



newgold™

2019 VALUES REPORT

COMMITTED TO RESPONSIBLE MINING

At New Gold we are committed to sustainable development wherever we operate by acting ethically and with integrity, and by taking responsibility for the impacts of our decisions and actions on communities and the environment.

MISSION:

The company's mission is to be the leading intermediate gold producer, driving responsible and profitable mining in a way that creates sustainable enduring value for our shareholders, our stakeholders and our environment.

- Canadian-focused: does not mean exclusive but Canadian first.
- Diversified: multiple mines, by-products such silver and copper, mining methods and types of deposits.
- Values: we create and live our values daily.
- Premium valuation: we design and execute on a free cash flow objective.

We understand/respect/value that we do business on sacred lands and we partner with host communities.

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THANK YOU TO OUR
INDIGENOUS PARTNERS



Renaud Adams,
*President & Chief
Executive Officer*

2019 was a pivotal year for New Gold. Sustainability has been at the core of our business, ensuring we are respecting the environment, working continuously with our Indigenous partners, and continuing our exceptional closure activities at Cerro San Pedro (CSP) in Mexico. I am proud of the efforts of my team and the successes we have shared in the last year.

We knew 2019 would be a year of stabilization our operations and within our teams. We have come out of a few challenging years with a lot of changes to the company. We are committed to investing in our teams and surrounding communities to strengthen relationships and confidence in New Gold. Throughout 2019 and into 2020, we have continued to put our employee's health and safety and care of communities first, and we continue to invest in our people.

Each year we assess our approach and improve our processes in collaboration with our stakeholders. I believe that in order for our operations and our company to be successful, we need to be working with all stakeholders to improve livelihoods, ensure strong environmental practices, and keep all of our employees and surrounding communities safe.

2019 HIGHLIGHTS

In 2019, the Blackwater project received its Environmental Assessment and we continue to work with local stakeholders to advance this project.

At Rainy River, we focused on stabilizing the operation to become a free cash-flow operation, allowing the company to work on optimizing operational costs and performance. Several capital projects, such as Tailings Management Area (TMA) raises, dump stabilization and various infrastructure projects were undertaken in order to normalize the operation. Improvements in these project areas as well as at the process plant demonstrated our capacity to achieve and surpass mill capacity.

New Afton received the Towards Sustainable Mining (TSM) Leadership Award for its TSM scores. This was awarded for having achieved level A or better in all indicators including 'yes' in the crisis management and preventing child & forced labour indicators.

Cerro San Pedro received an award from the Mex-

ican Philanthropy Centre (CEMEFI), distinguishing Minera San Xavier (MSX) as the Socially Responsible Company for 2019. This award has been given to MSX for 11 years in a row. Our team continues to work hard through closure to ensure we are following best practices.

We continued to see positive Health and Safety numbers at New Afton and Cerro San Pedro. New Afton achieved 2 million hours Loss Time Injury (LTI) free in 2019 and CSP celebrated 1 million hours LTI free and 300 consecutive days of no injuries. We continue to work towards our goal of zero injuries and making sure all of our employees go home safe every day.

We invested in International Women in Mining (IWIM) to provide the opportunity for female leaders in New Gold to access world class mentoring from other industry peers. These women will participate in an eight month program to develop their leadership skills, enhance their skills, and work with others in the industry to promote female progression in mining. We are proud to be a partner of IWIM.

Throughout this report, you will read stories from New Afton, Rainy River, Blackwater and Cerro San Pedro and witness the efforts and impacts of our teams across New Gold.

LOOKING FORWARD

The beginning of 2020 was unexpected with the

impact of Corona Virus (COVID-19) and our Values continue to guide our day-to-day actions. They are the foundation that has helped us forge trust and engage with our employees as we continue to navigate through this crisis. Through this period, we have committed to preserving and protecting the health and safety of our people, the environment, and communities while preserving the viability and integrity of our business. The health and safety of our employees and surrounding communities is our number one priority and we are working in partnership with communities, government and industry peers to bring the best screening and safety procedures to our operations. Looking forward, we will continue to evaluate our screening and testing capacities and push to integrate newer technologies and screening methods as they are developed and approved.

As we continue to position New Gold as a Canadian focused company, we will be focusing our intentions around strengthening relationships with Indigenous communities that our mines impact. We understand that we made the choice to operate on Host Land, and with that choice comes responsibilities and obligations that we do not take lightly.

Sincerely,

Renaud Adams,
President & Chief Executive Officer

SCORECARD AND 2019 OBJECTIVES

Each year, New Gold sets employee health and safety, environment and community engagement objectives, which form a vital part of the Company's corporate scorecard. These objectives are directly linked to the performance management and compensation programs of the organization to drive organizational focus on corporate responsibility priorities. Our goal continues to be year-over-year improvement as we learn, adapt and improve our practices.

"OUR GOAL CONTINUES TO BE YEAR-OVER-YEAR IMPROVEMENT AS WE LEARN, ADAPT AND IMPROVE OUR PRACTICES."

*- Renaud Adams,
President & Chief Executive Officer*

Priorities	2019 Objectives	2019 Performance	2020 Objectives
 <p>HEALTH & SAFETY</p>	Total Reportable Injury Frequency Rate of 1.20 or less	2018: 1.26 2019: 2.11	Total Reportable Injury Frequency Rate of 1.00 or less
 <p>ENVIRONMENT</p>	Reduce reportable environmental release incidents	2018: 23 2019: 9	Reduce reportable environmental release incidents to under 9
 <p>COMMUNITY ENGAGEMENT</p>	Achieve AAA for 3 indicators and AA for remainder	2018: AAA - 3 AA - 4 A - 1 2019: AAA - 4 AA - 4	AAA for 2 indicators; AA for remainder

OUR VALUES

OUR VISION

To be a leading Canadian-focused, diversified multi-asset gold mining company with a premium valuation.



