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Sydney
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23 November 2017

Market Announcements Office
Australian Securities Exchange

Dear Sir/Madam

New Gold Inc. – ASIC form 603

We act for New Gold Inc. (**New Gold**).

We **attach**, on behalf of New Gold, a Form 603 (*Notice of initial substantial holder*) in relation to Aurelia Metals Limited (ASX:AMI).

Yours sincerely

Corrs Chambers Westgarth



Sandy Mak
Partner

attachments

Form 603**Corporations Act 2001
Section 671B****Notice of initial substantial holder**

To: Company Name/Scheme Aurelia Metals Limited
ACN/ARSN ACN 108 476 384

1. Details of substantial holder (1)

Name New Gold Inc. (**New Gold**) and each of its subsidiaries listed in Annexure A (**New Gold Subsidiaries**)
ACN/ARSN (if applicable)

The holder became a substantial holder on 21/11/17

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary shares	85,740,778	19.9%	19.9%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
New Gold	Relevant interest under section 608(1)(b) of the Corporations Act, being the power to control the exercise of a right to vote attached to shares pursuant to the Irrevocable Undertaking Letter provided by Pacific Road Capital Management Pty Ltd to New Gold on 21 November 2017 (a copy of which is attached as Annexure B).	85,740,778 ordinary shares
New Gold Subsidiaries	Under section 608(3) of the Corporations Act, each New Gold Subsidiary has a relevant interest in shares in which New Gold has a relevant interest.	85,740,778 ordinary shares

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
New Gold and New Gold Subsidiaries	Pacific Road Capital Management Pty Ltd as trustee for the Pacific Road Fund II Managed Investment Trust (Pacific Road)	Pacific Road	85,740,778 ordinary shares

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
New Gold and New Gold Subsidiaries	21 November 2017	No consideration provided.		85,740,778 ordinary shares

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
N/A	

7. Addresses

The addresses of the persons named in this form are as follows:

Name	Address
New Gold	Suite 610, 1100 Melville Street, Vancouver, British Columbia, V6E 4A6, Canada
New Gold Subsidiaries	See Annexure A

Signature

print name **LISA DAMIANI**

capacity **VICE PRESIDENT
GENERAL COUNSEL AND
CORPORATE SECRETARY**

sign here



date **2/11/17**

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg, a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of the relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg if the relevant interest arises because of an option) write "unknown".
- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

Annexure A

This is annexure A of 1 page (including this page) referred to in Form 603 "Notice of initial substantial holder".


 Lisa Damiani

Date: 23/11/17

New Gold Subsidiaries

New Gold Inc. gives this notice on its own behalf and on behalf of the following entities:

No.	Company	Address
1.	Peak Gold Asia Pacific Pty Ltd ACN 103 879 054	Peak Gold Mines, Hillston Road, Cobar NSW 2835 Australia
2.	Peak Gold Mines Pty Ltd ACN 001 533 777	Peak Gold Mines, Hillston Road, Cobar NSW 2835 Australia
3.	New Gold Fife Manager Pty Ltd ACN 615 248 158	Peak Gold Mines, Hillston Road, Cobar NSW 2835 Australia
4.	New Gold Fife Pty Ltd ACN 615 248 149	Peak Gold Mines, Hillston Road, Cobar NSW 2835 Australia
5.	New Gold CSP Ltd.	181 Bay Street, Suite #3510, Toronto, Ontario M5J 2T3 Canada
6.	New Gold Finance Inc.	181 Bay Street, Suite #3510, Toronto, Ontario M5J 2T3 Canada
7.	New Gold Mesquite Inc.	701 S. Carson St., Suite 200, Carson City, NV89701 USA
8.	Western Goldfields (USA) Inc.	701 S. Carson St., Suite 200, Carson City, NV89701 USA
9.	Western Mesquite Mines, Inc.	701 S. Carson St., Suite 200, Carson City, NV89701 USA
10.	Metallica Management Inc.	1675 Broadway, Suite 1200, Denver, CO 80202 USA
11.	New Gold Netherlands Coöperatie U.A.	Netherlands Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands
12.	Minera San Xavier S.A. de C.V.	Prolongación Estatuto Jurídico No. 1238, Interior 3, Primer Piso, Fraccionamiento Tangangamanga, C.P. 78269 San Luis Potosí, S. L. P. Mexico
13.	Servicios del Plata y Oro, S.A. de C.V	Prolongación Estatuto Jurídico No. 1238, Interior 3, Primer Piso, Fraccionamiento Tangangamanga, C.P. 78269 San Luis Potosí, S. L. P. Mexico
14.	New Gold (Barbados) Inc.	One Welches, Welches, St. Thomas BB22025, Barbados
15.	De Re Holdings Inc.	2nd Floor Palm Grove House, Wickhams Cay, P.O. Box 3340, Road Town, Tortola, British Virgin Islands
16.	Minera Metallica Resources Chile Ltda	Avenida Andrés Bello 2711, Piso 8, Santiago de Chile, Santiago, Chile 7550611

Annexure B

This is ~~annexure B~~ of 3 pages (including this page) referred to in Form 603 "Notice of initial substantial holder".



