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A NOTE FROM THE GENERAL MANAGER



The first few months of 2020 have proven to be some of the most challenging we have faced in recent memory, not only as an organization, but as a global community. We have all been impacted in some way, from significant changes to prevent the spread of COVID-19, to little things likely to become our new normal long after we have made it through this pandemic. Now more than ever, our organizational values guide our day-to-day activities and allow us to build on our foundation to help us maintain trust with our employees and the community, as well as deliver on our commitments. It is no small feat to implement sweeping changes in response to rapidly evolving information and for that, I would like to extend my appreciation to you, your families and your organizations for the unique contributions you have made during this unprecedented situation.

As always, our commitment to the health and safety of our employees has remained our number one priority as we navigate this situation. While preventing the transmission of COVID-19 is our goal, we acknowledge that the impacts of the pandemic go far beyond the virus itself and affect the overall well-being of our employees and their families. This crisis has meant our employees and their families are facing increased uncertainty, stress and anxiety as we collectively make our way through this. We recognize the importance of supporting our employees not only

when they cross through the gates to report for work, but when they head home after their shift, too. We have worked hard to communicate regularly, transparently and proactively with our employees.

The past few months have been anything but “business as usual”, meaning we have had to rely on creativity and quick-thinking more than ever to implement smart and effective preventative measures. By activating our Emergency Operations Centre, we quickly centralized logistics and communications so that we could source necessary personal protective equipment and materials, as well as communicate effectively. This also allowed for ideas and feedback to be heard from all corners of the organization, often leading to meaningful preventative measures we implemented at site. I’d like to take this opportunity to thank our employees for their quick-thinking and creative ideas to help keep us all safe and healthy.

What is next for us? That is the question on all of our minds as we look ahead to the remainder of the year and beyond through the lens of COVID-19. While the future may look a little fuzzy right now, I know that with our values top of mind and a committed team, we will overcome any challenges that come our way.

John Ritter
General Manager



OUR RESPONSE TO COVID-19

Our response to COVID-19 has been comprehensive and has evolved as necessary to reflect changing conditions. As an essential service, it is important that we take every precaution to ensure employee health and safety and business continuity while not only meeting the provincially mandated COVID-19 guidelines for our industry, but going beyond where we can. We continue to identify new and innovative ways to respond to changing conditions and ensure the health and safety of all of our employees, their families and the broader community as we learn more about COVID-19 and its local, regional and global impacts.

New Gold established a Pandemic Response and Business Plan Committee comprised of leadership from all site locations that meets regularly to ensure the company is assessing all potential risks and develops viable contingency plans that enable us to stay ahead of potential health and safety risks for our employees and communities.

At New Afton, we activated our Emergency Operations Centre to centralize communications and logistics and have implemented many preventative measures to minimize the impact of COVID-19. These measures are far-reaching and include daily pre-shift assessments and temperature screenings, shift schedule changes from 7/7 to 14/14, respiratory protection requirements, work from home policies and much more.

Our employees have been engaged, asking questions, suggesting solutions and stepping up to exemplify our values of integrity, creativity, innovation, commitment and people and communities, however we know that the uncertainty of this global crisis can cause significant stress. Employees have access to our Employee Assistance Program and our Human Resources are available and compiled resources for additional mental health, family and marriage crisis supports.

But our response isn't just focused on our operation, we are grateful to be part of this community and have contributed \$15,000 each to the Y Women's Emergency Shelter, the BC Wildlife Park and the Kamloops Food Bank, in addition to other donations made to support those in need. Together, we will navigate this crisis and come through the other side even more resilient. For more information on New Gold Inc. and New Afton's COVID-19 response, visit www.newgold.com.

PRODUCTION PERFORMANCE

OUTPUTS (3 months ended March 31)	2020	2019
Ore Processed (thousand tonnes)	1,399	1,290
Tailings Produced (thousand tonnes)	1,368	1,253
Average gold grade of ore (g/tonne)	0.45	0.57
Average copper grade of ore (%)	0.73	0.94
Copper Produced (million pounds)	18.5	22.2
Gold Produced (ounces)	16,409	19,988

ENVIRONMENTAL SCORECARD

INCIDENTS (3 months ended March 31)	2020	2019
Environmental Non-Compliances	0	1
Externally reported spills	0	0
Number of fines incurred	0	0

The environmental non-compliance from 2019 relates to use of waste rock for construction that did not meet a required neutralization potential threshold.