COMMITMENT

DELIVER ON PROMISES

- Do what you say you are going to do
- Create sustainable value for our shareholders
- Be accountable, take personal responsibility
- Be persistent in the pursuit of our goals



INTEGRITY

DO WHAT IS RIGHT

- Safety in all we do
- Be honest, trustworthy and ethical
- Demonstrate environmental and stakeholder stewardship



TEAMWORK

LEVERAGE OUR COLLECTIVE SKILLS

- The whole is greater than the sum of its parts
- Work to common goals
- Trust, respect for one another leveraging individual contribution

CREATIVITY

LEAD WITH INNOVATION

- Seek continuous improvement
- Implement positive change
- Encourage creative thinking
- Be bold – think out of the box



PEOPLE & COMMUNITIES

COMMITTED TO DEVELOPMENT

- We invest in our employees through personal development
- We strengthen our team by embracing diversity and inclusiveness
- We are dedicated to creating sustainable benefits for our host communities





TEAMWORK

LEVERAGE OUR COLLECTIVE SKILLS

At New Gold we believe that by working together we can achieve great success at our operations. We work together as a team and with our stakeholders to ensure we are upholding the highest standards for environmental and social practices.





TEAMWORK

LEVERAGE OUR COLLECTIVE SKILLS



Cohort: Members of the first group from New Afton's 2019 underground miner cohort program are pictured with their trainers.

A NEW GENERATION OF MINERS

PARTNERSHIPS ALLOW FOR TRAINING OPPORTUNITIES

In 2019, New Afton Mine developed a collaborative partnership with Thompson Rivers University, the Mining Industry Human Resources Council and the Centre of Training Excellence in Mining to run three Underground Mining Training programs. The five-week training program incorporated both on-site and classroom learning helped 39 new miners gain industry-specific skills that allowed them to begin entry-level tasks in New Afton's underground mine. Time spent at the mine involved hands-on skill development with a team of trainers from New Afton, focusing heavily on the company's strong health and safety culture. Five women graduated from the program, including Christine Christensen. "As a female underground miner, I couldn't have asked for a better experience in a new career of mining," said Christensen. Tasks assigned to new underground miners include operating transmixers, pushing cables, grouting, and operating haul trucks. "The cohort program really helped me gain confidence and a working understanding of the concepts

that were introduced to me as a new hire in the mining industry" said Dave Bauman, a cohort graduate. Many employees that completed the cohort program have moved beyond those entry level tasks, graduating to operating scoop trams, remote control shotcrete sprayers, installing general mine services and training on loading and blasting. After a year of working underground with a certified blaster and logging details and training hours of their loading and blasting experience, these new hires will be eligible to write their blasting ticket. The collaborative program supports a strong, innovative partnership between industry, community and post-secondary training.

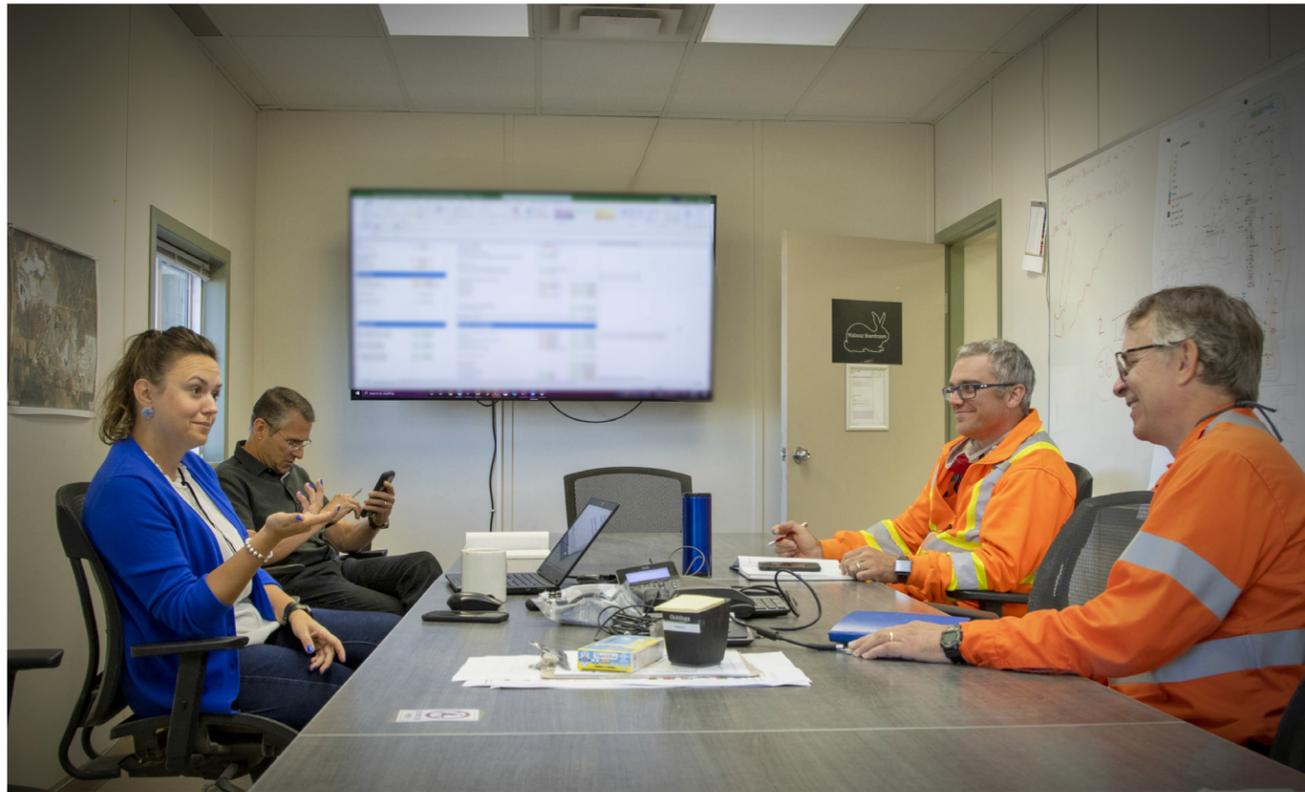
"As a female underground miner, I couldn't have asked for a better experience in a new career of mining,"

-Christine Christensen



TEAMWORK

LEVERAGE OUR COLLECTIVE SKILLS



Eric Vinet, Vice President & General Manager of Rainy River Mine; Sabina Janik, Finance Manager; Tyler Buckingham, Mill Manager; and Tim Schwartz, Chief Geologist, preparing for a virtual team meeting.

