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We dedicate this issue to Leon Marchand Holmes, who died tragically in January 2019.

A NOTE FROM THE HR AND COMMUNITY MANAGER



It is great to be back and part of the New Afton team. Our mine site remains New Gold's flagship operation and I am both proud of what we have been able to achieve and excited to see what 2020 has in store.

A significant share of the work for our department last year has been growing our workforce. As we continue to demonstrate the viability of New Afton, the Human Resources department worked tirelessly not only to recruit qualified employees, but ensure they are able to succeed once they're here. From geologists to environmental scientists, engineers and more, over 145 people joined our team last year, including both permanent and temporary positions. One of the most rewarding recruiting experiences was hiring 39 entry-level miners as part of three cohorts in partnership with the Centre of Training Excellence in Mining and Thompson Rivers University. The program was an opportunity for members of our Mine Operations and Human Resources department to develop cohort training programs and plans, in partnership with TRU Trades and Technology, to ensure that the new miners would have the skills, expertise and confidence needed to be successful on the job. We welcome all of those employees who have recently joined us and appreciate their unique contributions. I also thank all our current employees that have taken the time to integrate our new hires.

As we look to the challenges and opportunities ahead, strengthening our relationships with community partners continues to be of utmost importance. Working together over the last year, we have made considerable progress in modernizing our cooperative partnership with the Stk'emlúpsemc te Secwépemc Nation, comprised of Tk'emlúps te Secwépemc and Skeetchestn Indian Bands, and we look forward to continued collaboration this year. We remain dedicated to connecting with community members and organizations to learn about key issues and collect feedback to drive continual improvement. With a workforce so strongly connected to Kamloops and area, it's brings all of us great pride to invest funds into community projects, programs and initiatives that will have long-lasting and meaningful impacts. We know that we are successful because of the people who work here and we will continue to be committed to improving the community we live, work and play in.

As we move toward a very busy but exciting 2020 with C-zone project, remember to reach out and help a new employee, continuously challenge yourself and others on how to work safer, and deliver on our 2020 business plans. Success comes from the collective energy, intelligence and contribution of each and every employee and I look forward to the great year ahead. Proud past, bright future.

Julie Rachynski

Human Resources and Community Manager

SAFETY CHAMPION

JEREMY CURRIE



Jeremy Currie is a member of the maintenance planning team. Jeremy has taken a leading initiative in enhancing the site's Lock out-Tag out process, ensuring consistency between underground and mill lock out procedures. He is also directly involved in many other projects in the mill and underground, creating safety improvements for New Afton employees and shutdown contractors through hazard recognition and risk assessment. Jeremy is currently in a development role as a Plant Maintenance Planner and is creating safety awareness through positive safety promotion between the mill maintenance crews in the field and during crew safety meetings. Thank you Jeremy for being a safety champion and promoting positive, proactive safety at New Afton.

HEALTH AND SAFETY HIGHLIGHTS NEW AFTON REACHES MAJOR MILESTONE

In 2019 New Afton achieved the 2 million Lost-Time Injury (LTI) free hours milestone. This was achieved through the increased focus on completing each task safely as well as the excellent teamwork from each department. 2019 also saw the addition of three new underground miner cohorts to the New Afton team. The cohort program was developed to ensure that these new team members received all of the necessary safety information and training to allow them to be successful in their new roles. Looking forward to 2020 we will be welcoming two additional cohort classes to the New Afton team.

REPORTABLE INJURIES	2019	2018	2017
Lost Time Injury	0	2	0
Medical Treatment Injury	2	4	4
Restricted Duty Injury	5	2	4

2019 IN NUMBERS

FINANCIAL REPORT - TOTAL SPEND

Taxes	2019	2018
BC Mineral Taxes	\$4,959,000	\$4,930,000

BY GEOGRAPHICAL AREA (CAD)	2019	2018
Local (Kamloops area)	\$106,313,386	\$104,768,170
Regional (BC)	\$39,871,644	\$44,801,852
National (excluding BC)	\$33,810,748	\$29,226,755
International	\$15,475,269	\$17,622,467

