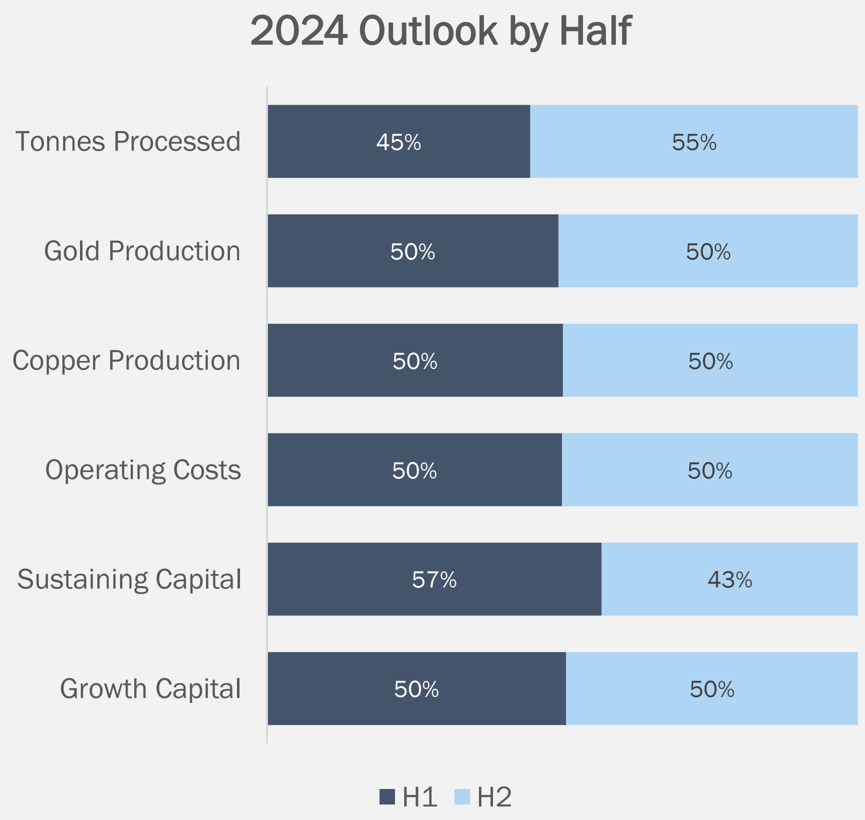
Operational Highlights	Q4 2023	FY 2023	Guidance 2023
Gold eq. production (oz)[1,2,5]	40,792	163,838	130,000 – 160,000
Gold production (oz)[5]	16,495	67,433	50,000 – 60,000
Copper production (Mlbs)	12.0	47.4	38 - 48
Operating expenses, per gold eq. oz ($)[4]	1,081	1,074	1,035 – 1,115
All-in sustaining costs, per gold eq. oz ($)[3]	1,302	1,331	1,320 – 1,420

1. Gold eq. ounces for New Afton in Q4 2023 includes 12.0 million pounds of copper produced (11.9 million pounds sold) and 30,651 ounces of silver produced (28,838 ounces of silver sold) converted to a gold eq. based on a ratio of $1,750 per gold ounce, $3.50 per copper pound and $22.00 per silver ounce used for 2023 guidance estimates.
2. Production is shown on a total contained basis while sales are shown on a net payable basis, including final product inventory and smelter payable adjustments, where applicable.
3. Refer to the “Non-GAAP Financial Performance Measures” section of this presentation.
4. These ounces are supplementary financial measures which are calculated as follows: “Operating expenses per gold eq. ounce sold” is total operating expenses divided by total gold equivalent ounces sold.
5. KPI data is inclusive of ore purchased from ore purchase agreements. New Afton purchases small amounts of ore from local operations, subject to certain grade and other criteria.

New Afton 2024 Outlook

Solid Production Expected for Each Quarter

Operational Estimates	2023 Actual	2024 Outlook
Tonnes processed (kt)	3,026[1]	3,900
Gold feed grade (g/t)	0.72[1]	0.59
Copper feed grade (g/t)	0.77[1]	0.69
Gold recovery (%)	90[1]	87.5
Copper recovery (%)	91	92
Gold production (koz)	62.6[1]	60 – 70
Copper production (Mlb)	47.4	50 – 60
Sustaining capital ($M)[2]	19	15 – 20
Growth capital ($M)[2]	127	130 – 145



Higher throughput in H2 due to C-Zone ramp-up

Higher throughput in H2 offset by lower planned grades to establish C-Zone cave footprint and dilution at the top of B3 cave

Higher tonnage in H2 offset by reducing unit costs per tonne

Total capital spend relatively constant by quarter, reducing significantly in 2025

1. New Afton Mine Only. Data is exclusive of gold ounces from ore purchase agreements.
2. Refer to the “Non-GAAP Financial Performance Measures” section of this presentation.