RE-POSITIONING THE ASSET FOR SUCCESS

RAINY RIVER

2019 was a turning point for the Rainy River mine. Building stability in the leadership team, undertaking a comprehensive mine optimization study, and creating a new operating vision were critical to get the site back on track.

To regain credibility with our employees, communities, and the market in general, Rainy River needs to execute on the proposed Life of Mine to optimize return on investment and achieve profitability at an early stage of the plan. Rainy River understands that we need to do what we commit to and this takes teamwork. The 2019 budget and construction objectives were communicated and as the year progressed, the teams constantly re-assessed site capabilities, timing and costs.

Through trust, respect and leveraging individual contribution and our collective skills, the Rainy River team was able to deal with challenges that arose throughout the year, such as two water management issues in the spring and fall. When facing a possible stop in production and balancing the needs of employee safety and environmental protection, coming together to prioritize and solve the problem at hand demonstrates our value of teamwork. This has renewed our motivation to become cash flow positive.

“Rainy River understands that we need to do what we commit to and this takes teamwork.”



TEAMWORK

LEVERAGE OUR COLLECTIVE SKILLS



Minera San Xavier team

MINERA SAN XAVIER: 1 MILLION WORK-HOUR WITHOUT LOST TIME INCIDENT

CERRO SAN PEDRO, SAN LUIS POTOSI

In October 2019, MSX reached 1 million-working hours worked LTI free at its operation. In addition to that, during 2019 the mine achieved 361 days without accidents or injury. These achievements are the results of the continuous hard work and commitment from every member of the organization. Also, it endorses the objective of continuing to achieve our goal of zero injuries.

In order to achieve excellent performance, Minera San Xavier has implemented several strategies that have ensured the safety of all employees from the beginning of its operations to the present day. These strategies are concentrated integration, participatory and inclusive mine closure. The areas of improvement are focused on safety and followed by the implementation of multiple actions:

- Intensive practice of visible leadership from all the levels of

the mine site.

- Implementation of TOMA 5 (Take 5) to encourage workers to perform a quick risk assessment before starting any task.
- Intensive and continuous improvement program in the report and attention to “near miss incident”, where workers acknowledge the importance of reporting those cases.
- Program with direct goals for each manager and supervisors in order to conduct safety activities such as discussion around safety in all areas, monthly inspection, and task observation program.
- Goal modification focus on zero injury rather than zero lost time incident.
- Program implementation with the Personnel Development department that seeks changes in our workers’ behavior towards safety, and its subsequent exten-

sion to all areas of employee development.

- Strict adherence in compliance and monitoring with the program “Empresa Segura” (Safe Company) promoted by the Social Prevision and Labor Secretary, which the recognition has been revalidated in 3rd level in November 2017.

Finally, it should be noted that MSX has won 4 Silver Helmets - a recognition that the Mining Chamber of Mexico (MCM) grants to mining companies for their best safety practices in open pit mines with more than 500 workers. MSX faces the complex challenges that the integral, participatory and inclusive mine closure plan brings with it. It keeps employees focused on the tasks and motivates them in order to face the risks and challenges that this process implies.



CREATIVITY

LEAD WITH INNOVATION

New Gold encourages innovation and creative ideas to come from our employees to improve on the activities that we do on a daily basis. We foster a working environment that promotes employees to bring new methods, ideas and suggestions to enhance our collective work.



PUBLIC LIBRARY OPENS NEW COMMUNITY ROOM

RAINY RIVER

On February 25th, the Rainy River Public Library Board and representatives of New Gold's Community Relations Team were on hand to officially open the Library's new Community Room. The room was a result of a contribution made through New Gold's Community Investment Program. "The town of Rainy River does not have a Wifi-enabled meeting space for public use. This serious lack of basic facilities places the community at an obvious disadvantage," says CEO and Librarian Michael Dawber as stated in his application. "We are delighted with the finished Community Room." With the installation of a flat-screen television for presentations, conference-call telephone and table and chairs the room is complete and ready for use.

