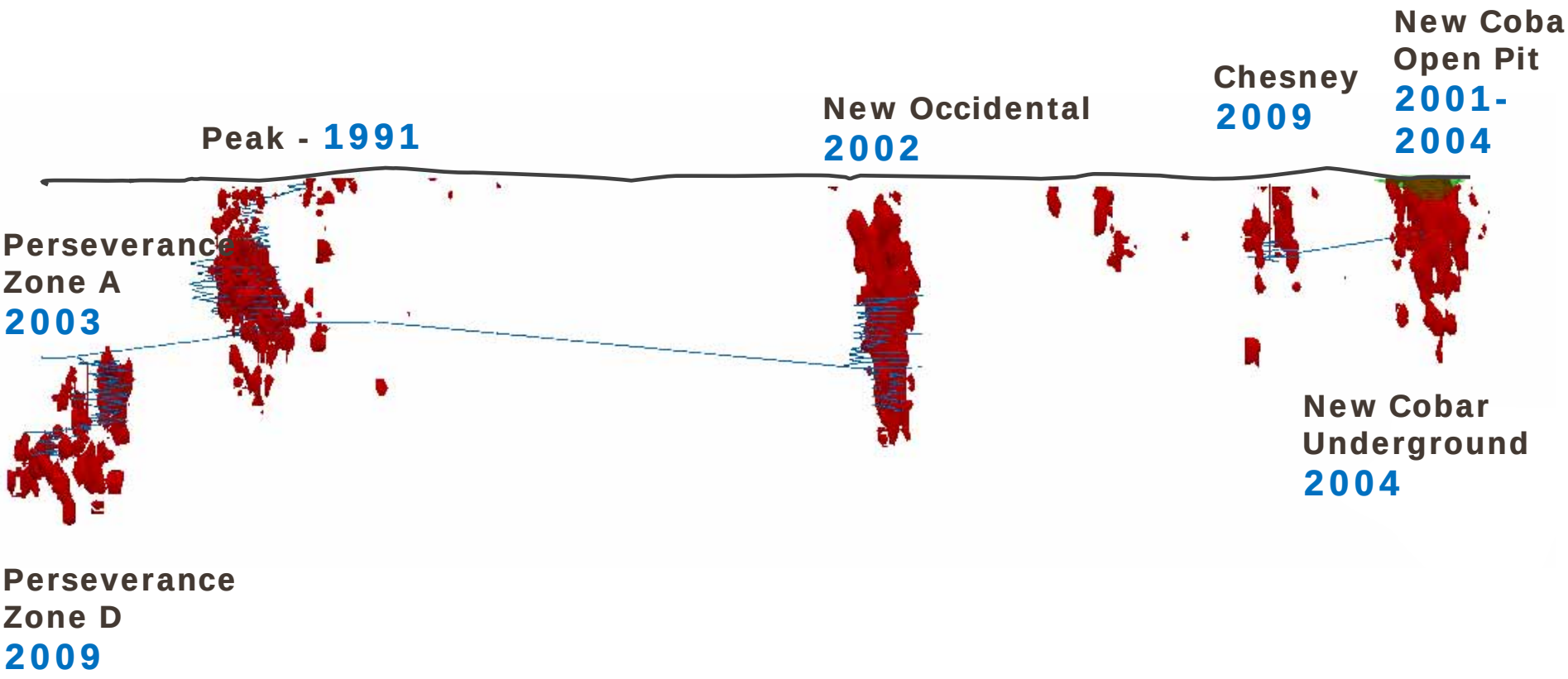
Peaks next major technical challenge

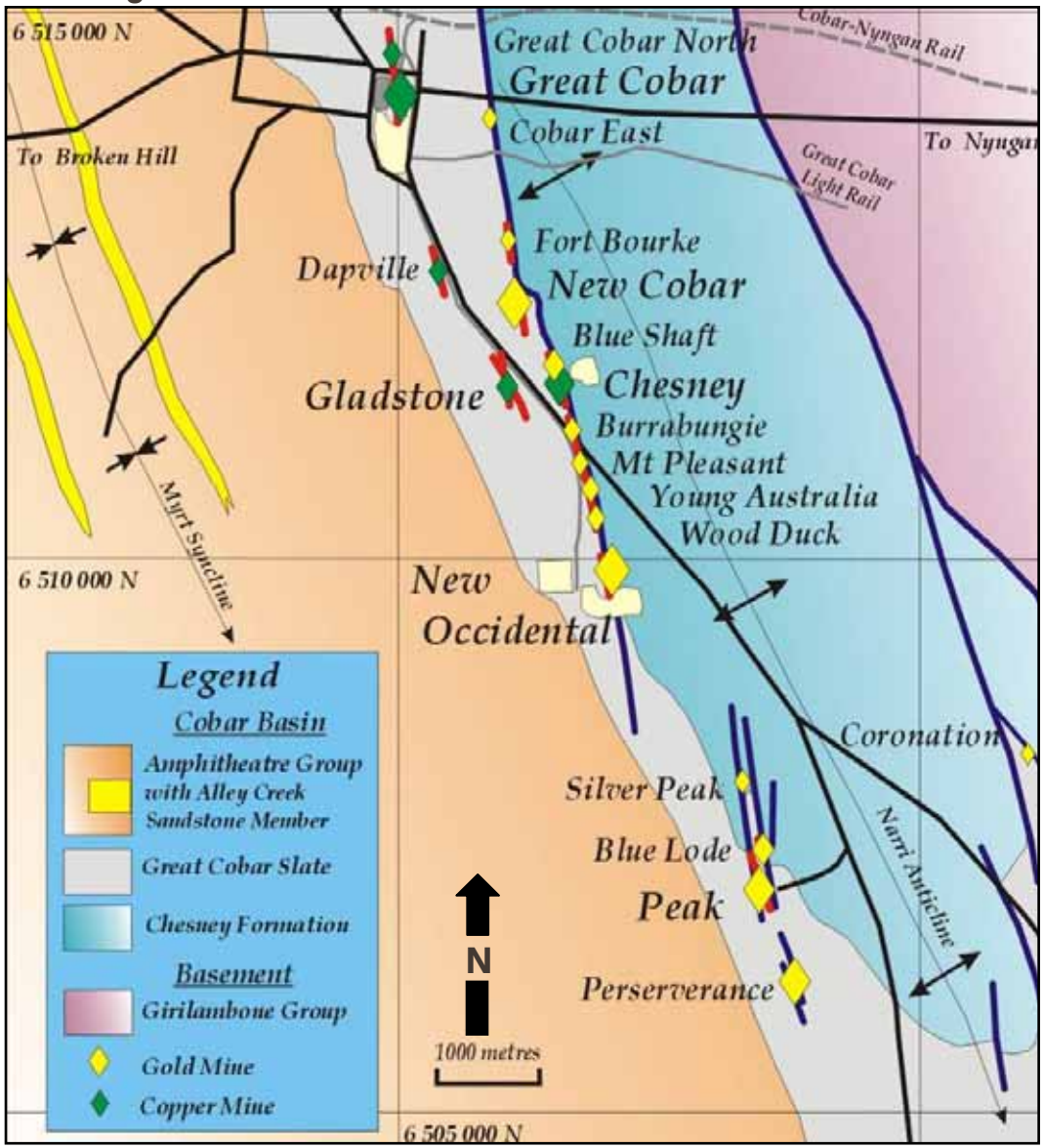
Perseverance

Development History Of Peak Gold Mines



Geology – Regional Setting

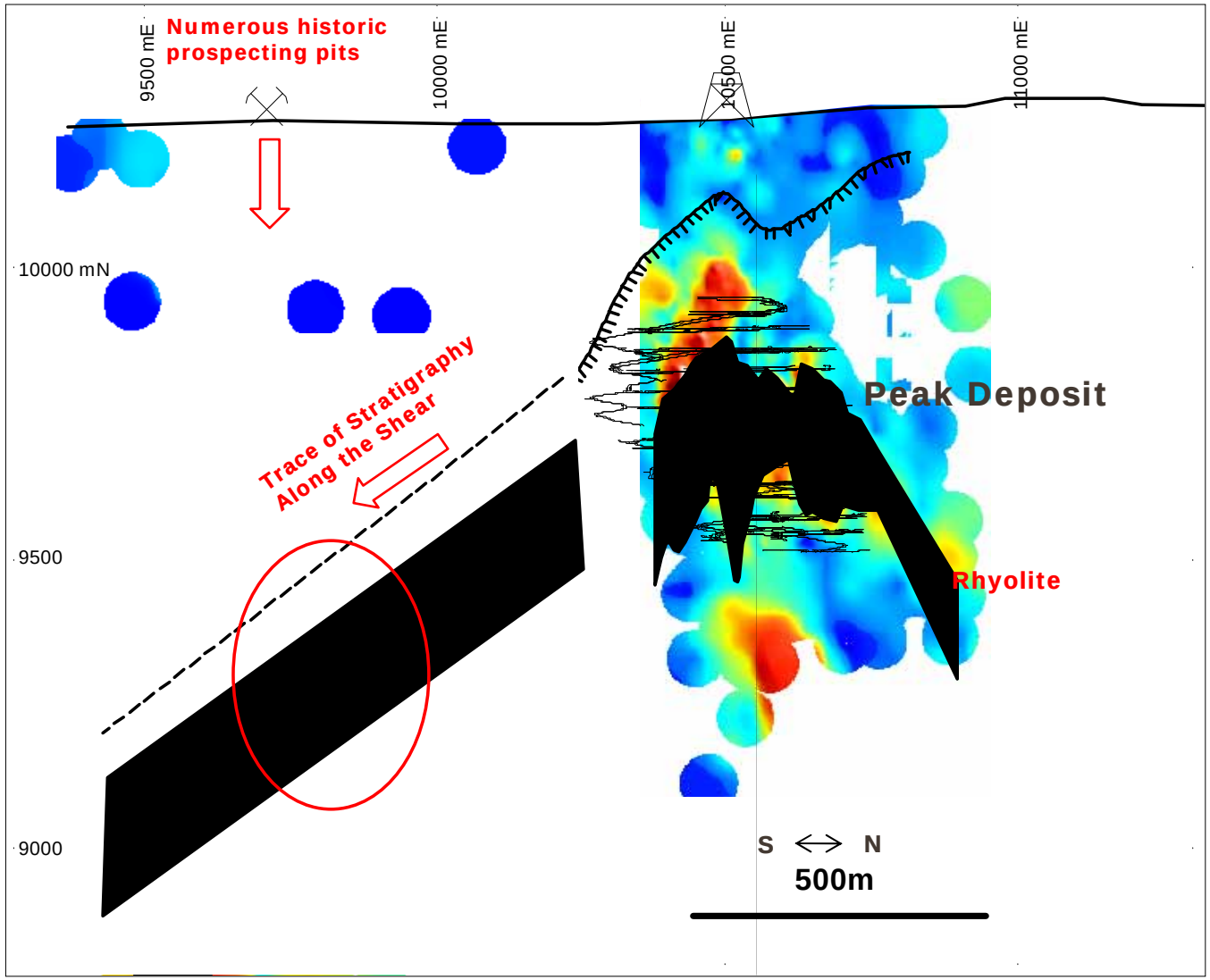
