

New Gold Inc. /FI
Form 6-K
May 19, 2008

U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 or 15d-16 OF
THE SECURITIES EXCHANGE ACT OF 1934**

For the month of May, 2008

Commission File Number 1-31722

NEW GOLD INC.

(Exact name of registrant as specified in its charter)

595 Howe Street, Suite #601, Vancouver, British Columbia, Canada V6C 2T5

(604) 687-1629

(Address of principal executive offices)

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Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F _____ Form 40-F X

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101 (b)(1): _____

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): _____

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes _____ No X

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): _____ .

EXHIBIT INDEX

The following is a list of Exhibits included as part of this Report on Form 6-K:

1. Management Information Circular of New Gold Inc. dated March 26, 2007, prepared in connection with the annual meeting of shareholders of New Gold Inc. held on May 3, 2007

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NEW GOLD INC.
(Registrant)

Date: May 16, 2008

By: /s/ *John Pitcher*
John Pitcher,

General Counsel and Secretary .

Suite 601 595 Howe Street

Vancouver, B.C.

V6C 2T5

2007 Notice of Annual General Meeting of Shareholders

ANNUAL

GENERAL Management Information Circular

MEETING

Form of Proxy

Financial Statement Request Form

Audited Financial Statements

Place: Terminal City Club

837 West Hastings Street

Vancouver, British Columbia

V6C 1B6

Time: 2:00 p.m. PST (Vancouver Local Time)

Date: Thursday, May 3, 2007

NEW GOLD INC.

CORPORATE DATA

Head Office

601 595 Howe Street

Vancouver, B.C.

V6C 2T5

Directors

Christopher J. Bradbrook

Clifford J. Davis

C. Robert Edington

R. Gregory Laing

Mike Muzylowski

Paul B. Sweeney

Officers

Clifford J. Davis Chairman of the Board

Christopher J. Bradbrook President and Chief Executive Officer

Kevin Ross Chief Operating Officer

Paul Martin Chief Financial Officer and Vice-President, Finance

John Mondin Controller

John Pitcher Corporate Counsel and Secretary

Registrar and Transfer Agent

Computershare Investor Services Inc.

510 Burrard Street

Vancouver, B.C. V6C 3B9

Legal Counsel

Gowling Lafleur Henderson LLP

2300 1055 Dunsmuir Street

Vancouver, BC V7X 1J1

Auditor

PricewaterhouseCoopers LLP

Suite 700, 250 Howe Street

Vancouver,, BC V6C 3S7

Listing

Toronto Stock Exchange

American Stock Exchange

Symbol: NGD

NEW GOLD INC.

601 595 Howe Street

Vancouver, B.C. V6C 2T5

(877) 977-1067 or (604) 687-1629

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Shareholders of New Gold Inc. (hereinafter called the Company) will be held at The Terminal City Club, 837 West Hastings Street, Vancouver, British Columbia, V6C 1B6, on Thursday, the 3rd day of May, 2007 at the hour of 2:00 p.m. PST (Vancouver local time), for the following purposes:

1. to receive the audited financial statements of the Company for the fiscal year ended December 31, 2006 (with comparative statements relating to the preceding fiscal period) together with the report of the auditors thereon;
2. to fix the number of directors at six (6);
3. to elect directors;
4. to appoint the auditors and to authorize the directors to fix their remuneration;
5. to consider and, if thought fit, to approve an ordinary resolution of disinterested shareholders, amending the Company s existing stock option plan, as more particularly described in the accompanying Information Circular; and
6. to transact such further or other business as may properly come before the meeting or any adjournment or adjournments thereof.

Accompanying this Notice is the Company s Information Circular, a form of Proxy and a Financial Statement Request Form. The accompanying Information Circular provides information relating to the matters to be addressed at the meeting and is incorporated into this Notice.

Shareholders are entitled to vote at the meeting either in person or by proxy. Those who are unable to attend the meeting are requested to read, complete, sign and mail the enclosed form of Proxy in accordance with the instructions set out in the Proxy and in the Information Circular accompanying this Notice. Please advise the Company of any change in your mailing address.