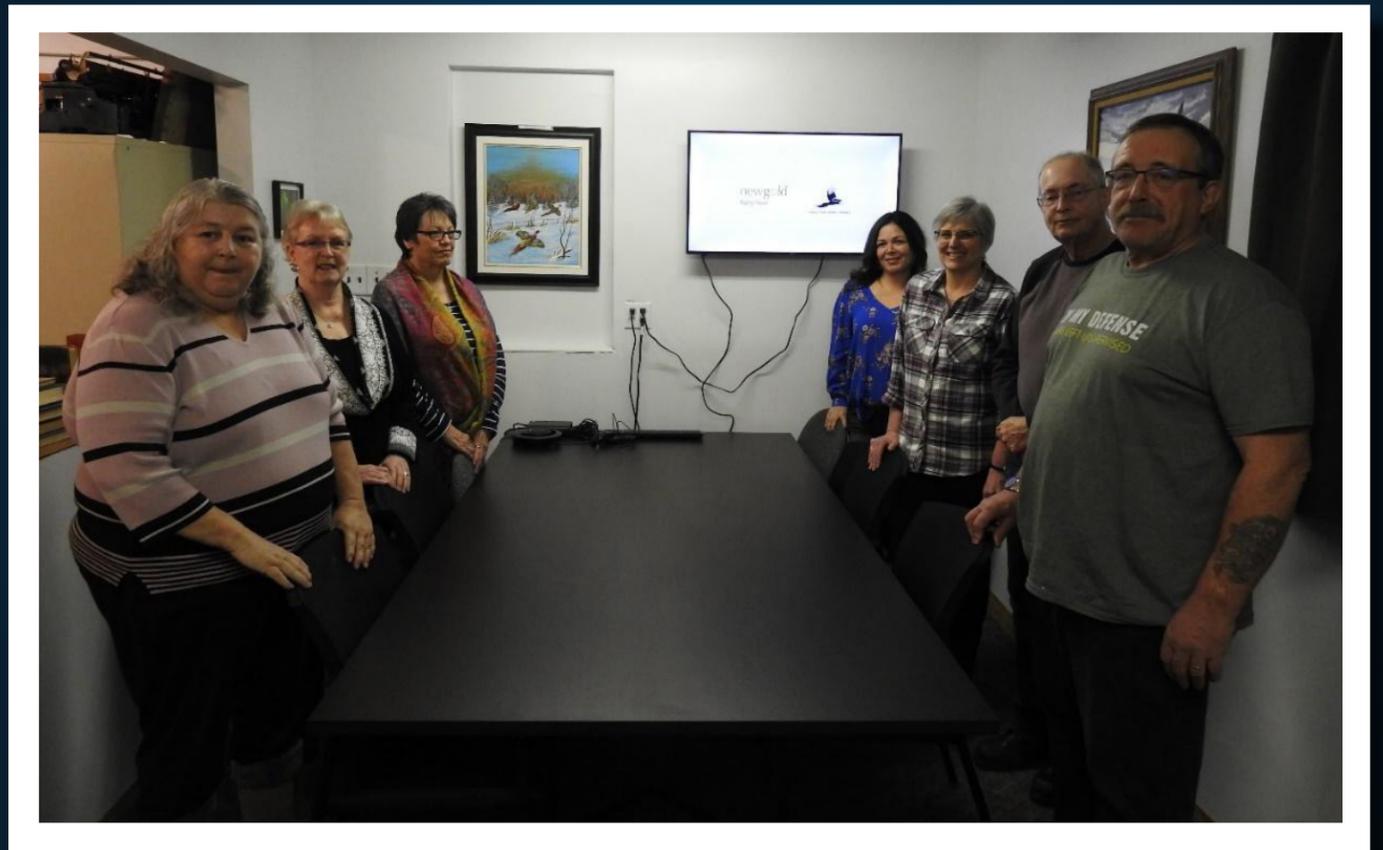
Donna Moen, Library Board Chair commented, "Business, community groups and students all need this space". "Libraries have been seen as the hub of a community, they are essential in a process of giving citizens access to knowledge and opportunity. In digital times they are needed more than ever. I am excited about the technological upgrades the Library has been able to complete and share with the surrounding communities," says New Gold's Community Relations Manager, Renee Boucher.

The room is available for use by employers, community groups and private citizens during and after Library hours for a nominal fee.



CREATIVITY

LEAD WITH INNOVATION



Front Left: Sandra Whiffin, Trustee; Donna McDonald, Trustee; Donna Moen, Board Chair.

Front Right: Shawn Neilson, Trustee, Bob McGreevy, Vice-Chair, Anne Marie Rousseau, New Gold's Community Relations Coordinator, Renee Boucher, New Gold's Community Relations Manager.

NEW LIFE OF MINE PLANS

TORONTO

2020 saw new Life of Mine (LOM) plans for New Gold. These plans are a communication tool used between mining companies and investors and are covered by Regulations, specifically 'NI43-101'. Basically, any 'Material Change' in our mine plans must be communicated in a strict, specific way. Both of New Gold's operations are dynamic and complex and anyone in business - especially the mining industry - knows that things rarely go exactly as planned. That is why the creative and experienced teams at New Gold are continually working on ways to improve our Operations. Examples include: "Where to drill next?" and "How to improve operational efficiency?" Costs and exchange rates evolve. Geology may turn out differently than expected, not to mention weather, metal prices and global trends. We rarely have the ideal information we want when we make strategic decisions. Fortunately, the New Gold teams can always be relied upon for flexibility and innovative solutions.

At Rainy River's open pit, like those nested Russian Dolls, planning looks at a sequence of nested pits, according to gold price, costs, rock strength and other parameters. Some pit sequence (at least theoretically) is 'Optimal'. Over 2016-2019 it became clear that we needed a new pit sequence if we were ever to see success at Rainy River. Similarly, for underground at Rainy River, we had to make a few changes to have a promising plan moving forward. Some 'ore' moved from 'Reserves' to 'Resources', meaning that for now, some 'ore' had to come out of the mine plans.

At New Afton, the biggest material change was the adding of 'C zone' to Reserves, explaining how mining will take place there, and how it will improve the business and extend the mine life, ultimately creating greater stability and results for New Gold and our stakeholders.

Certainly, more changes will come our way, but the hundreds of skilled people who work on these new plans and reports have proven once again that their resourcefulness and creativity amid highly dynamic circumstances, can deliver a top notch future for New Gold.

