



FACT SHEET

New Gold - Minera San Xavier – Cerro San Pedro Mine

- New Gold owns 100% of the Cerro San Pedro Mine through the Mexican company, Minera San Xavier (MSX).
- The recent suspension of mining activity at the mine results from the ruling by the Federal Court of Fiscal and Administrative Justice that ordered the government to nullify the authorization of MSX's 2006 Environmental Impact Statement (EIS) for the Cerro San Pedro mine.
- MSX is preparing for a trial seeking to overturn the Federal Court's decision.
- The Federal Court's ruling relates to procedural disputes regarding the authorization or approval of the EIS.
- The Federal Court's decision does not affect MSX's land usage permit or its other operating permits, all of which remain in effect.
- Implementing the Federal Court's order, SEMARNAT, Mexico's federal environmental protection agency, nullified MSX's EIS.
- MSX filed a request for authorization for a new EIS with SEMARNAT. The request was accepted by SEMARNAT and evaluation has commenced.
- As a result of the nullification of MSX's EIS, on November 18, 2009 PROFEPA, the Mexican environmental enforcement agency, issued an order instructing MSX to cease mining operations. MSX immediately complied.
- MSX has filed another appeal with the objective of overturning the order that ceased mining operations. Court hearings related to this appeal are scheduled to start in December.
- The PROFEPA order suspends mining activity but does allow recovery operations to continue from the leach pads.
- New Gold and MSX continue to cooperate fully with the government agencies.
- The 509 MSX employees and contractors are continuing to report to work, completing ongoing maintenance and environmental protection activities while undergoing additional training.

- New Gold's Cerro San Pedro Mine has an enviable record of compliance with Mexican and international environmental standards and enjoys overwhelming local support as a valuable corporate citizen.
- Regional expenditure directly benefitting the surrounding area in 2008 was approximately US\$49 million.
- MSX has 509 employees and contractors at the mine the majority of which are from surrounding villages, including the village of Cerro de San Pedro.
- MSX expects to spend US\$6.5 million on employee wages and benefits this year.
- MSX contributes significantly to the development of the surrounding communities while preserving the historic character of the town immediately adjacent to the mine through a number of initiatives:
 - cleaned up mining waste abandoned by previous miners
 - developed a nursery that to date has produced more than 75,000 plants for reclamation and agricultural purposes
 - reforested 52 hectares with 56,000 plants in the Monte Caldera area
 - built new homes and schools for residents
 - rehabilitated historic churches that had suffered from many decades of neglect
 - constructed a new church
 - conducted trade skills training programs
 - equipped schools with computers and other educational aids
 - supported cultural festivals
 - provided jobs to a significant percentage of the neighbouring population
- Each week, MSX provides free medical services, including doctor visits, ambulance service and dental care, in the neighbouring village of Cerro de San Pedro and the other nine communities in the immediate area.
- MSX has invested significant sums in paving roads, installing sewage lines and building drainage systems to better the lives of local citizens.
- New Gold has a history of operating in a socially and sustainable manner meeting international standards in the three countries where it operates mines.
- Resources relevant to this fact sheet including links to Mexican and Canadian government/ministry websites: <http://delicious.com/CerroDeSanPedro>.