DATED at Vancouver, British Columbia, this 26th day of March, 2007.

BY ORDER OF THE BOARD

(signed) Christopher J. Bradbrook

President, Chief Executive Officer and Director

NEW GOLD INC.

601 595 Howe Street

Vancouver, British Columbia, V6C 2T5

(877) 977-1067 or (604) 687-1629

INFORMATION CIRCULAR

(Containing information as at March 26, 2007 unless indicated otherwise)

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by the management of New Gold Inc. (the Company) for use at the Annual General Meeting of Shareholders of the Company (and any adjournment thereof) to be held on Thursday, May 3, 2007 (the Meeting) at the time and place and for the purposes set forth in the accompanying Notice of Meeting. While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally or by telephone by the directors, officers and regular employees of the Company at nominal cost. All costs of solicitation by management will be borne by the Company.

The contents and the sending of this Information Circular have been approved by the directors of the Company.

APPOINTMENT OF PROXYHOLDER

The individuals named in the accompanying form of proxy are directors and/or officers of the Company. **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT HIM AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY STRIKING OUT THE NAMES OF THOSE PERSONS NAMED IN THE ACCOMPANYING FORM OF PROXY AND INSERTING THE DESIRED PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER FORM OF PROXY. A proxy will not be valid unless the completed form of proxy is received by COMPUTERSHARE INVESTOR SERVICES INC. (the Transfer Agent), Proxy Department, 4th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or any adjournment thereof.** Proxies delivered after that time will not be accepted.

REVOCATION OF PROXIES

A shareholder who has given a proxy may revoke it by an instrument in writing executed by the shareholder or by his attorney authorized in writing or, where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered either to the registered office of the Company, at 601-595 Howe Street, Vancouver, V6C 2T5, British Columbia, at any time up to and including the last business day preceding the day of the Meeting, or if adjourned, any reconvening thereof, or to the Chairman of the Meeting on the day of the Meeting or, if adjourned, any reconvening thereof or in any other manner provided by law. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

INFORMATION FOR NON-REGISTERED SHAREHOLDERS

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are non-registered shareholders because the shares they own are not registered in their names but are instead registered in the names of a brokerage firm, bank or other intermediary or in the name of a clearing agency. Shareholders who do not hold their shares in their

own name (referred to herein as Beneficial Shareholders) should note that only registered shareholders may vote at the Meeting. If common shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those common shares will not be registered in such shareholder's name on the records of the Company. Such common shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which company acts as nominee for many Canadian brokerage firms). Common shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided by the Company to the registered shareholders. However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to ADP Investor Communications Services (ADP). ADP typically prepares a machine-readable voting instruction form, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the forms to ADP, or otherwise communicate voting instructions to ADP (by way of the internet or telephone, for example). ADP then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of common shares to be represented at the Meeting. **A Beneficial Shareholder who receives an ADP voting instruction form cannot use that form to vote common shares directly at the Meeting. The voting instruction form must be returned to ADP (or instructions respecting the voting of common shares must be communicated to ADP) well in advance of the Meeting in order to have the common shares voted.**

This Information Circular and accompanying materials are being sent to both registered shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories—those who object to their identity being known to the issuers of securities which they own (Objecting Beneficial Owners , or OBOs) and those who do not object to their identity being made known to the issuers of the securities they own (Non-Objecting Beneficial Owners , or NOBOs). Subject to the provision of National Instrument 54-101 Communication with Beneficial Owners of Securities of Reporting Issuers (NI 54-101) issuers may request and obtain a list of their NOBOs from intermediaries via their transfer agents. Pursuant to NI 54-101, issuers may obtain and use the NOBO list for distribution of proxy-related materials directly (not via ADP) to such NOBOs. If you are a Beneficial Shareholder, and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of common shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the common shares on your behalf.