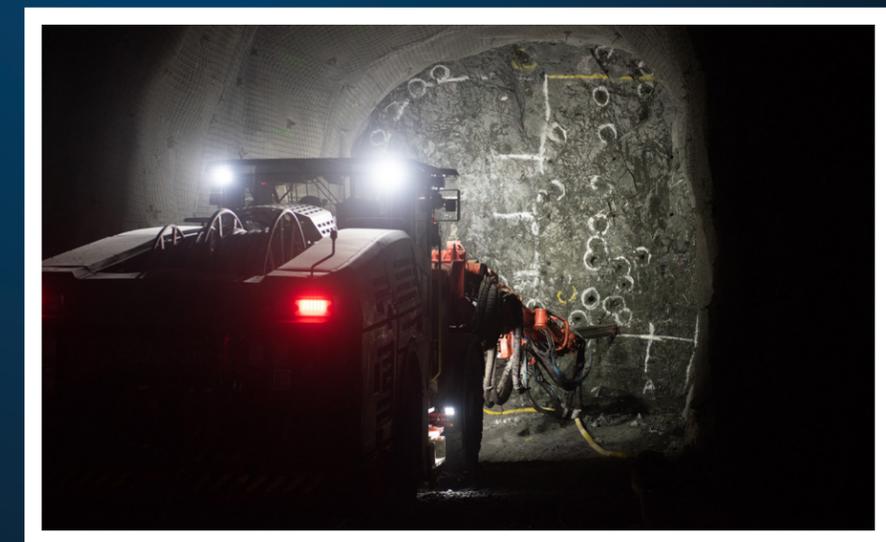


CREATIVITY

LEAD WITH INNOVATION



View of Komatsu PC5500 Face Shovel undergoing planned maintenance at Rainy River Mine in Fort Frances, Ontario.



A Sandvik DD422i Jumbo drills a 6m development round at New Afton Mine in Kamloops, British Columbia.

INDEPENDENT TAILINGS REVIEW BOARD

TAILINGS TRANSPARENCY AND OVERSIGHT AT NEW AFTON

In mining, tailings are the left-over materials after minerals are extracted from ore. At New Afton, a hard-rock underground mine, this is done by breaking up and reducing the size of the ore through blasting and milling, then using chemical reactions, and processes to separate the valuable minerals from the left-over ore. Following this process, the tailings need to be stored. New Afton is committed to ensuring tailings are stored as safely and responsibly as possible. Following the Mt. Polley tailings incident in 2014, the provincial government mandated Independent Tailings Review Boards (ITRB) for mines with tailings impoundments to ensure appropriate oversight.

New Afton's ITRB consists of recognized senior experts in the areas of geotechnical engineering, hydrogeology and geochemistry.

Unique to New Afton's ITRB is one member with specific knowledge and experience with underground block cave mining – the method used at New Afton. This helps to ensure that the feedback and knowledge gained from the board is specific to the unique challenges and opportunities faced by our operation. This group focuses largely on reviewing dam construction, site investigations, design, maintenance, water management in addition to reviewing long term closure planning. The ITRB is an observational oversight body that reviews presented information and makes recommendations to New Afton personnel on areas that it feels warrant further investigation or attention. During the multiday meetings, staff from New Afton and its consultants present on current construction activities, quality control results, site water balance and results from dam safety inspections, among other topics. Includ-

ed in the meetings are New Afton's Engineers of Record – third party professional engineers with the responsibility of ensuring that tailings storage facilities and dams are designed, constructed and maintained in adherence with industry best practices.

Following each meeting, the ITRB issues a report that summarizes their findings and details their recommendations. The ITRB reports go to New Gold's President and CEO who provides regular reports to New Gold's Board of Directors on ITRB findings. New Afton staff manage the recommendations using an action log to ensure responsibility is assigned and proper implementation and follow-up is completed. New Afton is committed to managing our operational impacts safely, responsibly and transparently.



CREATIVITY

LEAD WITH INNOVATION



ITRB/Tailings: Looking Southeast at the New Afton Tailings Storage Facility, taken during a flyover

MINERA SAN XAVIER AWARDS ITS EMPLOYEES FOR INNOVATION PROJECT

CERRO SAN PEDRO

Minera San Xavier awarded eight employees with 17,000.00 pesos (approx. \$960 CAD) for developing innovative projects for reducing electricity consumption. This is the second time these awards have been granted to employees.

As part of our closure plan, Minera San Xavier seeks to promote the generation of innovative ideas by its employees which generates a positive impact for our operations. Since 2017, the company has provided an open invitation to its employees to think about cost reduction ideas. If an idea is successful then the employee is eligible to receive a percentage of the cost savings.

The energy saving project was led by Israel Camacho (Maintenance General Foreman) in charge of plant and mobile equipment maintenance as well to implement small operation projects. This project began in September 2018 with the improvement of the pumping system, which represents one of the highest expenses in closing the operation.

These actions also have had a positive impact on the environment by reducing indirect emissions of carbon dioxide (CO₂) generated by energy consumption and the carbon footprint.



CREATIVITY

LEAD WITH INNOVATION



From left to right : Joel Flores, Construction Manager; Víctor Arriaga, Maintenance Mechanic and Angélica Gutiérrez, Human Resources Representative.



PEOPLE & COMMUNITIES

COMMITTED TO DEVELOPMENT

New Gold believes in fostering strong relationships with communities and individuals that surround our operations. We continue to build these relationships and believe that trust and transparency are the basis to strong relationships.





PEOPLE & COMMUNITIES COMMITTED TO DEVELOPMENT



Skeetchestn: New Afton representatives lead students at Skeetchestn Community School through a presentation on New Afton's Life Cycle.

SPENDING TIME AT SKEETCHESTN COMMUNITY SCHOOL

CONNECTING WITH COMMUNITIES

The Skeetchestn Community school has a mission to provide an outstanding education for students in kindergarten through to grade 12. The school follows the BC provincial curriculum, all while teaching Secwépemc culture and language. In June, members of the Environment and Community teams visited the school to teach students about New Afton's Mine Life Cycle. The team spoke with the students on the importance of current reclamation and the plans in place for future reclamation. Further, the group had the ability to show case New Afton's Block Cave Video to provide a visual to the students on the mining method used at the mine site.

As one of the largest employers in the region, many students at the school have family members who work at the New Afton Mine

and were excited to ask questions about the operation. Both the students and teachers were curious about many different topics, including what happens with all the

"The team spoke with the students on the importance of current reclamation and the plans in place for future reclamation."

product, what happens with the remaining ore, how we safely store it as well as the different jobs that exist at New Afton.