BY DISTRIBUTION CATEGORY (CAD)	2019	2018
Supplier	\$139,017,307	\$140,358,141
Insurance - wage	\$2,865,733	\$2,852,483
Insurance - commercial	\$2,077,652	\$2,188,721
Wages and salaries	\$51,510,355	\$51,019,899
Change in inventory	\$2,454,429	(\$8,947,872)
Sponsorship and donations	\$303,743	\$248,253

SAFETY AWARDS AND RECOGNITION

John T. Ryan Award

Lowest Reportable Injury Frequency

Safest Large Underground Mine Award

Provincial Mine Safety Award

Provincial Mine Rescue and First Aid Competition

Sullivan Cup (Best First Aid by an underground team)

Smoke Scenario - Best performance in a scenario with extremely limited visibility

USWA Mine Mill Trophy (Best Underground Coordinator) - Brandon Moe

Best Bench Technician Trophy - Brandon Moe

PRODUCTION PERFORMANCE

OUTPUTS	2019	2018
Ore Processed (thousand tonnes)	5,584	5,353
Tailings Produced (thousand tonnes)	5,457	5,214
Average gold grade of ore (g/tonne)	0.47	0.53
Average copper grade of ore (%)	0.78	0.87
Copper Produced (million pounds)	79.4	85.1
Gold Produced (ounces)	68,786	77,330



MATERIAL ISSUES

A material issue is a topic of significant concern to a stakeholder or group of stakeholders. New Afton regularly reviews material issues as they relate to our operation, incorporating feedback from communities of interest (COI). This process is an important part of understanding issues our stakeholders are interested in. In 2019 our top material topics were:

- Engaging with First Nations communities
- Employment and training
- Compliance with regulators
- Health and Safety
- Tailings storage
- Water (*quality, usage, etc.*)
- Climate change
- Air quality

Are there other material topics that are important to you? To provide feedback, call (250) 377-2100 or email info@newgold.com.

ENVIRONMENTAL PERFORMANCE

INCIDENTS	2019	2018	2017
Environmental Non-Compliances	1	0	1
Externally Reportable Spills*	1	1	3
Number of Fines Incurred	0	0	0
External Complaints	0	1	4

*Externally Reportable Spill volumes vary, as per ministry spill reporting regulations.

New Afton maintains a comprehensive waste management program and committed to increasing the amount of comingled recycling on site by 25% in 2019. Information is provided to staff through orientations and site-wide bulletins to maintain a focus on efforts to segregate the proper materials. At the end of 2019, the site was able to achieve its target by recycling 3.46 tonnes of cardboard and 6.24 tonnes of mixed recycling. A similar target is being set for 2020 to continue to improve waste management on site.



CHERRY CREEK INFORMATION SESSION



In October, we welcomed residents of Cherry Creek to the mine site for an information session. Presentations were delivered by New Afton's Manager of Environment, Lands and Permitting, Environmental Specialist and Exploration Geologist, as well as subject matter experts from KCC Geoconsulting and Knight Piésold. Twenty-five people attended the session and discussions ranged from dam design assurances, to the impacts of seasonal flooding on some residents, water levels in the tailings facility, how we obtain water, groundwater quality, mineral titles and more. Participants were also interested in potential impacts of exploration activities in the area. We also provided additional follow-up information to residents with specific requests.

SEEKING FEEDBACK FROM COMMUNITIES

In July of 2019, we shared a presentation about New Afton's Community Engagement and Development Management System with a small group of representatives from a number of our Communities of Interest (COI) in order to solicit feedback on our performance and systems. The presentation provided a high-level overview of engagement activities at New Afton. Following the presentation, participants took part in an optional surface tour. One-on-one meetings were scheduled with participants afterward to collect feedback. Overall, participants identified a number of opportunities to provide better access points for people to learn more about New Afton. As well, they verified our identified COI list and top materiality topics, emphasizing the importance of transparency, climate change impacts or mitigations, social issues (homelessness, opioid crisis), air quality and dam safety, environment and regulatory standing and employment and training. Participants also highlighted the need to share information about investments not only in community, but in safety related to significant material topics.