The Company has decided to take advantage of the provisions of NI 54-101 that permit it to deliver proxy-related materials directly to its NOBOs. By choosing to send these materials to you directly, the Company (and not the intermediary holding common shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. As a result if you are a NOBO of the Company, you can expect to receive a scannable Voting Instruction Form (VIF) from the Transfer Agent. Please complete and return the VIF to the Transfer Agent in the envelope provided or by facsimile. In addition, telephone voting and internet voting can be found in the VIF. The

Transfer Agent will tabulate the results of the VIF's received from the Company's NOBO's and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIF's they receive.

The Company's OBOs can expect to be contacted by ADP or their brokers or their broker's agents as set out above.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the common shares in that capacity. **Beneficial shareholders who wish to attend the Meeting and indirectly vote their common shares as proxyholder for the registered shareholder should enter their own names in the blank space on the proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

All references to shareholders in this Information Circular and the accompanying form of Proxy and Notice of Meeting are to shareholders of record unless specifically stated otherwise.

VOTING OF PROXIES

The shares represented by a properly executed Proxy in favour of persons proposed by Management as proxyholders in the accompanying Form of Proxy will:

- (a) be voted or withheld from voting in accordance with the instructions of the person appointing the proxyholder on any ballot that may be taken; and
- (b) where a choice with respect to any matter to be acted upon has been specified in the form of proxy, be voted in accordance with the specification made in such proxy.

ON A POLL SUCH SHARES WILL BE VOTED IN FAVOUR OF EACH MATTER FOR WHICH NO CHOICE HAS BEEN SPECIFIED OR WHERE BOTH CHOICES HAVE BEEN SPECIFIED BY THE SHAREHOLDER.

The enclosed Form of Proxy when properly completed and delivered and not revoked confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations of matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the Meeting. In the event that amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the persons designated in the enclosed Form of Proxy to vote in accordance with their best judgment on such matters or business. At the time of the printing of this Information Circular, the management of the Company knows of no such amendment, variation or other matter which may be presented to the Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Authorized Capital:	An unlimited number of common shares without par value
Issued and Outstanding:	24,164,717 ⁽¹⁾ common shares without par value without special rights or restrictions.

(1) As at March 26, 2007

Only shareholders of record at the close of business on March 26, 2007, (the Record Date) who either personally attend the Meeting or who have completed and delivered a form of proxy in the manner and subject to the provisions described above shall be entitled to vote or to have their shares voted at the Meeting.

On a show of hands, every individual who is present and is entitled to vote as a shareholder or as a representative of one or more corporate shareholders, or who is holding a proxy on behalf of a shareholder who is not present at the Meeting, will have one vote, and on a poll every shareholder present in person or represented by a proxy and every person who is a representative of one or more corporate shareholders, will have one vote for each common share registered in his name on the list of shareholders, which is available for inspection during normal business hours at Computershare Investor Services Inc. and will be available at the Meeting.

To the knowledge of the directors and senior officers of the Company, no person or company beneficially owns, directly or indirectly, or exercise control or direction over, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company.

ELECTION OF DIRECTORS

The Board of Directors presently consists of six directors and it is intended to determine the number of directors at six and to elect six directors for the ensuing year.

The term of office of each of the present directors expires at the Meeting. The persons named below will be presented for election at the Meeting as management's nominees and the persons named in the accompanying Form of Proxy intend to vote for the election of these nominees. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Company, or with the provisions of the *Business Corporations Act* (British Columbia).

The following table and notes thereto sets out the names of each person proposed to be nominated by management for election as a director, the province and country in which he is ordinarily resident, all offices of the Company now held by him, his principal occupation, the period of time for which he has been a director of the Company, and the number of common shares of the Company beneficially owned by him, directly or indirectly, or over which he exercises control or direction, as at the date hereof.