Upon completion of the presentation, New Afton joined the students in painting salmon cut-outs that will be used to decorate the

community school fencing. Prior to the painting, the Skeetchestn Indian Band carpentry shop constructed the salmon cut-outs, which New Afton sponsored. More than 50 salmon cut-outs were decorated and styled by students from kindergarten to grade 12. The cut-outs will be hung this year to decorate the school fencing.

Fishing is a significant part of the Skeetchestn's culture and has been used to sustain people for centuries. Deadman River was traditionally used for fishing. Salmon is important to the community as they always return and renew their circle of life.

New Afton is pleased to continue working closely with communities to connect, build understanding, and have fun with each other.



PEOPLE & COMMUNITIES COMMITTED TO DEVELOPMENT



Students participate in New Gold's Bird Seed Mining Activity.

High school students celebrate the 2019 iCube Summit in Vanderhoof BC.



INSPIRING THE NEXT GENERATION OF ENTREPRENEURS

NEW GOLD BLACK WATER PROJECT

On April 16 & 17, 2019, School District #91 in partnership with YELL Canada (Young Entrepreneur Leadership Launchpad) held the iCubed Summit North in Vanderhoof, BC. New Gold - Blackwater Project was proud to be a sponsor and participant, which brought together 85 secondary students from across northern BC to learn about and participate in the Technology and Entrepreneurial Ecosystem!

In addition to our sponsorship, New Gold staff participated in the Unique Career Panel discussion that provided some new opportunities in a variety of sectors for students to consider. The moderator asked the panel a series of questions in relation to career paths, what changes do we see coming in our line of work, what is our hir-

ing practices, what would you tell youth about career planning, as well as fielding questions from the audience.

At the Innovation Alley, students had the opportunity to try the different hands on activities. New Gold set up a Bird Seed Mining activity. We had bins filled with bird seed and added colored beads that represented gold, silver, copper, iron, waste and reclamation. Using a spoon, students had 1.5 minutes to find the beads in the bird seed and place them in a small bucket. When time was up, staff handed them a tally sheet showing the dollar value of each bead; students calculated their earnings ... or losses!

As part of the event, teams from different schools came up with a business or product and had to "pitch" their ideas to a panel. New Gold staff participated on the panel that as-

sessed each presentation and selected a winner. "Team Faith" from Burns Lake, BC, came out on top with their phone app for an automated home sprinkler system, an idea derived after the devastating 2018 BC Wildfires near Burns Lake. Team Faith advanced to compete at the provincial Venture Challenge in Vancouver in May 2019, earning a second-place finish!

The event earned very positive evaluations from the students. New Gold was pleased to be part of this event to help support and promote youth entrepreneurship!

"We want to be where education is going, not just where it's always been. Thank you to New Gold for being a partner and helping us make this happen through the support of the iCubed Summit 2019."

-Sagar Saxena, SD#91 Community Engagement and Partnerships Officer.



PEOPLE & COMMUNITIES COMMITTED TO DEVELOPMENT



Autumn Leonard, Surface Miner

AUTUMN LEONARD

SURFACE MINER - RAINY RIVER

Autumn Leonard's career at New Gold started back in 2016. Autumn was working for a cleaning contractor at the New Gold mine site when she initially heard about an employment training program for potential Haul Truck Operators. The training program was developed through a partnership between Seven Generations Training Institute, New Gold – Rainy River, Rainy River First Nations, Naicatchewenin First Nation, and Northwest Community College. Participants in the program were provided with the essential skills and industry certification required to meet the positions' entry-level requirements. There were twenty-one graduates from the training program; all graduates were local First Nations and Métis community members. Autumn graduated from the Haul Truck Operator program and immediately applied and secured a position with New Gold. Starting a new career as a single parent presented its own challenges, but with the support of her family, Autumn and her daughter were able to successfully transition to the 7/7 work schedule. Autumn commented on her first few days on the job, "It was terrifying at

the beginning driving a big apartment building, but I got used to it and I love my job and my crew is like family." Since starting at New Gold, Autumn has completed her Wheel Dozer training and is close to completing her Dozer training. She is looking forward to future training opportunities.

"It was terrifying at the beginning driving a big apartment building, but I got used to it and I love my job and my crew is like family."
-Autumn Leonard



PEOPLE & COMMUNITIES
COMMITTED TO DEVELOPMENT



Minera San Xavier giving economic incentives to students of Agustín de Iturbide Elementary School in Planta del Carmen community for their outstanding academic performance

MINERA SAN XAVIER PROMOTES EXCELLENCE IN EDUCACION

CERRO SAN PEDRO, SAN LUIS POTOSI

In Minera San Xavier we are convinced that education promotes freedom and autonomy, thereby providing important benefits for community development. We provided economic incentives that were granted to elementary and high school students in the communities of Monte Caldera, Divisadero, Calderón, Portezuelo and Planta del Carmen of the municipality of Cerro de San Pedro.

Through an open call to all schools in the community, about 70 children and young adolescents from the entire municipality of Cerro de San Pedro, were selected in order to receive this financial support for their outstanding academic performance with the aim of helping their families and promoting their continuity in their studies.

2019 is the seventh consecutive year that Minera San Xavier has provided these economic incentives according to its social commitment with the community and supports the education of community members.



COMMITMENT

DELIVER ON PROMISES

Through partnership with Indigenous and non-Indigenous communities, we are committed to working together to strengthen communities and our operations in a mutually beneficial way by following through on what we say we will do through social and environmental activities and health and safety standards.



ROUNDHOUSE

(MIIZHIKIBINENS O'WIIGII'AAM)

The construction of a Roundhouse began recently on the New Gold mine site property. This was one of New Gold's commitments to Indigenous community partners.

The vision of the Roundhouse came forth from a local Elder and through an offering of tobacco to Elder Francis Kavanaugh, he agreed to provide guidance and direction for selecting the location and design of the Roundhouse. Francis visited the mine site and conducted a pipe ceremony to ask the spirits for their guidance. Francis held an additional ceremony that brought forth a name for the Roundhouse. "When you are provided with the name, it comes alive, like a grandfather or grandmother; it becomes real and you must honor it", said Francis. It is important to conduct seasonal ceremonies to show respect and offer prayers. From the name came the design for the Roundhouse. It has 13 sides, representing the 13 plates on the back of a turtle (Mikanaak) and the 13 moons (Dibiki-giizis) of the lunar calendar.