After Stegman and Pocock - 1996



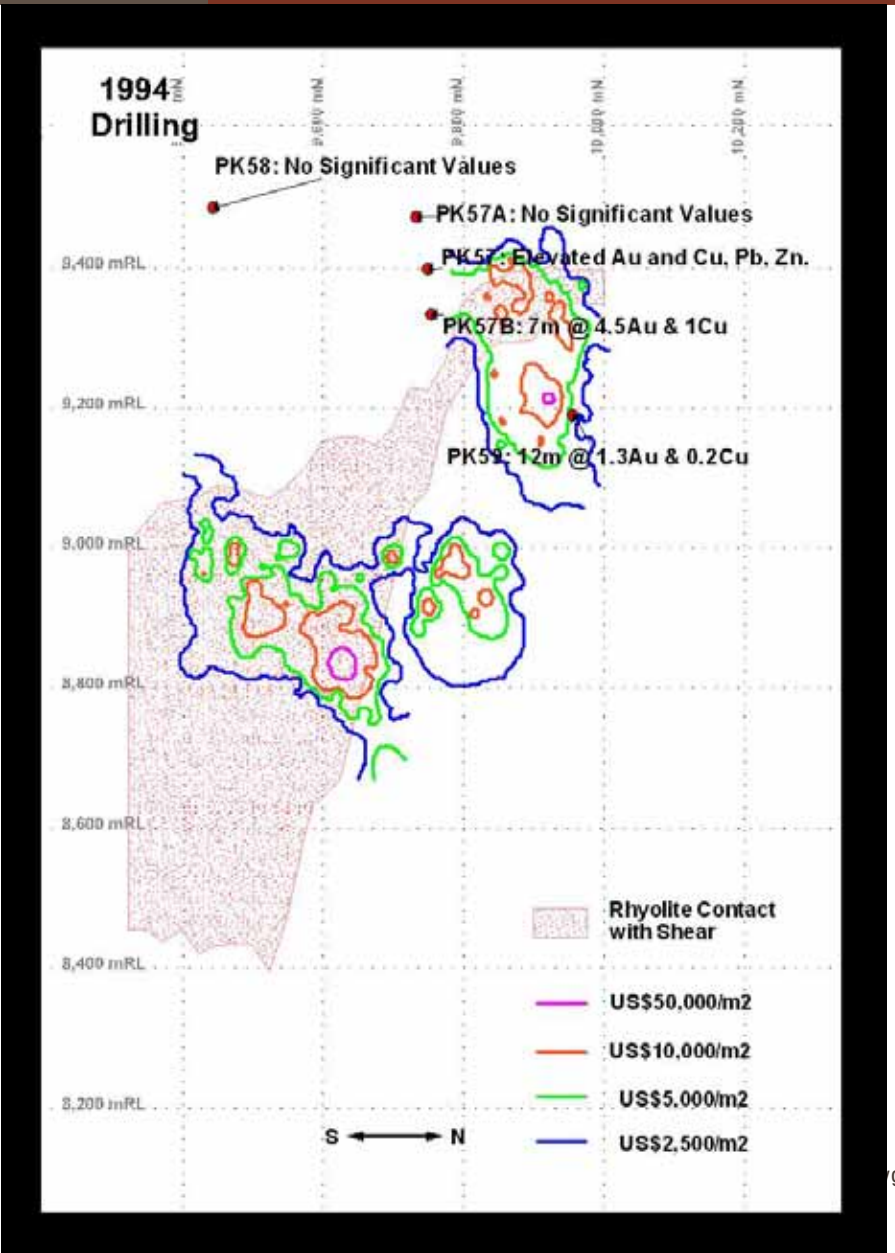
newgold

PEAK GOLD MINES

The Road to Discovery



The Road to Discovery



1994

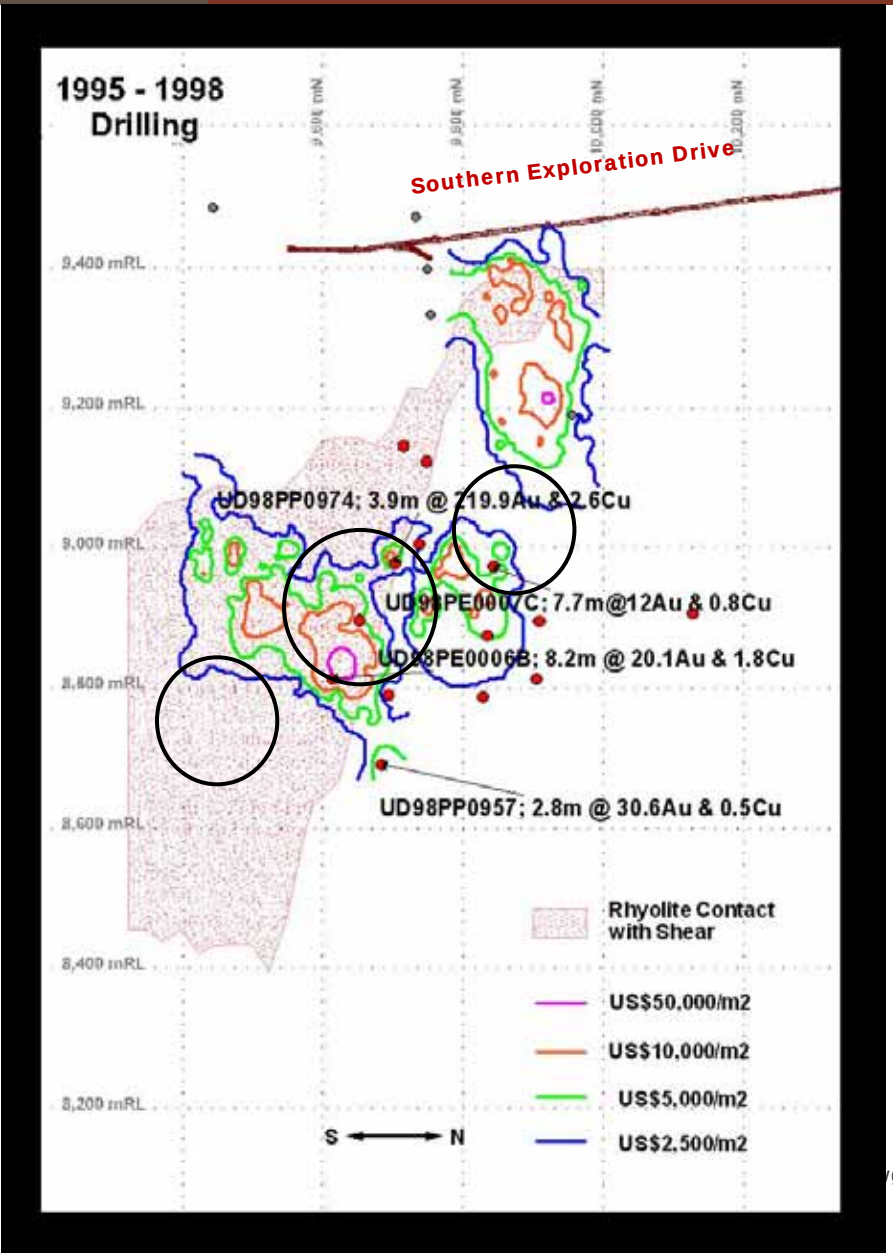
5 pierce points drilled into the Perseverance shear in the vicinity of the rhyolite/shear contact.

2 holes with no significant values
1 hole with elevated gold and base metals
2 holes with sub economic grades.

All holes drilled from surface, (3 holes and 2 daughter holes)

