


**APPENDIX B
PROVINCIAL EA
NOTICE OF APPROVAL
REGISTRY
EA 05-09-02 EAIMS #13102**



Condition/ Tracking #	Description	Status 2017	Date Completed (where applicable) 2017
3.1	Where a document, plan or report is required to be submitted to the Ministry, the Proponent shall provide two copies of the final document, plan or report to the Director: a copy for filing in the specific public record file maintained for the Undertaking, and a copy for use by Ministry staff.	To date, New Gold has provided two copies of reports and documentation to the Ministry or has submitted required information in the requested format by the Ministry.	Ongoing
3.2	The Proponent shall provide additional copies of the documents required for the public record file to the following for access by the public: a) Regional Director, b) District Manager and c) New Gold Inc. office in Emo, Ontario.	The conditions of this commitment have been met. During an email conversation with Matt Hoffmeister of the MOECC on March 23, 2018, New Gold was directed to submit two hard copies of the Annual Compliance Report for the District Manager and Regional Director to the Kenora Area office.	March 31, 2017
3.3	The EAB file number EA 05-09-02 and EAIMS file number 13102 shall be quoted on all documents submitted by the Proponent pursuant to condition 3.1 of this Notice of Approval.	These numbers have been added to the 2017 annual report.	Ongoing Annually

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3.4	Without detracting from the foregoing Public Record conditions, the proponent may also provide these documents through other means, as considered appropriate by the Proponent.	The 2017 Annual Compliance Report is made available on the company's website. A hard copy can be viewed at the New Gold office in Emo. Additional reports, supporting documentation and environmental information can be made available by request, from the New Gold Environmental Department.	Ongoing
4.1	The Proponent shall post the Errata document dated December 15, 2014 on the Proponent's project website. The Proponent shall update the Summary of the Environmental Assessment Report to reflect the addition of the Errata and to itemize what sections of the Environmental Assessment Report have been impacted by it, and shall post the updated Summary on the website. The Proponent shall update the Table of Contents of the Environmental Assessment Report to reflect that the Errata is included as part of Volume 2 of the Environmental Assessment Report, and shall post the updated Table of Contents on the website.	The EA with the addition of the Errata document was posted on November 12, 2015. Following the commissioning of the Rainy River Mine the company's website was updated. There was a delay in the re-posting of this document which was rectified on March 23, 2018.	November 12, 2015

Condition/ Tracking #	Description	Status 2017	Date Completed (where applicable) 2017
5.1	The Proponent shall prepare and submit to the Director, for the public record, an Environmental Assessment Compliance Monitoring Program (CMP).	This condition was completed on February 9, 2015.	February 9, 2015
5.2	The CMP shall be submitted 30 days before the Start of Construction or such other date as agreed to in writing by the Director.	This condition was completed on February 9, 2015.	February 9, 2015
5.3	The CMP shall describe how the Proponent will monitor its fulfilment of: 1) the provisions of the Environmental Assessment pertaining to mitigation measures, public consultation, and additional studies and work to be carried out; 2) all other commitments made by the Proponent during the Environmental Assessment process including the Commitments Registry as contained in the Errata dated December 15, 2014; and 3) the conditions included in this Notice of Approval.	The conditions was completed on February 9, 2015.	February 9, 2015

Condition/ Tracking #	Description	Status 2017	Date Completed (where applicable) 2017
5.4	The CMP must contain an implementation schedule for construction, operations and closure, as well as monitoring during construction, operations and closure.	A Compliance Monitoring Plan for the Rainy River Project was submitted to MOECC on February 9, 2015. No revisions have been submitted to date. Through the submission of the Annual Compliance Report to the MOECC and CEAA, New Gold provides the results of onsite monitoring as outlined in the Plan.	February 9, 2015
5.5	When the Proponent submits the CMP to the Director, the Proponent shall append a statement indicating that the CMP is intended to fulfil condition 5 of this Notice of Approval.	During 2017 there were no requests for New Gold to amend the Compliance Monitoring Plan.	February 9, 2015
5.6	The Director may require the Proponent to amend the CMP at any time. Should an amendment be required, the Director will notify the Proponent, in writing, of the required amendment and the date by which the Proponent must complete the amendment and submit it to the Director.	During 2017 there were no requests for New Gold to amend the Compliance Monitoring Plan	
5.7	The Proponent shall carry out the CMP, as it may be amended by the Director.	During 2017 there were no requests made for New Gold to amend the Compliance Monitoring Plan.	

Condition/ Tracking #	Description	Status 2017	Date Completed (where applicable) 2017
5.8	The Proponent shall make the documentation pertaining to the CMP available to the Ministry or designate upon request, in a timely manner, when so requested by the Ministry during an on-site inspection, audit, response to a pollution incident report or when information concerning compliance is requested by the Ministry.	Information is available either on site or through a New Gold RRM consultant and can be made easily available. After the submission of the 2016 Annual Compliance Report New Gold received a request from the Canadian Environmental Assessment Agency to conduct an onsite visit. The visit was completed in August 2017. During the visit New Gold was required to provide additional information related to; habitat restoration, plants and seed types used in habitat reclamation, noise monitoring, and water reclaim process and seepage collection ditch designs and sumps for the Water Management Pond. New Gold was able to provide this information in a timely manner.	Ongoing
6.1	The Proponent shall prepare an annual Compliance Report which describes its compliance with the conditions of approval set out in this Notice of Approval, and which describes the results of the Proponent's Environmental Assessment CMP required by Condition 5 of this Notice of Approval.	This table forms part of the 2017 Annual Compliance Report and describes compliance with the conditions of the approval. Information related to the Follow Up Monitoring Plan can be found in Appendix D.	Ongoing
6.2	The first annual Compliance Report shall be submitted to the Director, for the public record, within one year from the Start of Construction and shall cover all activities of the previous 12 month period.	The First Annual Compliance Report covered the period from the start of construction to December 31, 2015 and was submitted on March 31, 2016. The 2016 Compliance Report was submitted on March 31, 2017 and the 2017 Compliance Report was submitted on March 31, 2018.	Complete March 31, 2016