The Roundhouse will be used as a place of gathering to conduct traditional ceremonies, celebrations, and to share traditional knowledge. New Gold will also conduct its' Indigenous Engagement and training sessions at the lodge. The construction of the Roundhouse was completed on May 25th , 2020. The name presented through ceremony was Miizhikiibinens O'wiigii'aam (Descending Thunderbird Lodge).



COMMITMENT

DELIVER ON PROMISES



Roundhouse (Miizhikiibinens O'wiigii'aam)

CULTIVATING CULTURAL AWARENESS AT NEW AFTON

TRADITIONAL KNOWLEDGE SESSIONS HELD ON SITE

New Afton is located within the traditional territory and ancestral lands of the Stk'em-lúsemc te Secwépemc Nation (SSN). The SSN consists of the two remaining tribes of the Kamloops Division, the Tk'emlúps te Secwépemc (TteS) and Skeetchestn Indian Band (SIB). To create awareness, New Afton engaged members from both TteS and SIB to provide Secwépemc cultural workshops to personnel at the New Afton Mine Site. In March of this year, Elder Johnny Jules from Skeetchestn Indian Band sat down with the management team to teach Secwépemctsin and share stories of the history of the Secwépemc people. The experience was beneficial for the team to understand the history behind the language and how it is unique to this area.

In February and June of this year, Ed Jensen from TteS, hosted workshops where participants used their hands to create arrowhead necklaces and traditional fishing spears. The knowledge shared by Ed about the Secwépemc culture, traditions and history provided meaningful information for participants. The hands-on sessions were engaging for employees and provided a fun way to learn. New Afton would like to thank Ed and Elder Johnny for their time and shared knowledge and we look forward to more sessions in the future.



COMMITMENT

DELIVER ON PROMISES



Cultural Awareness: New Afton employees make handcrafted arrowheads under the instruction of Tk'emlúps te Secwépemc band member and artist, Ed Jensen.

ENVIRONMENTAL ASSESSMENT APPROVAL

BLACKWATER

New Gold successfully completed the environmental assessment (“EA”) phase of the Blackwater Project in 2019, including receipt of a positive decision statement from the federal Minister of Environment and Climate Change on April 15 and receipt of a provincial EA certificate on June 24. New Gold also concluded a participation agreement with two Indigenous Groups whose traditional territories overlap the proposed mine site.

During the environmental assessment, New Gold collaborated with Indigenous Groups and engaged local communities regarding aspects of the project of mutual interest. In response to feedback, New Gold made several changes to the project including:

- Re-routing almost 60% of the proposed main transmission line to address concerns and avoid potential impacts.
- Limiting construction of new roads required to build the transmission line to within the cleared right-of-way to reduce the amount of new access roads created and associated impacts.
- Revising the mine water management plan to maximize mine water recycling and minimizing the use and consumption of clean water.
- Adding or modifying numerous mitigation measures to further reduce potential project effects.

Since completion of the EA phase, New Gold continues to engage with Indigenous groups and government regulators and concluded internal scoping studies on the project. In 2020, New Gold plans to continue to assess alternative project development scenarios including strategic alternatives with respect to the Blackwater Project.



COMMITMENT

DELIVER ON PROMISES



Blackwater Camp Site



INTEGRITY

DO WHAT IS RIGHT

New Gold believes in doing what is right, even when faced with challenges and tough decisions. By doing what is right we build trust in the company and with our employees to ensure the highest health & safety standards, environmental standards and social practices.





INTEGRITY

DO WHAT IS RIGHT



Reproduction plant in Minera San Xavier nursery.

ENVIRONMENTAL CERTIFICATION

MINERA SAN XAVIER

Minera San Xavier took on the task of becoming compliant with the international standard ISO 14001. This certification elevates our excellence in environmental performance, quality, commitment, and competence as part of our integral and inclusive mine closure plans.

The certification was conducted by the international agency Bureau Veritas, and was achieved because of the compliance with its mandatory and voluntary environmental requirements. This certification commits the company to work and improve its system continuously. In 2008, Minera San Xavier obtained its first certification in an environmental management system, since then it has achieved three more revalidations in 2011, 2014 and 2017.

The company continues to work with the same commitment in order to maintain the international certification until the end of its closure. This certification ISO 14001 provides guidance and tools that serves to improve environmental performance. The voluntary

adoption of ISO 14001 implies planning and adopting processes that demonstrates that Minera San Xavier works in compliance with the environmental legislations, maintains efficient control of resources, and reduces water consumption and energy. It improves our processes and waste management in order to reduce the risk of environmental accidents.

The Environmental Management System (EMS) is responsible for developing, implementing, reviewing and keeping up to date environmental protection commitments throughout the organization. Among the advantages of having an EMS are: taking corrective actions in case of system failures, improving the development, and performance of its activities which is supported by the documentation and work procedures.



INTEGRITY
DO WHAT IS RIGHT



*Kristin Kowalski, Project Services Superintendent
Capital Projects, Rainy River Mine.*

DEVELOPMENT THROUGH PROJECTS

RAINY RIVER

Capital projects present significant financial and operational risks to the business and as such, Rainy River employs dedicated personnel that take pride in the management of these projects. Project management experts will always reiterate that meeting cost, time and quality targets are the primary objectives of any project. New Gold takes this a step further with the addition of development objectives. Shareholders, employees, and communities rely on Rainy River to “do what is right” and achieving these project management objectives play a big part in that.