Lisa Damiani

Date: 23/11/17



STRICTLY PRIVATE & CONFIDENTIAL

Ms Lisa Damiani
New Gold Inc.
Suite 610, 1100 Melville Street,
Vancouver, British Columbia, V6E 4A6,
Canada (**New Gold**)

Dear Lisa,

Pacific Road Resource Fund II (the "Fund"), a US\$476 million private equity fund managed and advised by Pacific Road Capital Management Pty Ltd ("PRCM"), is the largest shareholder of Aurelia Metals Limited ("Aurelia" or the "Company"). The Fund owns 145,014,913 Aurelia ordinary shares, constituting over 33% of the capital of the Company, and currently has one nominee on the Board of Directors.

We understand that:

- 1) New Gold proposes to enter into an agreement with Defiance Resources Pty Ltd ("Defiance Resources"), a wholly-owned subsidiary of Aurelia, to sell all of the issued securities in the capital of Peak Gold Asia Pacific Pty Ltd ABN 93 103 879 054 to Defiance Resources (the "Transaction"); and
- 2) Aurelia proposes to undertake a placement of ordinary shares for aggregate subscription proceeds of no less than A\$50 million for the purposes of funding the obligations of Defiance Resources under the Transaction, comprising:
 - (a) an upfront unconditional placement of ordinary shares to institutional shareholders;
 - (b) a placement of ordinary shares, conditional on shareholder approval, to certain institutions and professional investors; and
 - (c) a placement of ordinary shares, conditional on shareholder approval, to us (the "Capital Raising").

PRCM understands that as part of New Gold's consideration of whether to enter into a binding document to effect the Transaction, New Gold requires certain undertakings from us to vote certain of the Fund's Aurelia shares in favour of the resolutions set out in 2(a) and 2(b) above to be put to Aurelia shareholders for approval at the Shareholders Meeting to approve the Capital Raising, near final versions of which have been included in a draft notice of meeting provided to PRCM on 16 November 2017 (with the final versions of such resolutions being the "Shareholder Resolutions").

PRCM as trustee of the Pacific Road Fund II Managed Investment Trust irrevocably undertakes to New Gold that it will:

- 1) appoint the chair of Aurelia as our proxy at the Aurelia shareholder meeting to be convened by Aurelia for the purposes of approving the Shareholder Resolutions ("Shareholder

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- Meeting”) in respect of the number of our Aurelia ordinary shares that, at the date of the proxy, represents 19.9% of total Aurelia ordinary shares on issue (the “Relevant Shares”), for no consideration;
- 2) direct the chair of Aurelia, as our proxy, to vote in favour of the Shareholder Resolutions in respect of the Relevant Shares; and
 - 3) deliver a copy of the duly completed proxy form consistent with the terms in paragraphs 1 and 2 above to New Gold as soon as practicable after we receive a copy of the notice of meeting and explanatory statement in respect of the Shareholder Meeting.

We acknowledge that:

- under section 671B of the Corporations Act, New Gold may be required to procure that a substantial holding notice in respect of its relevant interest in the Relevant Shares is published on ASX and may attach a copy of this document to the substantial holding notice; and
- if we fail to comply with our irrevocable undertaking as set out above, damages may not be an adequate remedy and New Gold would be entitled seek injunctive relief in respect of any such failure, in addition to any other remedies available at law or in equity.

Nothing in this letter: (a) restricts our ability to dispose of or otherwise deal with the Relevant Shares (or any other Aurelia ordinary shares we hold) in any manner that would not be inconsistent with our irrevocable undertaking as set out above; or (b) requires PRCM to appoint a proxy in respect of, or otherwise exercise in any particular manner any voting rights attached to, any Aurelia ordinary shares other than the Relevant Shares. Further, this undertaking shall not apply to the extent that: (i) ASIC or the ASX determine that the Relevant Shares cannot be voted on one, or both, of the Shareholder Resolutions; and (ii) the Shareholder Resolutions are materially different to the near final versions provided to us (other than in relation to the inclusion of numbers and prices in the Shareholder Resolutions).

Faithfully yours



Matt Fifield

Chairman of the Executive Committee
Pacific Road Capital Management