Name, Position and Province and Country of Residence ⁽¹⁾	Principal Occupation ⁽¹⁾	Previous Service as a Director	Number of Common Shares beneficially owned or directly or indirectly controlled ⁽²⁾
CHRISTOPHER J. BRADBROOK ⁽⁶⁾ President, Chief Executive Officer and Director Ontario, Canada	President, Chief Executive Officer and Director of the Company.	Since October 2004	33,800
CLIFFORD J. DAVIS ⁽⁴⁾⁽⁵⁾⁽⁶⁾ Chairman of the Board and Director Ontario, Canada	Mr. Davis presently sits on three other boards of directors of resource based companies.	Since March 2005	5,000

Name, Position and Province and Country of Residence ⁽¹⁾	Principal Occupation ⁽¹⁾	Previous Service as a Director	Number of Common Shares beneficially owned or directly or indirectly controlled ⁽²⁾
C. ROBERT EDINGTON ⁽⁶⁾	Mr. Edington is an engineer who is currently retired.	Since July 1992	115,000
Director			
British Columbia, Canada			
R. GREGORY LAING ⁽³⁾⁽⁴⁾⁽⁵⁾	Since September 2005, Mr. Laing has served as General Counsel, Senior Vice President, Legal and Corporate Secretary of Agnico-Eagle Mines Limited, an exploration and mining company. He is also a director of Andina Minerals Inc., an exploration company.	Since March 2005	5,000
Director			
Ontario, Canada			
MIKE MUZYLOWSKI ⁽³⁾⁽⁴⁾	Since 1995 Mr. Muzylowski has served as the President of Callinan Mines Ltd., a mineral exploration and development company. He also sits on a number of Boards of Directors of resource based companies.	Since September 2000	100,000
Director			
British Columbia, Canada			
PAUL B. SWEENEY ⁽³⁾⁽⁵⁾	Mr. Sweeney was appointed Executive Vice President, Corporate Development of Plutonic Power Corporation effective January 1, 2007, prior to which he was self-employed businessman since November, 2005. From 2002 to November 2005, Mr. Sweeney served as Vice President and Chief Financial Officer of Canico Resource Corp., a mineral resources exploration and development company.	Since January 2006	20,000
Director			
British Columbia, Canada			

NOTES:

- (1) The information as to the province and country of residence and principal occupation, not being within the knowledge of the Company, has been furnished by the respective directors individually.
- (2) The information as to shares beneficially owned or over which a director exercises control or direction, not being within the knowledge of the Company, has been furnished by the respective directors individually.
- (3) Denotes member of Audit Committee. Mr. Sweeney is the Chair of the Audit Committee.
- (4) Denotes member of Compensation Committee. Mr. Muzylowski is the Chair of the Compensation Committee.
- (5) Denotes member of Corporate Governance Committee. Mr. Laing is the Chair of the Corporate Governance Committee.
- (6) Denotes member of Nominating Committee. Mr. Edington is the Chair of the Nominating Committee.

AUDIT COMMITTEE

Under Multilateral Instrument 52-110 – Audit Committees (MI 52-110), companies are required to provide disclosure with respect to their audit committee including the text of the audit committee’s charter, composition of the audit committee and the fees paid to the external auditor. This information is provided in the Company’s annual information form (the AIF) with respect to the fiscal year ended December 31, 2006. The AIF is available for review by the public on the SEDAR website located at www.sedar.com – Company Profiles – New Gold Inc. . Management of the Company strongly encourages its shareholders to review the AIF.

STATEMENT OF EXECUTIVE COMPENSATION

Named Executive Officers means: the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) of the Company and each of the Company’s three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recent financial year and whose total salary and bonus amounted to \$150,000 or more. In addition, disclosure is also required for any individuals whose total salary and bonus during the most recent financial year was \$150,000 or more whether or not they are an executive officer at the end of the financial year.

The Company currently has four Named Executive Officers: **Christopher J. Bradbrook**, President and Chief Executive Officer; **Paul Martin**, Vice President Finance and Chief Financial Officer; **Kevin J. Ross**, Chief Operating Officer; and **John Pitcher**, Corporate Counsel and Secretary.

The following table sets forth the compensation paid to the Named Executive Officers for the three most recently completed financial years of the Company.