TOWARD SUSTAINABLE MINING

POST-VERIFICATION REVIEW

In October, New Afton participated in a mandatory post-verification review of our externally verified 2018 Toward Sustainable Mining (TSM) results by the Mining Association of Canada’s (MAC) COI Advisory Panel. Each year, selected member companies are required to undergo review with the purpose of identifying best practices and challenges, driving continual improvement and identifying barriers to achievement and improving the overall TSM process.

2019 SELF-ASSESSED RESULTS

According to the results of the 2019 self-assessment, New Afton saw results consistent with the prior year, with an improvement for the biodiversity reporting indicator and the safety planning, implementation and operation indicator. The B rating under the Tailings Management protocol is a result of assessing against the new 2017 standard which requires an Internal Audit to review the results of the Tailings Management Review report. This has not been completed within the last three years and resulted in a lower rating. It should also be noted that all ratings under the protocol dropped slightly due to the new 2017 standard which requires an External Audit to reach AA ratings. These gaps are being reviewed and corrective actions implemented where required. Scores that have changed from 2018 are noted in bold.

BIODIVERSITY CONSERVATION MANAGEMENT

Commitment, Accountability and Communication	AAA
Biodiversity Conservation Planning and Implementation	AAA
Biodiversity Conservation Reporting	AA

CRISIS MANAGEMENT AND COMMUNICATION PLANNING (SITE)

Crisis Management Preparedness	Y
Review	Y
Training	Y

SAFETY AND HEALTH

Policy, Commitment and Accountability	AA
Planning, Implementation and Operation	AAA
Training, Behaviour and Culture	AAA
Monitoring and Performance	AAA
Performance	AAA

ENERGY USE AND GHG EMISSIONS MANAGEMENT

Energy Use and GHG Emissions Management Systems	AAA
Energy Use and GHG Emissions Reporting Systems	AAA
Energy Use and GHG Emissions Performance Targets	AAA

ABORIGINAL AND COMMUNITY OUTREACH

Community of Interest (COI) Identification	↑ AAA
Effective COI Engagement and Dialogue	AAA
COI Response Mechanism	AAA
Reporting	AA

TAILINGS MANAGEMENT

Tailings Management Policy and Commitment	↓ A
Tailings Management System	↓ A
Assigned Accountability and Responsibility	↓ A
Annual Tailings Management Review	↓ B
Operation, Maintenance and Surveillance (OMS) Manual	AAA

WHAT IS TSM AND WHY IS IT IMPORTANT?

TSM is a set of tools and indicators provided by MAC to ensure systems are in place to manage key risks. While adherence to the TSM principles are not a regulatory requirement, they are a requirement of MAC members, including New Gold. TSM is an effective way to ensure we are both meeting and exceeding social, environment, health and safety, energy and tailings management standards.

OUR PEOPLE

YEAR-END 2019	2019		2018	
	Count	Percentage	Count	Percentage
Total # of Employees on Payroll	492	100%	403	100%
Employees from BC	453	92%	372	92%
Employees hired from Kamloops region	393	80%	318	79%
Employees hired from BC, outside Kamloops	60	12%	54	13%
Employees from outside BC	36	7%	29	7%
Indigenous Employees	109	22%	90	22%
Employees from Tk'emlúps te Secwépemc and Skeetchestn Indian Band	34	7%	29	7%
Female Employees	69	14%	50	12%
Male Employees	423	86%	353	88%
Average Age	40		41	



EMPLOYEE DEVELOPMENT

Congratulations to New Afton employee Glen Paul for receiving his Heavy Duty Equipment Mechanic certificate. Great work, Glen!