Concluding Remarks

Patrick Godin, CEO

2024 Strategic Goals

New Gold
Deliver on 2024 production and cost guidance
Maintain exemplary health and safety performance
Increased exploration program targeting Mineral Reserve replacement
Provide market clarity on Ontario Teacher's Pension Plan Buyback
New Afton
Achieve commercial production at New Afton's C-Zone
Commission Crusher and Conveyor at New Afton's C-Zone
Rainy River
First ore from Rainy River's underground Main Zone

Appendix

Endnotes

Cautionary note to U.S. readers concerning estimates of mineral reserves and mineral resources

Disclosure regarding Mineral Reserve and Mineral Resource estimates included in this presentation was prepared in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects (“NI 43-101”). NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. NI 43-101 differs significantly from the disclosure requirements of the United States Securities and Exchange Commission (“SEC”) generally applicable to U.S. companies. For example, the terms “mineral reserve”, “proven mineral reserve”, “probable mineral reserve”, “mineral resource”, “measured mineral resource”, “indicated mineral resource” and “inferred mineral resource” are defined in NI 43-101. These definitions differ from the definitions in the disclosure requirements promulgated by the SEC. Accordingly, information contained in this presentation will not be comparable to similar information made public by U.S. companies reporting pursuant to SEC disclosure requirements.

Technical Information

The scientific and technical information contained in this presentation has been reviewed and approved by Yohann Bouchard, Executive Vice President and Chief Operating Officer of New Gold. Mr. Bouchard is a Professional Engineer and member of the Professional Engineers of Ontario. Mr. Bouchard is a "Qualified Persons" for the purposes of NI 43-101.

Additional information regarding the Company’s verification and quality assurance processes is set out in the New Afton and Rainy River NI 43-101 Technical Reports available on SEDAR+ at www.sedarplus.ca. The most recent technical report on the Rainy River Mine that is filed on SEDAR+ at www.sedarplus.ca is titled “NI 43-101 Technical Report for the Rainy River Mine, Ontario, Canada” with an effective date of March 28, 2022. The most recent technical report on the New Afton Mine that is filed on SEDAR+ at www.sedarplus.ca is titled “Technical Report on the New Afton Mine, British Columbia, Canada” dated February 28, 2020. For additional technical information on New Gold’s material properties, including a detailed breakdown of Mineral Reserves and Mineral Resources by category, as well as key assumptions, parameters and risks, refer to New Gold’s MD&A for the year ended December 31, 2023 available on SEDAR+ at www.sedarplus.ca and on EDGAR at www.sec.gov.

Non-GAAP Measures

Non-GAAP Financial Performance Measures

1. Cash costs and total cash costs per gold eq. ounces

“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, 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 allows investors to better evaluate corporate performance and the Company's ability to generate liquidity through operating cash flow to fund future capital exploration and working capital needs. 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, and 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 Human Resources and 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, 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 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. 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.

Non-GAAP Measures

Non-GAAP Financial Performance Measures

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 consolidated 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 consolidated 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" excludes "loss on repayment of long term debt" and “other gains and losses” as per Note 3 of the Company’s condensed consolidated financial statements. Net earnings have been adjusted, including the associated tax impact, for loss on repayment of long-term debt and 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, fair value changes for copper price option contracts, foreign exchange gains/loss, fair value changes in investments and gain on disposal of the Blackwater stream and Blackwater project. The income tax adjustments reflect the tax impact of the above adjustments and is referred to as "adjusted tax expense". 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.

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.

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.

Non-GAAP Measures

Non-GAAP Financial Performance Measures

7. Free cash flow

"Free cash flow" 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 defines "free cash flow" as cash generated from operations and proceeds of sale of other assets less capital expenditures on mining interests, lease payments, settlement of non-current derivative financial liabilities which include the gold stream obligation and the Ontario Teachers' Pension Plan free cash flow interest. New Gold believes this non-GAAP financial performance measure provides further transparency and assists analysts, investors and other stakeholders of the Company in assessing the Company's ability to generate cash flow from current operations. "Free cash flow" 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.

8. 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.

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.sedarplus.ca.