Gold Price US$330–420/Oz

The Road to Discovery



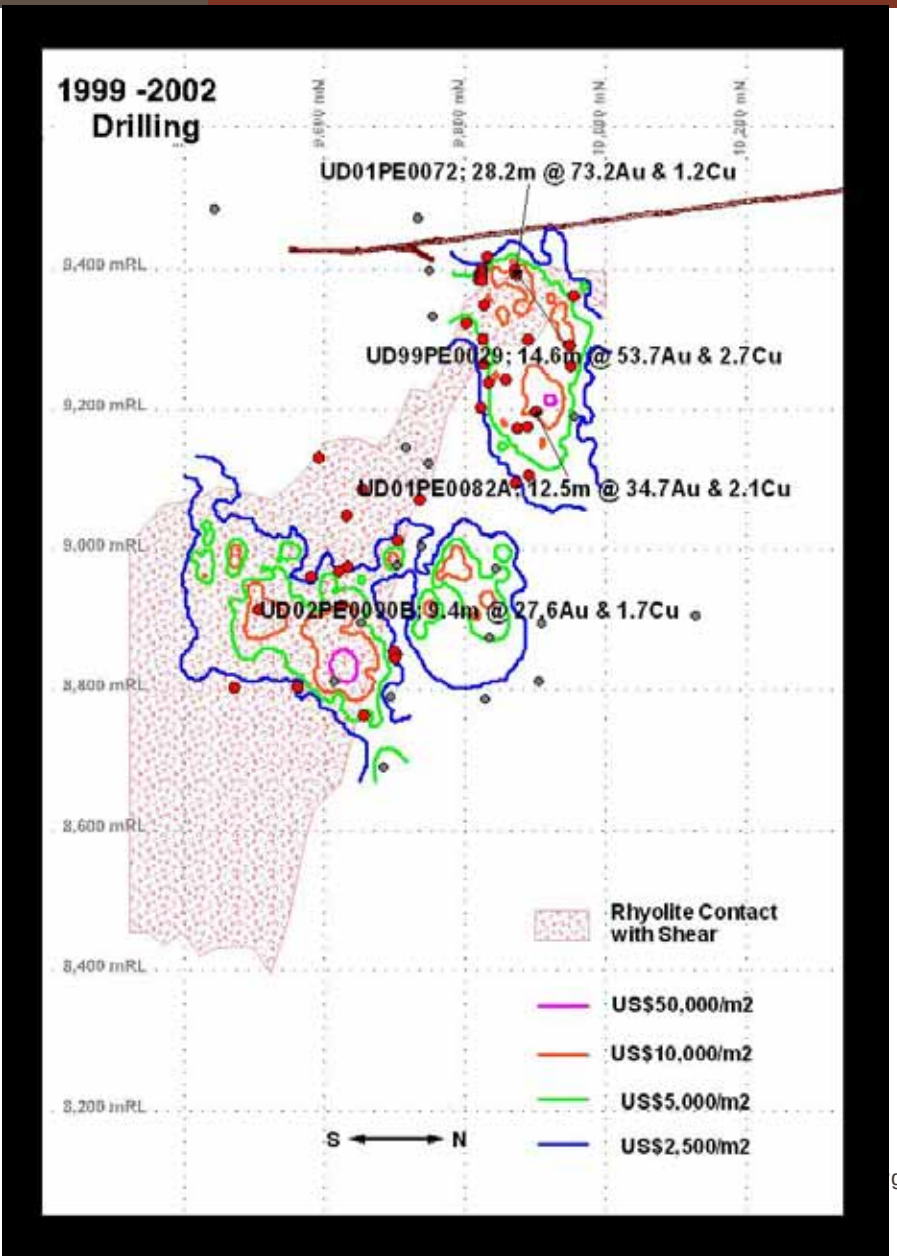
1995 to 1998

Development of the southern exploration drive gave a drilling platform for drill testing Perseverance – Completed in late 1997. (800m long at cost $M2.4)

Drilling of an additional 15 pierce points from both surface and underground. Some significant (bonanza grade) intersections.

Down hole EM programme and modelling indicated significant conductors

The Road to Discovery



1999 to 2002

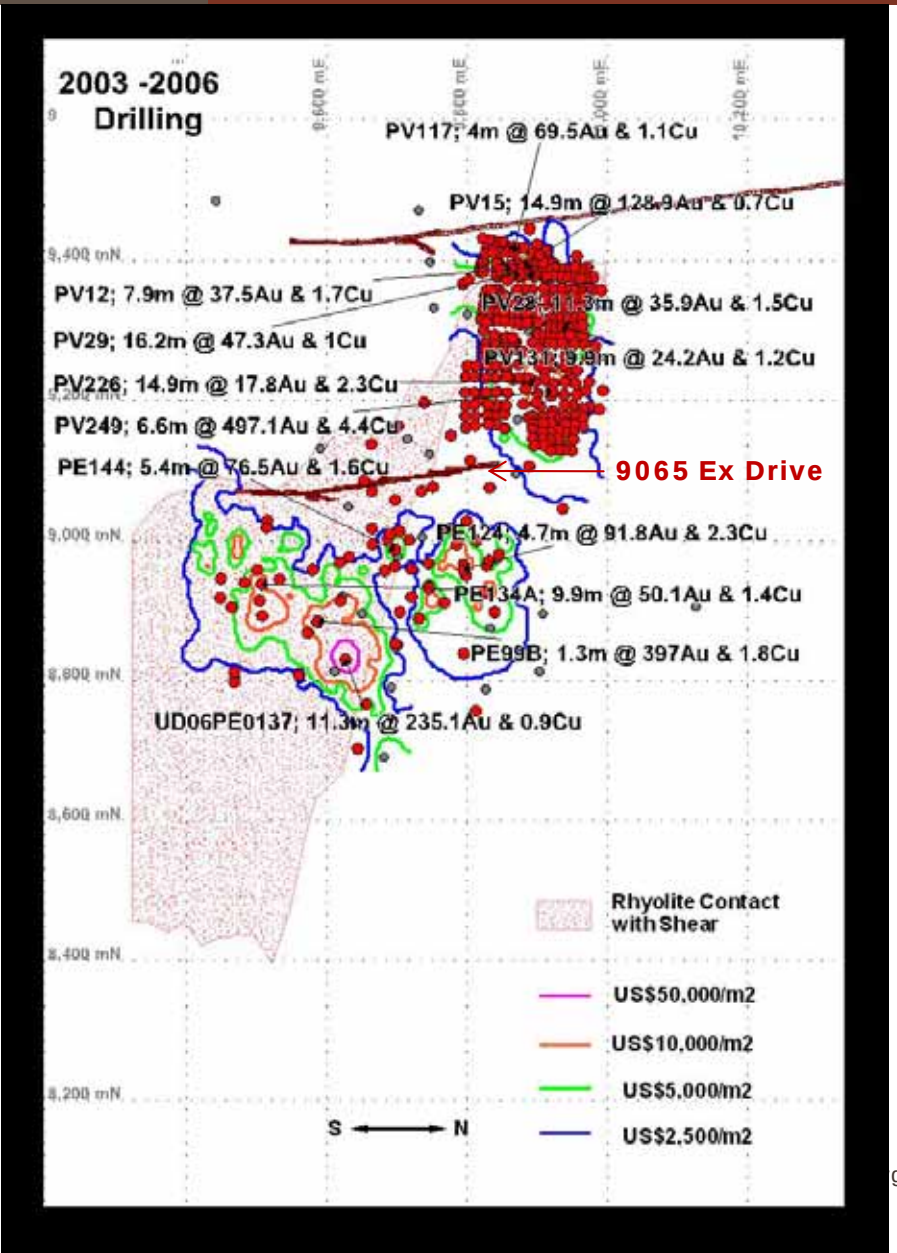
More effective drilling conducted from the exploration drive.

1999 – Zone A discovered/recognized – High grade section of the deposit close to existing development

Drilling starting to concentrate on Zone A

May 2000, First resource estimate; 1.2Mt @ 11.8g/t Au & 1.5% Cu. (440,000 oz)