ENVIRONMENTAL MONITORING BOARD

Environmental stewardship is an integral part of New Afton's operation. From a robust and comprehensive Environmental Management System to innovative research projects and meaningful partnerships, transparent efforts to mitigate environmental impacts and practice progressive reclamation are important to the company, employees, the community and First Nations. Environmental management requirements and provisions are mandated in New Afton's Environmental Management Act permits 100223 and 100224, Mines Act permit M-229, and the Participation Agreement (PA) with Stk'emlupsemc te Secwepemc Nation (SSN). In order to ensure environmental aspects are monitored across the life of mine and the Chief Inspector of Mines is advised of any concerns, New Afton maintains an Environmental Monitoring Board (EMB) with members from the environment department, Stk'emlupsemc te Secwepemc Nation (SSN), Skeetchestn Indian Band, Tk'emlúps te Secwépemc, Ministry of Energy, Mines and Petroleum Resources (EMPR) and the Ministry of Environment and Climate Change Strategy (ENV). The EMB is a requirement of New Afton's permits and meets quarterly to discuss matters relating to environmental

management, provide environmental performance oversight, and can recommend that the operation undertake studies or make improvements to enhance the protection of land and watercourses within the SSN's traditional territory.

In 2019, regular discussions took place regarding wildlife interactions, incidents, environmental management system audits, environmental performance and lead indicators, closure plan projects, Terms of Reference updates, tailings management, permit amendments, and updates from MoE, EMPR and the SSN. The EMB also discussed updates on the Thompson Rivers University Industrial Research Chair, New Afton Tailings Storage Facility dam raise, thickened and amended tailings trial, City of Kamloops effluent re-use study, Thompson-region watershed cumulative effects study, artesian well, Reclamation and Closure Plan update, Human Health and Ecological Risk Assessment and the Cherry Creek aquatic assessment. EMB members were also invited to attend the ISO14001:2015 Environmental Management System audit.

SHARING OUR STORIES AT ROUNDUP CONFERENCE

A panel comprised of Indigenous women in the mining and exploration industry presented at the 37th Annual Roundup Association for Mineral Exploration (AME) conference earlier this year. The panel presented at AME's Gathering Place, a space for industry and Indigenous groups to share information through respectful dialogue. New Afton's First Nations Coordinator Korah DeWalt-Gagnon, a member of Tk'emlúps te Secwépemc, participated in the panel aimed at discussing the successes and challenges that Indigenous women encounter in the mining and exploration sector. The panel also included a technical expert, consultant of social impacts and a mother who left the industry to support her family.

“I am very grateful for the opportunity to share my story and highlight what we have accomplished at New Afton to date. Together we can continue to improve diversity and inclusion at New Afton.”

Korah DeWalt-Gagnon

Each participant shared their journey into the mining industry, challenges they faced along the way or wins they worked to achieve. Korah said that the panel was an emotional experience for her, as it was the first time she introduced herself to a large crowd in Secwepemctsin, the language of the Secwépemc.



CONNECTING WITH YOUTH

SKEETCHESTN COMMUNITY SCHOOL CAREER AND HEALTH FAIR

Prior to the COVID-19 pandemic, New Afton was invited to participate in Skeetchestn Community School's Career & Health Fair. With approximately 100 students from Skeetchestn, Sk'elep and Savona schools, the day was jam packed with excitement and learning from many different industry representatives. New Afton was among several other organizations sharing information and activities at the fair. Employees set up a "mining for beads" activity that helped students learn about extracting minerals, use mathematics to determine the value of resources and ensure that reclamation costs are recouped during the mine life-cycle. In addition to the indoor booth, the New Afton Fire & Mine Rescue team brought along one of New Afton's fire engines, a fan favourite for students, to learn about and take turns safely using the water hose with a Fire & Mine Rescue team member. The smiles on the students' faces were priceless. We want to thank the staff at the Skeetchestn Community School for the invitation to participate in this great community event.



Photo submitted

EARTH RANGERS

SUBMITTED BY SONIA ALBERTINI, DEVELOPMENT MANAGER, EARTH RANGERS

Earth Rangers is the kids' conservation organization, committed to instilling environmental knowledge, positivity, and the confidence to take action in every child in Canada. We do this through a variety of free programming that children can participate in at school, at home, and in their communities.

Founded as a small community organization in 2004, Earth Rangers has grown to be the largest youth environmental organization globally; a homegrown, Canadian success story. Our more than 200,000 members take action year-round to reduce waste and energy use, raise awareness and funds for at-risk species and habitats, and act as environmental stewards where they live.

