

Independent Limited Assurance Report

To the Board of Directors and Management of New Gold Inc.

We have carried out a limited assurance engagement on New Gold Inc.'s ("New Gold") Conflict-Free Gold Report (the "Report") for the assessment period of 1 January 2016 to 31 December 2016.

Subject matter and criteria

The subject matter consists of the Report, which includes a summary of New Gold's assessment procedures that have been designed and implemented at New Gold's mine sites in accordance with the World Gold Council *Conflict-Free Gold Standard, 2012* ("the Standard").

The reporting boundary of the Report includes all mining and processing operations over which New Gold has direct control, including the following mine sites:

- ▶ Cerro San Pedro mine in San Luis Potosi, Mexico;
- ▶ Mesquite mine in California, United States of America;
- ▶ Peak mine in New South Wales, Australia; and,
- ▶ New Afton mine in British Columbia, Canada (collectively, the "Operations").

New Gold management responsibilities

The management of New Gold is responsible for the preparation and presentation of the Report in accordance with the Standard. This responsibility includes establishing appropriate risk management and internal controls from which the reported information is derived. The criteria identified by management as relevant for demonstrating compliance with the Standard are the activities described within the Report.

Our responsibilities

Our responsibility is to carry out a limited assurance engagement and to express a conclusion based on the work performed. Our assurance engagement has been planned and performed in accordance with the International Standard on Assurance Engagements ISAE 3000 *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, and the guidance set out in the *Guidance for Assurance Providers* issued by the World Gold Council ("Audit Guidance").

Our procedures were designed to obtain a limited level of assurance on which to base our conclusions. The procedures conducted do not provide all the evidence that would be required in

a reasonable assurance engagement and, accordingly, we do not express a reasonable level of assurance. While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls and, accordingly, we express no conclusions thereon.

This report has been prepared for New Gold for the purpose of assisting management in determining whether the Operations have complied with the Standard and for no other purpose. Our assurance report is made solely to New Gold in accordance with the terms of our engagement. We do not accept or assume responsibility to anyone other than New Gold for our work, or for the conclusions we have reached in the assurance report.

Limited assurance procedures performed

We planned and performed our work to obtain all the evidence, information and explanations considered necessary in relation to the above scope. These procedures included:

- ▶ Enquiries of management to gain an understanding of New Gold's processes, and risk management protocols in place.
- ▶ Enquiries of relevant staff at corporate and selected site level responsible for the preparation of the Report.
- ▶ Assessing the suitability of policies, procedures and internal controls that New Gold has in place to conform with the Standard.
- ▶ Review of a selection of the supporting documentation.
- ▶ Testing a selection of the underlying processes and controls which support the information in the Report.
- ▶ Review of the presentation of the Report to ensure consistency with our findings.

Inherent limitations

Non-financial information, such as that included in the Report, is subject to more inherent limitations than financial information, given the more qualitative characteristics of the subject matter and the methods used for determining such information. The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. The nature and methods used to determine such information, as well as the measurement criteria may change over time. It is important to read New Gold's methodology described in the Report.

Independence and competency statement

In conducting our engagement, we have complied with the applicable requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

In conducting our engagement, we confirm that we satisfy the criteria for assurance providers as set out in the Audit Guidance to carry out the assurance engagement.

Conclusion

Based on the limited assurance procedures performed, as described above, we conclude that nothing has come to our attention that causes us to believe that New Gold's Conflict-Free Gold Report, covering 1 January 2016 to 31 December 2016, is not, in all material respects, fairly presented in conformance with the *Conflict-Free Gold Standard*.

The signature of Ernst & Young LLP is written in a cursive, handwritten style.

Chartered Accountants
Licensed Public Accountants

Toronto, Canada
April 25, 2017