Appendix 5.3.2D
Tatelkuz Lake Levels for Mine Life Scenarios - Revised
MEMORANDUM

To: Mr. Nigel Fisher  
Date: January 17, 2014

Copy To: Alvaro Paredes, Keith Ferguson  
File No.: VA101-457/6-A.01

From: Brendan Worrall  
Cont. No.: VA14-00067

Re: Tatelkuz Lake Levels for Mine Life Scenarios - Revised

Knight Piesold Ltd. (KP) has been retained by New Gold Inc. (New Gold) to determine the annual and monthly Tatelkuz Lake levels for the following mine life scenarios:

- Baseline average
- Baseline 1:50 dry
- Construction average
- Construction 1:50 dry
- Operations average
- Operations 1:50 dry
- Closure average
- Closure 1:50 dry
- Post-closure average, and
- Post-closure 1:50 dry.

This memo describes the procedure and results in regards to the above information.

The inputs for developing the Tatelkuz levels for the noted scenarios were daily flow series that were developed for each of the project phases. These flow series were converted into annual and monthly averages. KP developed a withdrawal model for Tatelkuz Lake (VA13-02066) to model the effects of using Tatelkuz Lake as a fresh water supply source to supply Instream Flow Needs (IFN) to Davidson Creek as well as to provide water to the mill. The Tatelkuz Lake withdrawal model was used in this analysis to determine the flow series needed at the lake outlet for the various mine-life scenarios. In order to be consistent with the methodology of the Updated Feasibility Study Water Balance and the Watershed Model Report the flows scenarios in Table 1 were assumed.

<table>
<thead>
<tr>
<th>Project Phase</th>
<th>IFN Requirements</th>
<th>Mill Requirements</th>
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</thead>
<tbody>
<tr>
<td>Baseline</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Construction</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Operations</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Closure</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Post Closure</td>
<td>No</td>
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</table>

This memo describes the procedure and results in regards to the above information.

The results of the Tatelkuz Lake level analysis are presented in Tables 2 and 3 as meters above sea level (masl). As can be seen in the aforementioned tables, the differences in stage from Baseline over the life of the mine are minimal, with a maximum annual difference in stage occurring during the 1:50 dry period (-5.4 cm), and a maximum monthly difference in stage occurring in June during the 1:50 dry period (-9.1 cm).
This letter supersedes the memo “Tatelkuz Lake Levels for Mine Life Scenarios” (VA-02278) dated December 5, 2013.

If you have any questions or concerns, please do not hesitate to contact the undersigned.

Signed:  
Brendan Worrall, EIT – Staff Engineer

Reviewed:  
Cameron McCarthy, P.Eng., P.Geo., PMP – Senior Engineer

Approved:  
Ken Brouwer, P.Eng. – President

Attachments:
Table 2 Rev 1  Annual Average and 1:50 Dry Cases
Table 3 Rev 1  Monthly Average and 1:50 Dry Cases (MASL)

References:

/bw
## TABLE 2

NEW GOLD INC.  
BLACKWATER GOLD PROJECT  
TATELKUZ LAKE LEVELS  
ANNUAL AVERAGE AND 1:50 DRY CASES

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Annual Levels</th>
<th>Average (masl)</th>
<th>1:50 Dry (masl)</th>
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<tbody>
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<td>927.05</td>
<td>926.96</td>
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<td>Construction</td>
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<tr>
<td>Post Closure</td>
<td></td>
<td>927.05</td>
<td>926.96</td>
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</table>

NOTES:
1. THE POINT OF ZERO FLOW USED IN THE RATING CURVE IS 926.483 masl.
2. BASELINE, CONSTRUCTION AND POST CLOSURE ASSUME NO MILL NEEDS OR IFN REQUIREMENTS.
3. OPERATIONS ASSUMES IFN REQUIREMENTS AND MILL NEEDS ARE NEEDED.
4. CLOSURE ASSUMES IFN REQUIREMENTS ARE NEEDED, BUT NO MILL FLOW IS REQUIRED.
## TABLE 3

NEW GOLD INC.
BLACKWATER GOLD PROJECT

TATELKUZ LAKE LEVELS
MONTHLY AVERAGE AND 1:50 DRY CASES (masl)

### NOTES:
1. BASELINE, CONSTRUCTION AND POST CLOSURE ASSUME NO MILL NEEDS OR IFN REQUIREMENTS.
2. OPERATIONS AND CLOSURE ASSUME IFN REQUIREMENTS AND MILL NEEDS ARE NEEDED.

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Jan Avg 1:50 Dry</th>
<th>Feb Avg 1:50 Dry</th>
<th>Mar Avg 1:50 Dry</th>
<th>Apr Avg 1:50 Dry</th>
<th>May Avg 1:50 Dry</th>
<th>Jun Avg 1:50 Dry</th>
<th>Jul Avg 1:50 Dry</th>
<th>Aug Avg 1:50 Dry</th>
<th>Sep Avg 1:50 Dry</th>
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