We're for the Next Generation! Kids who participate in Earth Rangers are more confident, more conscientious, and more optimistic that they can affect change. Our programs provide a sense of accomplishment, and help young people learn to be leaders in their communities. We're for the Environment! The activities our members participate in are designed to have a positive collective impact. Across every province and territory, our members have planted 20,000

pollinator gardens, cleaned up 6,000 kilometres of shoreline habitat, and raised over \$3 million for on-the-ground conservation work. For the first time during the 2018/19 school year, Earth Rangers offered an additional version of the Assembly specifically for our visits to First Nations communities. The program was developed in partnership with the Centre for Indigenous Environmental Resources (CIER) and incorporates Indigenous Traditional Knowledge (ITK) and teaching styles that take into account a more cooperative and collective way of learning. The program highlights the important contributions Indigenous people have made, and continue to make, to Canadian conservation. Going forward these aspects will be included in the broader assembly, ensuring its relevance for both Indigenous and non-Indigenous schools and students.

Since 2014 New Gold has partnered with Earth Rangers to deliver their School Assembly Program to 54 schools in Kamloops, reaching over 13,500 students! Earth Rangers is excited to continue their partnership with New Gold to grow the program and reach even more students with a message of environmental sustainability.

FUNDING THE FUTURE

NEW AFTON DONATES \$100,000 TO THE HOSPITAL PATIENT CARE TOWER

New Afton Mine is proud to provide \$100,000 toward the Royal Inland Hospital Patient Care Tower expansion to be completed in 2022. The donation will be used in the Youth Mental Health Department and aligns with our focus on mental health awareness and initiatives for employees.



COMMUNITY HEALTH ACTION COMMITTEE

SUBMITTED BY SUE LISSEL, NETWORK LEAD, THOMPSON REGION DIVISION OF FAMILY PRACTICE

The Thompson Region Division of Family Practice (TRDFP, the Division) is a not-for-profit organization representing family physicians in Kamloops and surrounding rural areas. The Division is a community of Family Practitioners and Nurse Practitioners working collaboratively to develop local solutions that improve family medicine, primary care, as well as physician and patient satisfaction. The Division's region includes the communities of Kamloops, Logan Lake, Barriere, Sun Peaks, Chase, and the North Shuswap. The Division values the ability to listen, learn, collaborate, be inspired by, and innovate with our physicians, our community, and our partners with respect and integrity.

The Community Health Action Committee (CHAC) was formed by the Division in 2017 to support community health and wellness by bridging the gap between community and healthcare providers. The CHAC focuses on supporting access to primary healthcare by:

- Creating innovative ways to recruit and retain family physicians in the Thompson Region;
- Supporting with community engagement, including advocacy and education regarding access to primary healthcare; and
- Facilitating partnership development with Thompson Region community health tables, with a focus on regional access, specifically transportation.

The CHAC consists of stakeholders from industry (like New Gold), businesses, municipalities, economic development groups, education, and healthcare. The committee strives to support community health and wellness throughout the Thompson Region. New Gold was approached to represent industry in the region due to their strong ties and commitment to community and willingness to engage. The New Gold Community Relations Coordinator and First Nations coordinator are regular and valuable contributors at CHAC meetings and understand how we can work together to support the health of New Gold employees and the broader community. New Gold staff also sit on the community engagement and education sub-committees and have been integral parts of providing input into public education materials with regards to access to primary care. When CHAC members were asked to provide input into TRDFPs community visioning for primary care, a community engagement initiative to develop a shared vision for primary healthcare in the Thompson Region, New Gold staff were integral in assisting with developing communication and feedback materials for this initiative.

During the COVID-19 pandemic, New Gold has attended two community meetings designed to bring broad community representation together to share information about the COVID-19 crisis. New Gold is a clear leader in proactive planning and implementation of safety protocols to ensure staff safety and health during this crisis. More information about the Thompson Region Division of Family Practice can be found at www.divisionsbc.ca/thompson-region.

THOMPSON REGION, WE THANK YOU

...for **your support.** ”

Dr. Chip Bantock, Family Physician



...for **social distancing.** ”

Dr. Joslyn Conley, Specialist



...for **keeping us safe.** ”

Natalie Manhard, Nurse Practitioner



...for **making our jobs easier.** ”

Dr. Liz Parfitt, Infectious Diseases



#COVIDkindness



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.