Summary Compensation Table

Name and Principal Position	Year ⁽¹⁾	Annual Compensation			Long Term Compensation			All Other Compensation (\$)
		Salary (\$) ⁽²⁾	Bonus (\$)	Other Annual Compensation (\$) ⁽³⁾	Awards	Payouts	Shares or Units Subject to Resale Restrictions (\$)	
					Securities Under Option/SARs granted (#) ⁽⁴⁾	LTIP Payouts (\$)		
Christopher J. Bradbrook President and Chief Executive Officer	2006	300,000	100,000	635	75,000/Nil	Nil	Nil	Nil
	2005	250,000	Nil	584	Nil/Nil	Nil	Nil	Nil
	2004	Nil	Nil	46,460 ⁽⁵⁾	600,000/Nil	Nil	Nil	Nil
Paul Martin⁽⁶⁾ Chief Financial Officer	2006	250,000	90,000	5,785	50,000/Nil	N/A	Nil	Nil
	2005	139,773	Nil	2,298	250,000/Nil	N/A	Nil	Nil
	2004	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Kevin J. Ross⁽⁷⁾ Chief Operating Officer								53,668 ⁽⁹⁾
	2006	196,432	Nil	3,247	50,000/Nil	N/A	Nil	Nil
	2005	N/A	N/A	N/A	250,000/Nil	N/A	Nil	Nil
	2004	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Name and Principal Position	Year ⁽¹⁾	Annual Compensation			Long Term Compensation Awards			All Other Compensation (\$)
		Salary (\$) ⁽²⁾	Bonus (\$)	Other Annual Compensation (\$) ⁽³⁾	Securities Under Option/SARs granted (#) ⁽⁴⁾	Shares or Units Subject to Resale Restrictions (\$)	LTIP Payouts (\$)	
John Pitcher⁽⁸⁾		100,625						
Corporate Counsel & Secretary	2006	N/A	Nil	N/A	75,000/Nil	N/A	Nil	Nil
	2005		N/A			N/A		Nil
	2004	N/A	N/A	N/A	N/A	N/A	N/A	N/A

NOTES:

- (1) Financial years ended December 31.
- (2) The relationship of all Company personnel changed from a consultancy relationship to an employment relationship on January 1, 2005.
- (3) Taxable benefits including automobile, parking, BC medical and life insurance, except as otherwise noted.
- (4) Figures represent options granted during a particular year.
- (5) This represents compensation for consulting services paid to Christopher J. Bradbrook from October 13 to December 31, 2004. Mr. Bradbrook was appointed as President and Chief Executive Officer of the Company on October 13, 2004.
- (6) Paul Martin was appointed as Chief Financial Officer of the Company on May 18, 2005.
- (7) Kevin Ross was appointed as Chief Operating Officer of the Company effective January 7, 2006.
- (8) John Pitcher was appointed as Corporate Counsel and Secretary effective June 6, 2006.
- (9) This amount is the aggregate of housing allowance payments and contributions to a retirement compensation arrangement. See Pension Plans .

Long Term Incentive Plan Awards

A long term incentive plan (LTIP) is any plan providing compensation intended to motivate performance over a period greater than one financial year. A LTIP does not include option or stock appreciation rights plans or plans for compensation through shares or units that are subject to restrictions on resale. The Company did not have a LTIP during the recently completed fiscal year ended December 31, 2006.

Stock Appreciation Rights

A stock appreciation right (SAR) is a right granted by an issuer or any of its subsidiaries as compensation for employment services or office to receive cash or an issue or transfer of securities based wholly or in part on changes in the trading price of the issuer's shares. No SARs were granted to or exercised by the Named Executive Officers during the recently completed fiscal year ended December 31, 2006.

Option Grants During The Most Recently Completed Financial Year

The following table sets forth information concerning grants of stock options during the recently completed fiscal year ended December 31, 2006 to the Named Executive Officers pursuant to the rules and policies of the Toronto Stock Exchange (the TSX) and in accordance with the provisions of the *Business Corporations Act* (British Columbia) and the Regulations thereunder.