For information on current career opportunities, visit our website or follow us on Twitter.

www.newgold.com/careers

@NewAfton

NEW MINERS JOIN THE TEAM

In 2019, New Afton Mine developed a collaborative partnership with Thompson Rivers University to run three five-week Underground Mining Essentials programs. At the end of those three programs, 39 new miners were dispersed across our four development and rehabilitation crews and four production crews. This included five female cohorts, which helped to more than triple the number of female underground miners at New Afton. Tasks assigned to new underground miners include operating transmixers, pushing cables, grouting, and operating haul trucks. In less than a year, many of our cohort employees have excelled beyond those entry level tasks, graduating to operating scoop trams, installing general mine services and training on loading and blasting.



“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.”

Dave Bauman, cohort graduate

After a year of working underground with a certified blaster and logging 100 hours loading and blasting experience, these new hires will be eligible to write their blasting ticket. The first three groups of cohort employees have exceeded expectations, demonstrating not only a willingness to learn but also to listen, ask questions and work safely. This program supports a strong, innovative partnership between industry, community, and post-secondary training.

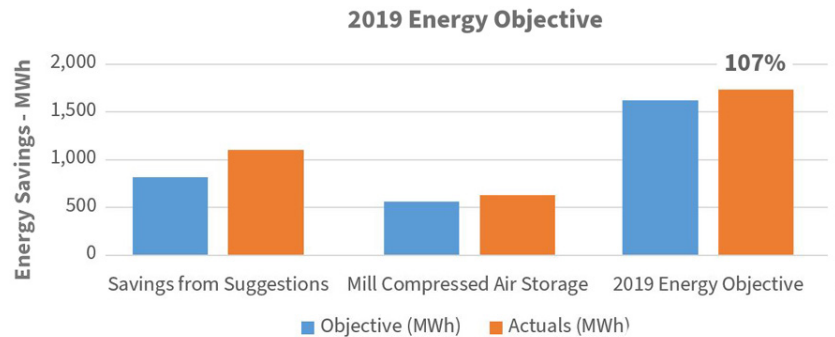




ENERGY PERFORMANCE

NEW AFTON CONTINUES TO MEET AND EXCEED ENERGY SAVINGS TARGETS

The energy that is consumed by mining and milling operations each year is New Afton’s primary source of greenhouse gas (GHG) emissions. New Afton and its employees are doing what they can to use this energy as efficiently as possible, further reducing GHG emissions and helping the mine to mitigate its impact on climate change. Apart from researching low-carbon options for the future, 2019 was the 6th year in a row that New Afton exceeded its annual energy savings objective. New Afton also re-certified to the ISO 50001 Energy Management System, further demonstrating the company commitment to sustainable mining and social responsibility.



Looking ahead to 2020 and beyond, New Afton is not resting on its laurels. Another challenging energy savings objective has been set and the mine will continue to look into options to replace fossil fuel energy with clean, renewable hydroelectric energy. New Afton is committed to a cleaner, greener, future and it all starts with energy efficiency. Ask any employee at the mine and they will tell you that “Energy Matters” at New Afton.

SUPPORTING THOSE IN NEED IN KAMLOOPS

HELPING YOUTH FIND A WAY HOME



A Way Home Kamloops is a non-profit society that provides supports to youth experiencing homelessness. Started by Katherine McParland, a former youth in care, the program was the first in British Columbia to develop a Youth Homelessness Action Plan through a national pilot program. New Afton was proud to provide \$12,000 to A Way Home Kamloops for the Safe Suites program, which aims to create a supportive housing environment for youth experiencing homelessness. The funds were used to furnish a home that will provide up to five youth with a safe place to live, as well as allow for wraparound services that support the program participants as they work toward stabilization. Youth living in the space have their own private bedrooms, communal kitchen and living spaces and support staff on-site full time. We commend A Way Home Kamloops as they work toward a Kamloops in which everyone has a place to call home.

INVESTING IN COMMUNITY PARTNERSHIPS

NEW AFTON PROVIDES \$50,000 TOWARD THE UNITED WAY XCHANGE BUILDING

New Afton was proud to provide \$50,000 toward the Kamloops XChange. This Regional Collaboration Centre and Change Lab is an innovative partnership between the United Way and Thompson Rivers University (TRU) to address issues in the community and build the capacity of area non-profits. The XChange allows for pressing social issues and realities like poverty, hunger, addiction, mental health, isolation, and homelessness to be addressed while working in partnership with businesses, non-profits and community groups, research faculty and students from TRU, local government and the greater community. We look forward to seeing the XChange continue to make a difference!