The Road to Discovery



2003 to 2006

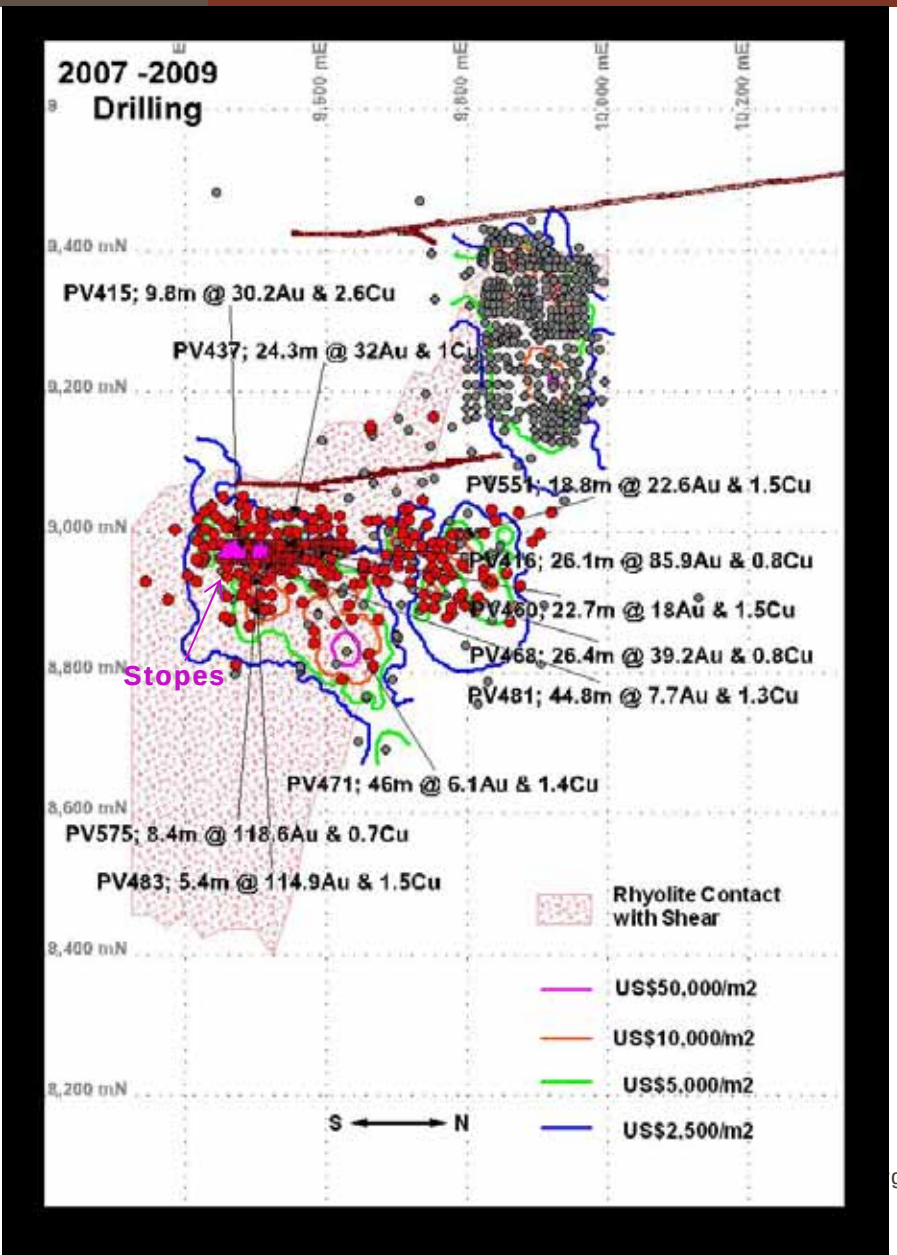
Drilled out Zone A

UG Development reached Zone A and first Zone A stope ore produced in 2003

Continued exploration drilling into Zone D

Installed 9065 exploration drive. Completed in 2006. Reduced drill hole length into Zone D by 400m

The Road to Discovery



2007 to 2010

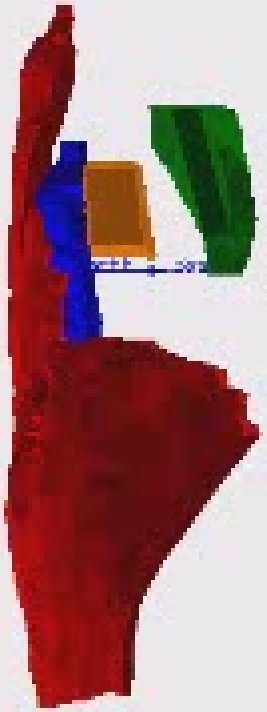
Continued exploration drilling of Zone D.

In the process of drilling Zone D out a delineation spacing.

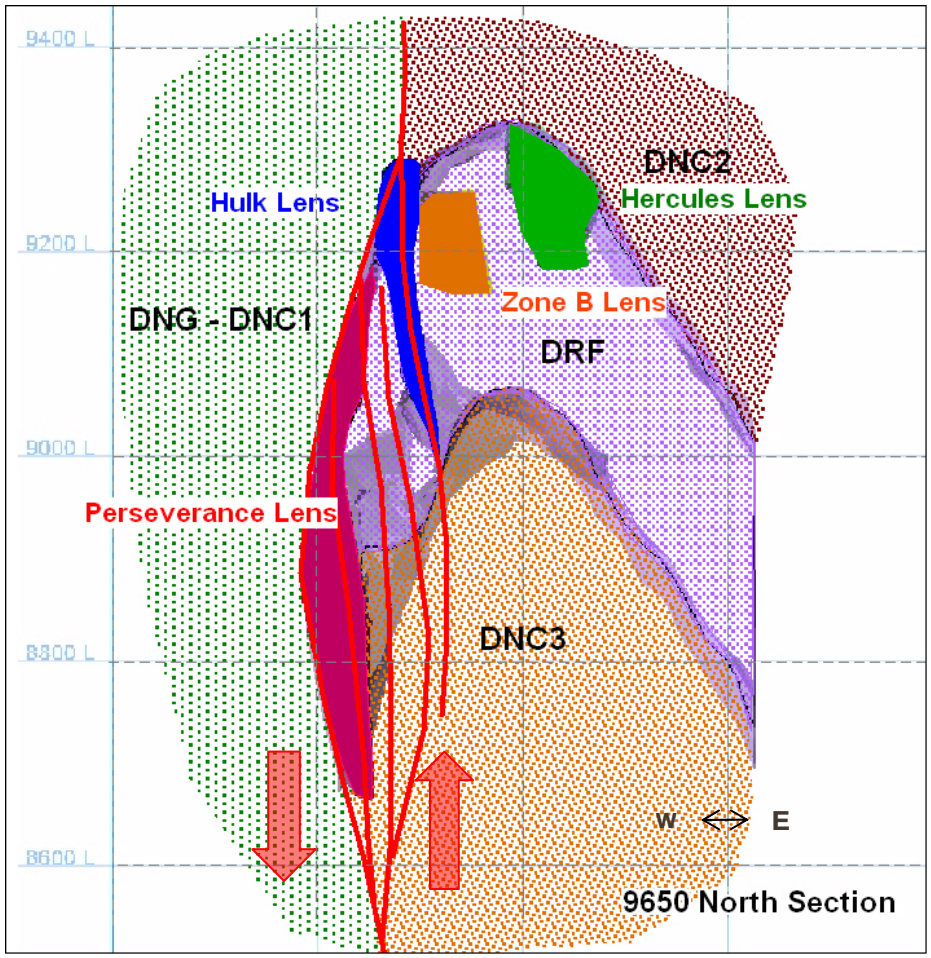
Produced first Zone D stope ore in August 2009.

Upgraded Infrastructure
- **Installed Refrigerated Air.**
- **Commitment to new vent raise**

Project is still very much a work in progress with mineralisation being open to the South and at depth.