<i>Name</i>	<i>Securities Under Options Granted</i>	<i>% of Total Options Granted to Employees in Financial Year⁽¹⁾</i>	<i>Exercise or Base Price (\$/Security)</i>	<i>Market Value of Securities Underlying Options on the Date of Grant</i>		<i>Expiration Date</i>
				<i>(\$/Security)</i>	<i>(\$/Security)</i>	
Christopher J. Bradbrook	75,000	10.1%	\$ 11.00	\$ 11.00	\$ 11.00	May 29, 2011
Paul Martin	50,000	6.8%	\$ 11.00	\$ 11.00	\$ 11.00	May 29, 2011
Kevin Ross	50,000	6.8%	\$ 11.00	\$ 11.00	\$ 11.00	May 29, 2011
John Pitcher	75,000	10.1%	\$ 11.00	\$ 11.00	\$ 11.00	May 29, 2011

NOTES:

(1) Percentage of all of the Company's options granted during the last fiscal year, including those granted to directors.

Aggregated Option Exercises During the Most Recently Completed Financial Year and Financial Year-End Option/SARs Values

The following table sets forth details of all exercises of stock options during the recently completed fiscal year ended December 31, 2006, by the Named Executive Officers and the financial year-end value of unexercised options on an aggregated basis:

<i>Name</i>	<i>Securities Acquired on Exercise (#)</i>	<i>Aggregate Value Realized (\$)</i>	<i>Unexercised Option/SARs at Financial Year-End⁽¹⁾</i>		<i>Value of Unexercised In-the-Money Options/SARs at Financial Year-End⁽²⁾</i>
			<i>Exercisable/Unexercisable</i>	<i>(\$)⁽²⁾</i>	<i>Exercisable/Unexercisable</i>
Christopher J. Bradbrook	Nil	N/A	637,500/37,500	\$ 2,448,000/Nil	
Paul Martin	Nil	N/A	275,000/25,000	\$ 520,000/Nil	
Kevin Ross	Nil	N/A	275,000/25,000	\$ 432,500/Nil	
John Pitcher	Nil	N/A	37,500/37,500	Nil/Nil	

NOTES:

(1) As freestanding SARs have not been granted, the number of shares relate solely to the Company's options.

(2) Calculated using the closing price of common shares of the Company on the TSX on December 29, 2006, being the last trading day of the Company's shares for the financial year, of \$8.68 per share, less the exercise price per share.

Option Repricings

No stock options held by the Named Executive Officers were repriced during the financial year ended December 31, 2006.

Pension Plans

Except as noted below, the Company does not provide retirement benefits for directors or executive officers.

The Company and Kevin J. Ross, its Chief Operating Officer, entered into a Retirement Compensation Arrangement dated June 5, 2006 (the RCA) pursuant to which the Company agreed to contribute annually to a trust created for the benefit of Mr. Ross (the Trust Fund) the amount of 29.65% of his Total Compensation. Total Compensation is defined in the RCA to mean the total of Mr. Ross' annual salary and housing allowance and a further 22.87% of any annual bonus. The amount of the Trust Fund, less any tax which may be required to be withheld, is to be paid to Mr. Ross as a retiring allowance when his employment terminates for any reason or such later date as may be chosen by him. The Company is responsible for the administration of the Trust Fund and for ensuring that it is administered in accordance with all applicable laws. In 2006 the Company paid \$16,284 to the Trust Fund and \$16,284 to the Canada Customs and Revenue Agency in respect of the RCA.

Defined Benefit or Actuarial Plan Disclosure

The Company does not have a defined benefit or actuarial plan under which benefits are determined primarily by final compensation (or average final compensation) and years of service of the Company's officers and key employees. Except as noted in Pension Plans above, the Company does not provide retirement benefits for directors or executive officers.

Termination of Employment, Change in Responsibilities and Employment Contracts

Except as noted below, as at December 31, 2006 there were no employment contracts between the Company and any Named Executive Officer and no compensatory plan, contract or arrangement where a Named Executive Officer is entitled to receive more than \$100,000 from the Company, including periodic payments or instalments, in the event of the resignation, retirement or other termination of the Named Executive Officer's employment with the Company, a change of control of the Company or a change in the Named Executive Officer's responsibilities following a change in control.