LEARNING ABOUT YARROW

SUBMITTED BY NEW AFTON EMPLOYEE DAWN TONKS

Yarrow is both an indigenous flowering plant and an introduced species in British Columbia. Yarrow grows well in many climates, from the coastal rain forest to the arid semi-desert Interior. In fact, it's a common plant that can be found in many habitats around the globe. Yarrow doesn't only grow wild, it is both cultivated as ornamental in plant for gardens and has even been introduced as livestock feed in New Zealand.

Yarrow is a tall plant characterized by a cluster of small white petal flowers with light yellow centers and feathery gray/green leaves. It has a light heady fragrance. As a cultivated flower, yarrow comes many different colors and shades. In flower gardens, it attracts butterflies and other pollinators. In the wild, birds use the stocks and leaves to line nests. Because of yarrow's drought resistant qualities it has even been cultivated as lawn "replacement".

Due to its diverse nature, the First People of BC used yarrow extensively as a medicine plant. Secwépemc elders taught that the flowers and leaves can be brewed into tea to help relive stomach or menstrual issues. However, they also caution that the tea can cause miscarriage if taken while pregnant. Further, a tincture made from yarrow is useful to clean open wounds on humans or pets, specifically they help heal saddle sores. Bruised and lightly boiled yarrow leaves can be placed on a cut or injury to help stanch bleeding. Recently, one of my moms told me that yarrow tincture will help repel mosquitoes when applied topically. When using yarrow as medicine it is important to be aware of possible allergic reactions, such as photosensitivity, yarrow can make you sensitive to sunlight, when it is ingested or applied to the skin. Extremely hardy by nature, Yarrow can be found growing all across site, in almost every type of soil and is one of many medicine or food plants that thrive at New Afton.



WELCOMING VISITORS TO NEW AFTON

TOUR GROUPS AN IMPORTANT PART OF COMMUNITY ENGAGEMENT



Tours are an important part of showcasing the successes, unique challenges and innovative solutions at New Afton mine. Each year, we welcome hundreds of people to our site to learn more about mining, geology, reclamation, mill processing, tailings storage and more. While there are limitations to the number and frequency of tours we can provide, groups range from post-secondary institutions, research groups, First Nations partners, other mines, environmental groups and more.

In December, we welcomed a group of mine managers from operations across the province to New Afton for an underground tour. The tour was part of the Mining Association of British Columbia's fall mine manager's meeting, which brought leaders from BC's seventeen operating mines together in Kamloops to discuss important issues. In addition to the mine managers' tour, we also hosted members of the Kamloops Air Quality Roundtable, the Thompson Rivers University Industrial Research Chair Steering Committee and many other educational groups, ministry and First Nations partners.

For a chance to win an underground tour, check out the back of this newsletter.

SITE TOURS	2019
Number of tours	52
Number of visitors	346

WE WELCOME YOUR FEEDBACK

Call us at (250) 377-2100 or email samuel.numsen@newgold.com for a chance to win a private tour underground.

To enter, simply get in touch and provide responses to the following questions:

1. Was the report clear and understandable?
2. Did the report provide enough detail?
3. What issues related to our operation or mining are you most interested in? Did the report address them to your satisfaction? If not, what could have improved the report?
4. Are there any communities, interest groups or stakeholders, including those whose interests may be issues-based or indirect, you think should be included in our communications?
5. Are there more effective methods of communicating with the general public that you would prefer to this newsletter?

ADDITIONAL INFORMATION

 @NewAfton

If you have any comments on this report or would like further information on the New Afton Operation, please contact either of the following:

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New Afton welcomes your feedback: Call us at 250.377.2100 or email us at info@newgold.com

To learn about New Afton's current career opportunities please visit: www.newgold.com under the careers link.

While every effort has been made to ensure accuracy of the information presented, please note that all figures are unaudited.