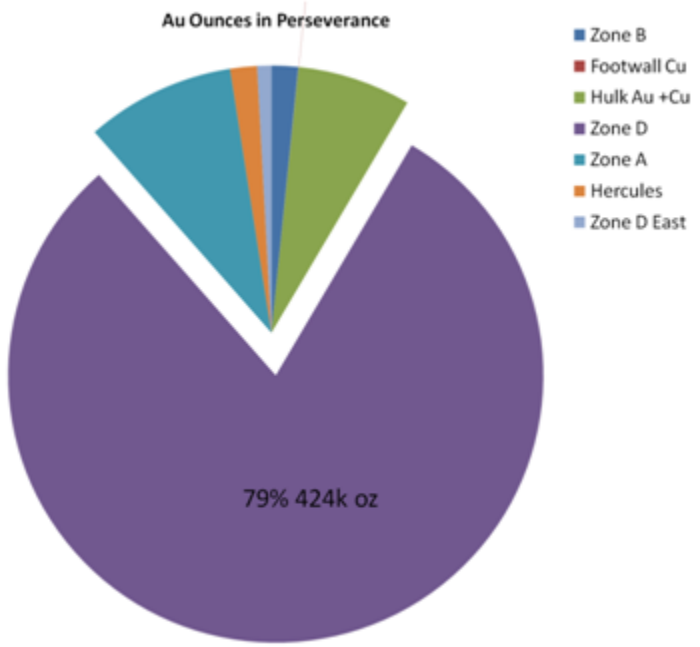


Geology – Model and Resources

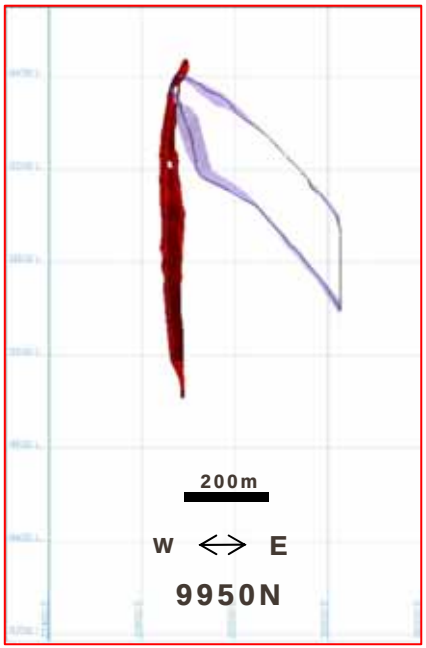


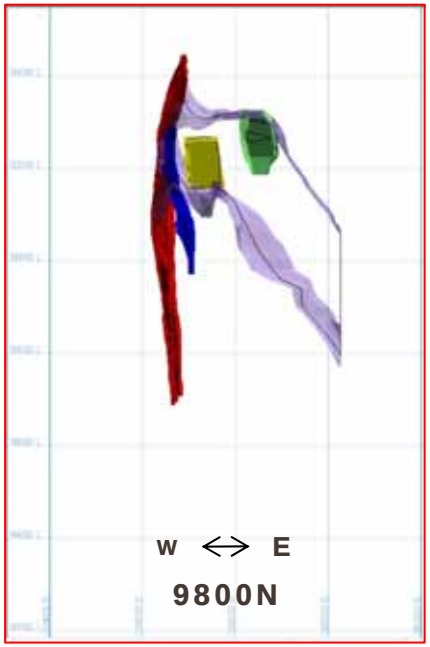
Dec 2009 JORC Compliant Resource estimate
Inclusive of Reserves and net of depletion

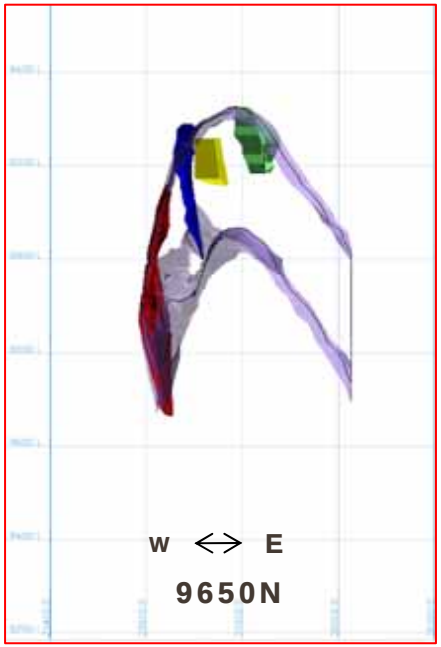
Lens Name	Au (g/t)	Cu %	NSR value	Tonnes	Au Ounces	Cu Mlb
	5.97	0.90	$ 206	2,760,600	529,967	55
Zone B	5.35	0.21	$ 171	49,400	8,493	0
Hulk	3.85	1.31	$ 160	294,100	36,360	9
Perseverance	6.43	0.82	$216	2,282,800	471,895	41
Hercules	2.67	1.94	$ 158	100,000	8,588	4

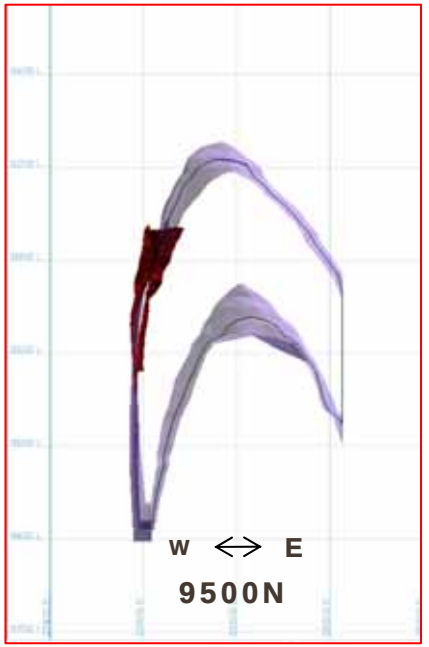


Geology – Sections progressing South







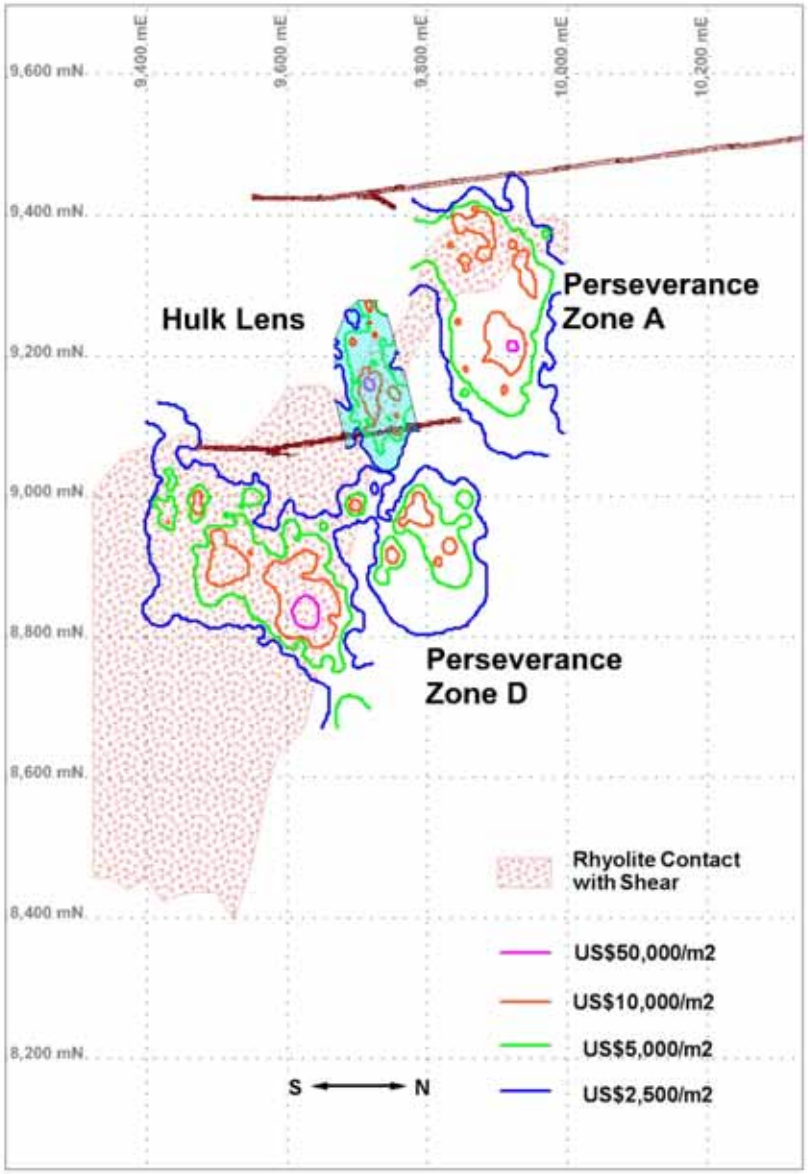


Progressing to the South the western anticlinal rhyolite limb becomes better developed.