The Company currently has the following arrangements in place with respect to remuneration received or that may be received by the Named Executive Officers or directors of the Company to compensate such officer or director in the event of termination of employment (as a result of resignation, retirement, change of control, etc.) or a change in responsibilities following a change of control, where the value of such compensation exceeds \$100,000 per officer or director:

1. On October 12, 2004 the Company entered into an employment agreement with Mr. Christopher Bradbrook, the President and Chief Executive Officer of the Company, which provides for a base salary of \$250,000 and a discretionary bonus of up to 40% of his base salary. The actual bonus, if any, earned will be based upon the achievement of the individual and corporate targets. In the event of termination, without cause, or a change of control by merger or purchase of the Company, Mr. Bradbrook is entitled to receive a payment equal to three times his annual compensation. Effective January 1, 2006, Mr. Bradbrook's base salary was increased to \$300,000 and the 40% restriction on the payment of a discretionary bonus was removed.

2. On April 15, 2005, the Company entered into an employment agreement with Mr. Paul Martin, the Vice President Finance and Chief Financial Officer of the Company, which provides for a base salary of \$225,000 and a discretionary bonus. The actual bonus, if any, earned will be based upon his individual performance and that of the Company. In the event of termination, without cause, or a change of control by merger or purchase of the Company, Mr. Martin is entitled to receive a payment equal to two times his annual compensation. Effective January 1, 2006, Mr. Martin's base salary was increased to \$250,000.

3. On November 5, 2005, the Company entered into an employment agreement with Mr. Kevin J. Ross, the Chief Operating Officer of the Company, which provides for a base salary of \$250,000 and a discretionary bonus. The actual bonus, if any, will be based upon his individual performance and that of the Company. In the event of termination, as a result of change of control of the Company, Mr. Ross is entitled to receive a payment equal to two times his annual compensation. Mr. Ross' employment contract was amended by an amending agreement dated June 5, 2006 to: (a) reduce his annual gross compensation to \$192,827 which includes salary and a monthly housing allowance in an amount to be agreed upon (\$3,000 per month for 2006); (b) obligate the Company to pay 29.65% of his annual gross compensation and 22.87% of any discretionary bonus to a Custodian of a Retirement Compensation Arrangement established for Mr. Ross benefit and described above under Pension Plans; and (c) provide that in the event of termination of his employment without cause he is entitled to receive a payment equal to two times his annual compensation.

4. On May 19, 2006, the Company entered into an employment agreement with Mr. John Pitcher, the Corporate Counsel and Secretary of the Company, which provides for a base salary of \$175,000 and a discretionary bonus based upon his individual performance and that of the Company.

Composition of the Compensation Committee

The overall purpose of the Compensation Committee is to implement and oversee human resources and compensation policies approved by the Board of Directors (the Board) of the Company.

The Company appointed a Compensation Committee for the first time in 2005. The Compensation Committee is comprised of three unrelated directors, Messrs. Mike Muzykowski, as Chairman, Clifford Davis and R. Gregory Laing.

Report on Executive Compensation

Compensation Philosophy

The Company's executive compensation philosophy is founded on two basic objectives: (1) to attract, motivate and retain individuals with the appropriate skills; (2) to provide incentives to management to meet the Company's strategic objectives and which align the interests of management with those of the shareholders through long term executive compensation. In considering adjustments to an executive's base salary, awarding of options or granting of additional stock options, the Company takes into account his individual performance and that of the Company.

Executive Compensation

The Company's executive compensation has evolved since 2004 when the Company commenced the underground exploration program which will form the basis for a feasibility study on the New Afton Copper-Gold project (Project). As a result of this program, the Company has significantly expanded its executive and staffing levels as the Company attempts to develop the Project into an operating mine. As a

result, the Company has adopted a compensation philosophy consisting of two main components: (1) base salaries plus bonus; and (2) long term incentives in the form of stock options. Generally, executive compensation has been designed to be competitive with the executive compensation offered by companies comparable to the Company in terms of size, assets and stage of development within the base and precious metals mining industry. The Company has targeted total compensation to be at or slightly above the median for those junior mining companies of comparable project development stage and market capitalization, with the relative importance of salary and stock options being equal. The Board is satisfied that the total level of compensation is competitive with that of comparable companies; however, given the buoyant marketplace for metals, compensation packages for qualified executives and staff are ever evolving.