The Capital Projects group manages multiple projects in parallel. The execution window for most of these projects is typically from May to October. Weather plays an important role in the execution phase of any of these projects as it can add or subtract important weeks. Experience, teamwork, communication in making sure

things are done the right way, becomes crucial. Cutting corners at the hand of time constraints is not an option. Integrity becomes a fundamental concept that links all facets of the work such as planning, field monitoring, surveying, reporting, engagement with contractors, negotiating cost, progress, challenging invoices, to finally produce a report and forecast that everybody can trust and reflects the reality of cost, time and schedule.

To be successful in project delivery, investing in people like Kristin Kowalski, Project Services Superintendent is imperative. Investment into our people and systems equates to an investment into the continuous improvements in executing projects and ultimately to our commitments to stakeholders. Kristin joined New Gold in January 2019 as a Project Controls Coordinator. This role was short lived as by mid-2019 Kristin was promoted to Project Controls Superintendent and today Kristin is the Project Services Superintendent re-

sponsible for Project Controls, Contracts and Document Control staff and is an influential leader who performs her work with the utmost integrity.

New Gold provides continuous education to staff via formal training based on an individual's needs which is in addition to the invaluable learning available through the guidance and interaction with leaders and peers. Kristin had chosen to work towards improvement in project scheduling and just recently completed updated training in this area. Further to this, in an effort to expand her knowledge base, she shall be shadowing specialized personnel to further comprehend the day to day workings of their roles. Each year that our people and company grow, our expertise grows. With strong, experienced leadership accompanied by skilled and motivating team members, we have the drive, determination, and ability to “do what is right”!



INTEGRITY
DO WHAT IS RIGHT



Environment team in Minera San Xavier nursery



Environment team working on restoration of waste dumps

ENVIRONMENTAL RESTORATION

CERRO SAN PEDRO, SAN LUIS POTOSI

As part of the closure plan, Minera San Xavier has worked from the beginning in the conceptual development of closure and restoration plan. The main objective has been to comply with the technical requirements in accordance with the guidelines and regulations in Mexico, and to take into account the best practices.

For Minera San Xavier, the Environmental Restoration Program is a fundamental part of its closure plan, and last April the preparation of the reclamation areas called “waste dumps” were restarted in order to continue with another stage of the biophysical closure of the company.

Currently, their activities include: contouring of slopes with heavy machinery, transferring vegetal soil, and controlling the elaboration of runoffs systems. In addition to that, during the first week of May the Environmental department hired personnel in order to perform reforestation activities such as cepeo, plantation, irrigation, maintenance, and monitoring. The team is made up of both men and women from Monte Caldera, La Zapatilla, Portezuelo and Cerro de San Pedro communities.

This phase is scheduled to prepare and to reforest 60 hectares with species of plants from the region like lechuguilla, sprat (guapilla), maguey, mesquite, huizache, sotol, cacti and cactus. These species have been grown in the Minera San Xavier’s nurseries. To date almost 1 million native plants have been grown in our nurseries for reforestation and reclamation projects. With these actions Minera San Xavier contributes to the care of the environment and reaffirms its commitment with the preservation and protection of the flora and fauna of the region.



INTEGRITY
DO WHAT IS RIGHT



Environment team working on restoration of tepetateros

RECLAMATION

BLACKWATER

In August and September, personnel from the Lhoosk'uz Dene Nation, Ulkatcho First Nation, Avison Management Services, Tahtsa Timber, and Polar Medical Services mobilized to conduct a reclamation program at New Gold's Blackwater site. New Gold has been undertaking reclamation of historic exploration trails and drill pad clearings since it acquired the Blackwater Project in 2011 and has been conducting focused reclamation programs for the last four years. Reclamation involves restoring the natural drainage patterns and slope contours, spreading soil and/or organic material, and spreading seeds or planting trees, if needed. In 2019, approximately 3 km of drill trails and 20 drill pads were reclaimed in the Capoose exploration area, a high elevation site in the Fawnie Mountains. Reclamation is important due to wildlife values in the area, and we were pleased to make excellent progress in such a way that natural regeneration can occur as rapidly as possible. The crew also inspected several sites of past years' reclamation to observe and document the success of those prior efforts and to learn and improve practices in future years. Thank you to everyone involved in the annual reclamation program and for your dedication to safety and environmental stewardship.

NEW GOLD COVID RESPONSE

At New Gold, we believe that supporting our communities through the difficulties COVID-19 has presented is a responsibility we share. Our teams across all of our operations and projects have worked closely with stakeholders and community organization to support the efforts these groups were making to combat COVID-19. Through our teams we were able to provide PPE to local health units and hospitals, support food security programs across the country, support the Y Women's Emergency Shelter in Kamloops, provide sanitizer to remote Indigenous communities at our Rainy River operation, and continue to support at home learning through education-focused partners with a focus on Indigenous Youth. Rainy River also received over 1,500 handmade masks from Indigenous communities surrounding the mine site. New Gold will continue to support efforts being made in the surrounding communities to ensure we are keeping the highest protocols in place to keep both employees and communities safe.

To date New Gold has provided \$115,000 of support through different programs across the country supporting communities and their greatest needs. We are all in this together.

AT NEW GOLD WE BELIEVE THAT
SUPPORTING OUR COMMUNITIES
THROUGH THE DIFFICULTIES COVID-19
HAS PRESENTED IS A RESPONSIBILITY
WE SHARE.

FOOD SECURITY



\$30,000

EDUCATION SUPPORT



\$33,000

EMERGENCY RELIEF SERVICES



\$31,000

SANITIZER & PPE



\$21,000

THANK YOU MESSAGE



THANK YOU MESSAGE

Thank you to our teams across the company who continue to operate at the highest environmental and social standards in everything that we do. We also want to thank the Indigenous Communities that surround our operations for continuing to be strong partners, who have allowed us to operate on their land and continue to work with us to improve and strengthen our relationships.

Nuestro agradecimiento a las comunidades aledañas, a nuestros accionistas y así como también a todos los integrantes de nuestro equipo por su continuo y arduo trabajo durante el proceso de cierre de Minera San Xavier (CSP).