In the northern and deeper sections of the deposit, mineralisation is hosted within the Perseverance shear juxtaposing sediments against sediments.

In the southern and upper sections of the deposit mineralisation is hosted within silica flooded rhyolite breccias peripheral to the Perseverance shear

Perseverance Zone D

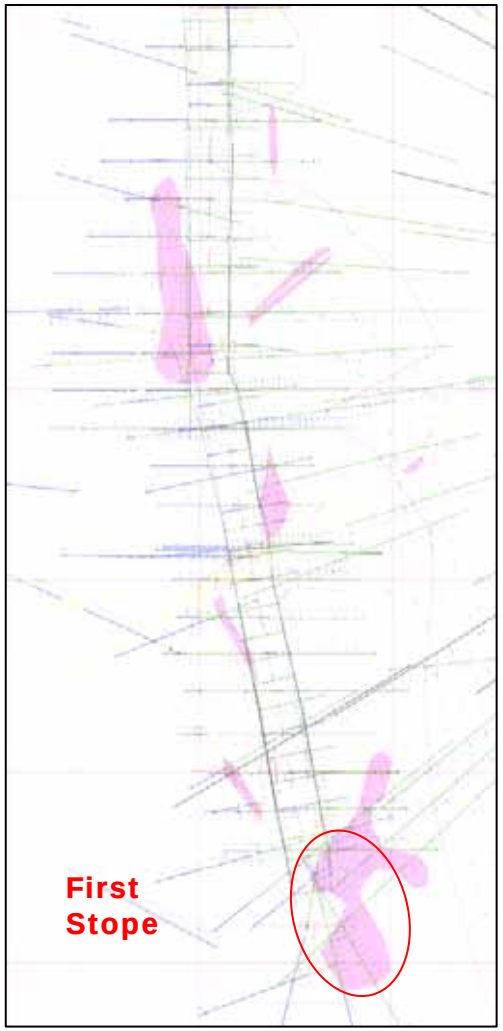


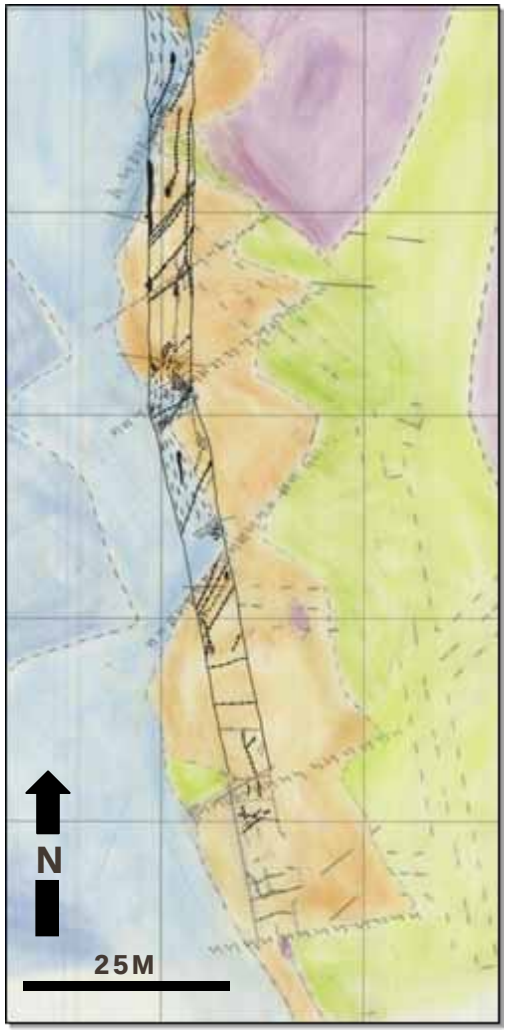
In longsection view the economically significant section of the Hulk Lens partly fills the gap in grade between Zone A and Zone D

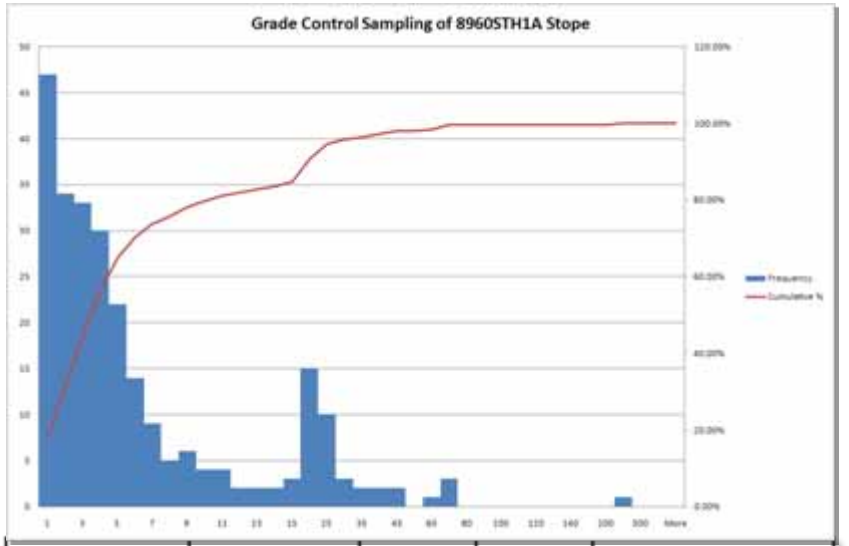
Hulk is predominantly hosted by silicified rhyolite breccias juxtaposed against sediments by the shear similar to the host situation in Zone D

Hulk is controlled by a different splay of the shear which has generated a semi-parallel lens offset to the east.