Chief Executive Officer's Compensation

In determining the annual base salary of the Chief Executive Officer, the Compensation Committee will review industry surveys and public information regarding base salaries paid to chief executive officers of public companies of comparable size and complexity.

Base Salary and Bonus

To ensure that the Company will continue to attract and retain qualified and experienced executives, base salaries are reviewed and adjusted annually, in order to ensure that they remain at a level at or above the median for comparable companies. Bonuses are based upon a combination of individual and Company performances and are weighted more against Company performance for senior executives. In 2006, the Company paid bonuses to the President and Chief Executive Office and the Chief Financial Officer in the amounts of \$100,000 and \$90,000, respectively. The Company paid no bonuses in 2005 or 2004.

Long Term Incentives - Stock Options

The purpose of the Company's current stock option plan (the Plan) is to ensure that an incentive exists to maximize shareholder value by linking executive compensation to share price performance and to reward those executives making a long-term commitment and contribution to the Company. The Board has established a formal guideline for the granting of options. Options granted under the Plan expire not later than the tenth anniversary of the date the options were granted. The Company has traditionally limited the expiry to five years and vesting provisions for issued options are determined at the discretion of the Board. See Securities Authorized for Issuance under Equity Compensation Plans, Equity Compensation Plan Information.

Report Submitted By the Compensation Committee

The foregoing report is submitted to the Board by the Compensation Committee, Messrs. Mike Muzykowski, as Chairman, Clifford Davis and R. Gregory Laing.

Performance Graph

The following graph compares the year end investment value in the total cumulative shareholder return for \$100 invested in shares of the Company against the cumulative total return of the S&P/TSX Composite Index for the period commencing January 1, 2001 and ending December 31, 2006.

	Dec. 2001	Dec. 2002	Dec. 2003	Dec. 2004	Dec. 2005	Dec. 2006
New Gold, Closing Price	3.40	4.25	8.05	6.30	7.80	8.68
S&P/TSX Composite Index	7,688.4	6,614.5	8,221.0	9,264.0	11,272.0	12,909.4

Compensation of Directors

The Company pays an annual retainer of \$15,000 to each non-executive director and an additional \$10,000 to the Chairman of the Board, \$5,000 to the Chairman of the Audit Committee and \$2,500 to the Chairmen of the other Committees. A director who attends a Board or Committee meeting where formal minutes are taken, whether in person, or by telephone, is paid \$1,000. In the event that more than one meeting, either Board or Committee or some combination thereof, occurs on the same day, then the meeting fees are capped at \$1,500. All reasonable expenses incurred by a director in attending meetings of the Board of Directors, committee meetings or shareholder meetings, together with all expenses properly and reasonably incurred by any director in the conduct of the Company's business or in the discharge of his duties as a director are paid by the Company.

The following chart sets out the amounts paid to directors of the Company during the most recently completed financial year:

Director	Annual Board Retainer (\$)	Board Meeting Fees (\$)	Committee Meeting Fees (\$)	Total Fees (\$)
Clifford J. Davis	22,500	16,250	250	39,000
Robert Edington	17,500	16,250	250	34,000
Gregory Laing	17,500	17,750	3,250	38,500
Michael Muzylowski	17,500	15,750	2,750	36,000
Paul Sweeney	16,667	13,500	2,500	32,667

Option Grants in Last Fiscal year to Directors Who are Not Named Executive Officers

The following stock options were granted to the directors of the Company who were not Named Executive Officers, as a group, during the last financial year ended December 31, 2006:

Option Grants in Last Financial Year to Directors Who are Not Named Executive Officers