NOTICE: AMENDMENT TO THE NEWGOLD PROSPECTUS

The NewGold prospectus issued on 27 October 2004 (the “Prospectus”), stipulates that the custodian for NewGold (the “Custodian”) is required to have suitable insurance over the constituent assets of the ETF.

The Prospectus contains a requirement for the Custodian to have in place insurance cover over the total value of NewGold’s constituent assets. It is not standard market practice for an ETF to have insurance cover over the total value of its constituent assets. NewGold is the only ETF with such insurance cover requirements; the market standard is to have insurance cover relative to the existing risk of loss or damage to the constituent assets.

The current level of cover carries a higher premium that will eventually carried to debenture holders. Accordingly, NewGold has applied to, and been granted approval by the JSE Limited to amend the Prospectus, aligning the insurance cover requirement with standard market practice.

NewGold intends to amend its Prospectus in the following manner:

"In terms of the Custody Agreement, the Custodian is responsible for the secure safe holding of the Gold Bullion belonging to NewGold. NewGold is, however, entitled to inspect the security arrangements at any time to ensure that it conforms with the standards required by its insurers. With regard to insurance, the Custodian is obliged to arrange insurance cover to the reasonable satisfaction of NewGold [(i), of such a nature that the interests of NewGold equal to the total value of NewGold’s Gold Bullion holdings, is adequately insured]."

* Square brackets denote a deletion.

The amendment is in effect immediately.

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Sponsor
Absa Bank Limited (acting through its Corporate and Investment Bank division)