Perseverance Zone D South







Method	Tonnes	Au g/t	Cu %	Comments
Grade Control	8,571	7.95	0.92	Tonnes from bucket counts; grade average from grab samples
MIK Model	7,826	3.74	0.76	200906 Block model grade and tonnes
Mill Reconciled	8,278	4.69	0.70	Mill samples and tonnes

Summary of Geostatistical Characteristics

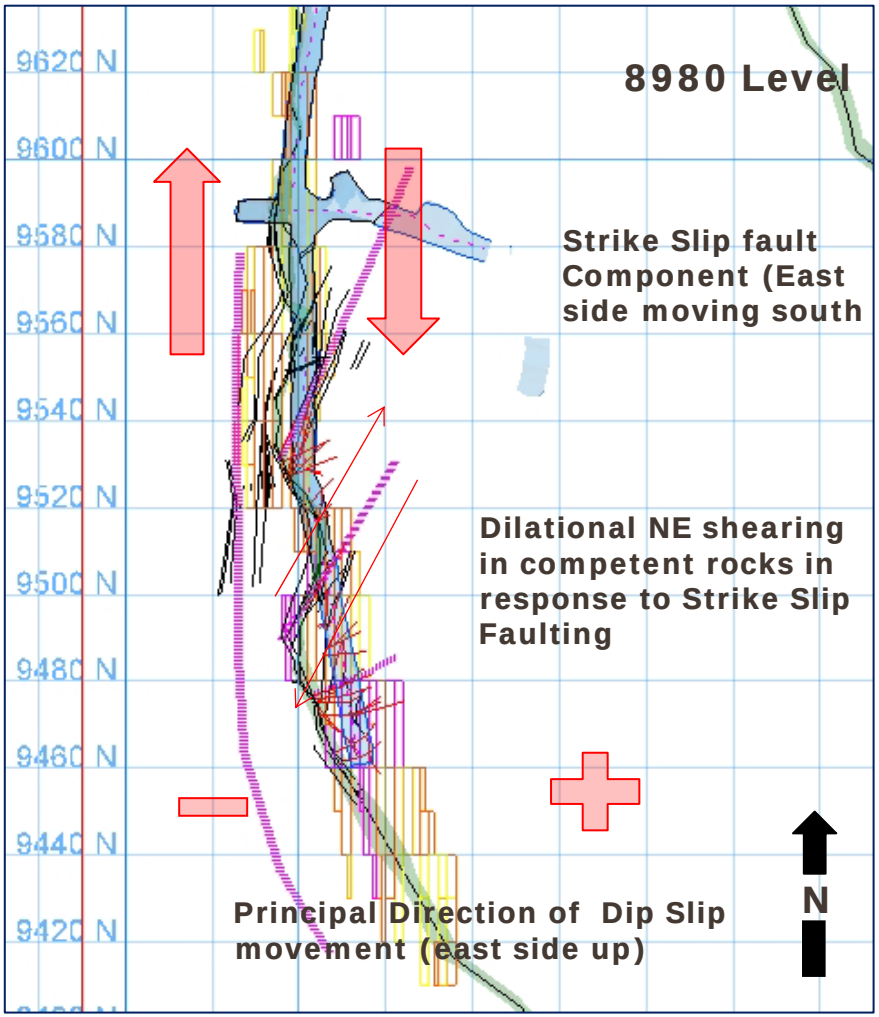
1. **Highly variable grades ranging from > 1g/t into thousands of grams over short distances. Estimates are sensitive to the presence of extreme sample grades.**

2. **Strongly skewed grade frequency distribution with 40% of the gold represented by gold grades of >50g/t (The upper percentile of the sample population).**

3. **Mining to date has indicated a positive reconciliation.**

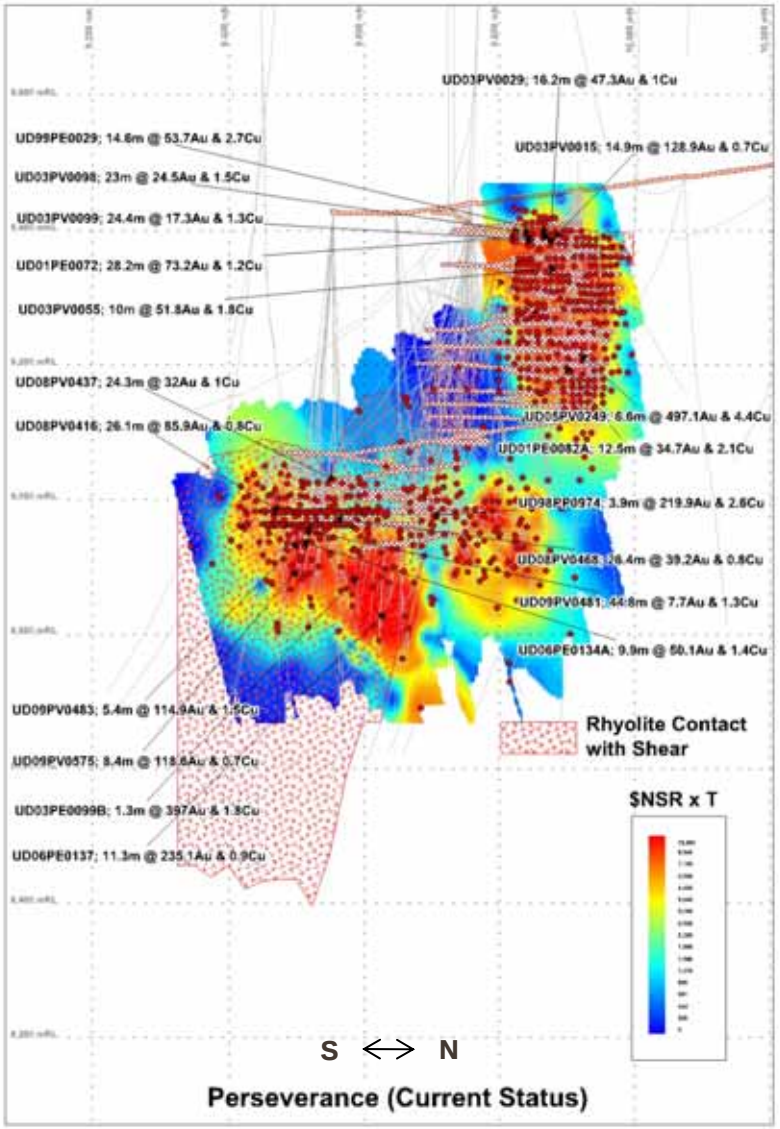
4. **Most of the gold and base metals is hosted by steeply dipping north east trending quartz sulphide and sulphide breccia veins hosted within a globally north south steeply dipping mineralised envelope. The principal control on mineralisation (the veins) is not parallel to the trend of the deposit.**

Deposit Genesis



1. Dip slip faulting along Perseverance shear generating anticlinal aspect to the rhyolite body.
2. Early phase Au/Bi mineralisation.
3. Silica flooding of breccia
4. Faulting with a strike slip aspect rebrecciating the rhyolite and generating dilational NE trending shear zones.
5. Deposition/remobilization of gold/base metals into breccia fill and dilational shears - Cpy & Po mineralisation (High grade gold phase)
6. Late overprinting Sph and Gal mineralisation event

Perseverance - Current Status



Summary of Key Points

Perseverance hosts >500,000oz of gold resource - net of depletion.

High grade gold mineralisation hosted in quartz/sulphide veins
1.40% of gold indicated by samples greater than 50g/t (Upper 1% of samples)
2.CoV of 8.5. Grade/Frequency distribution strongly positively skewed.
3.Estimates are sensitive to local presence of extreme sample grades.

Spatially related to sheared rhyolite sediment contact but primarily hosted by veins angled to the contact.
Interaction of mineralised control and overall orientation has led to development of steeply plunging shoots

Deposit remains open at depth and to the south. There is considerable potential for extensions to Zone D down plunge to the south!

Perseverance

Questions?