Condition/ Tracking #	Description	Status 2017	Date Completed (where applicable) 2017
6.3	Subsequent Compliance Reports shall be submitted to the Director, for the public record, on or before the anniversary of the Start of Construction each year thereafter. Each Compliance Report shall cover all activities of the previous 12 month period.	In 2015 a decision was made between the Agency and New Gold Representative Kyle Stanfield that the Annual Compliance Reports would cover the period from January to December and that the report would be submitted March of the following year. In 2015 the report covered the period from the start of construction (February) to December 2015 and was submitted March 31, 2016; In 2016 the report covered January to December 2016 and the report was submitted March 31, 2017. The 2017 report covers the period from January to December 2017 and was submitted on March 31, 2018.	Completed annually on March 31.
6.4	Once all conditions in this Notice of Approval have been satisfied, or have been incorporated into any other provincial approval, the Proponent shall indicate in its annual Compliance Report that the Compliance Report is its final Compliance Report, and that all conditions in this Notice of Approval have been satisfied. The Director may also vary the time at which the Proponent is to provide its final Compliance Report, and state this in writing to the Proponent.	The terms of this condition are understood and not applicable to the 2017 report.	

Condition/ Tracking #	Description	Status 2017	Date Completed (where applicable) 2017
6.5	The Proponent shall retain either on site or in another location approved by the Director, a copy of each of the annual Compliance Reports and any associated documentation of compliance monitoring activities.	Copies of the Annual Compliance Monitoring Report are available at the New Gold Rainy River Office located in Emo, Ontario as well as available at the mine site from the Environmental Department. Any associated compliance monitoring documentation that is not available in the report can be requested from the New Gold Environmental Department.	
6.6	The Proponent shall make the Compliance Reports, and associated documentation, available to the Ministry or designate in a timely manner when requested to do so by the Ministry.	To date New Gold has been in compliance with this condition and is willing to share associated documentation as requested by the Ministry.	
7.1	The Proponent shall prepare and implement a Complaint Protocol that sets out how it will deal with and respond to inquiries and complaints received during the design, construction and operation of the Undertaking.	A Complaint Protocol was implemented in February 2015 at the start of construction and remains in effect.	February 2, 2015

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7.2	The Proponent shall submit the Complaint Protocol to the Director, for the public record, 30 days before the Start of Construction or such other date as agreed to in writing by the Director.	A Complaint Protocol was submitted on February 2, 2015.	February 2, 2015
7.3	The Director may require the Proponent to amend the Complaint Protocol at any time. If an amendment is required, the Director will notify the Proponent in writing of the required amendment and the date by which the Proponent must complete the amendment and submit it to the Director.	During 2017 there were no requests made to New Gold to amend the Complaint Protocol.	
7.4	The Proponent shall carry out the Complaint Protocol, as it may be amended by the Director.	Completed to date. There were 21 complaints reported in 2017. The majority of these complaints (14) were due to noise/vibration, road conditions and driving behaviours. Other complaints were due to property damage, land use and employee behaviour.	

Condition/ Tracking #	Description	Status 2017	Date Completed (where applicable) 2017
8.1	<p>The Proponent shall prepare and implement a Community Communications Plan that sets forth:</p> <p>a) How the Proponent plans to disseminate information to interested persons;</p> <p>b) How interested persons will be notified and kept informed about Site operations; and</p> <p>c) The procedures for keeping interested persons apprised of information about documents related to the Undertaking, and when and how the updated information and/or documents will be made available.</p>	The Community Communications Plan was completed February 9, 2015.	February 9, 2015
8.2	The Proponent shall submit a Community Communications Plan to the Director 30 days before the Start of Construction or such other date as agreed to in writing by the Director.	A Community Communications Plan was submitted on February 9, 2015.	Completed February 9, 2015

Condition/ Tracking #	Description	Status 2017	Date Completed (where applicable) 2017
8.3	The Proponent shall implement the Community Communications Plan during construction, operations and closure of the Undertaking.	Completed to date	Ongoing
9.1	<p>The Proponent shall prepare and implement an Aboriginal Consultation Plan that sets forth:</p> <p>a) How, during the detailed design and implementation of the Undertaking, the Proponent will consult with the Aboriginal communities that were notified of the Undertaking during the Environmental Assessment process;</p> <p>b) How the Proponent will fulfill all commitments made to Aboriginal communities during the Environmental Assessment process, including ongoing consultation during the design and implementation of the Undertaking;</p> <p>c) A Notification Protocol for how the Proponent will inform Aboriginal communities if archaeological resources or Aboriginal remains are encountered during construction;</p>	<p>Completed.</p> <p>A draft plan was submitted on January 21, 2015. Following up on the communication on February 13 2015, New Gold RRM noted that the MOECC had no additional comments on the Aboriginal Consultation Plan stipulated in Condition 9 of the Provincial EA decision for the RRM. A copy of the plan was provided.</p>	January 21, 2015

Condition/ Tracking #	Description	Status 2017	Date Completed (where applicable) 2017
	d) How the Proponent will issue notices and updates on key steps in the design and implementation of the Undertaking.		
9.2	The Proponent shall submit the Aboriginal Consultation Plan to the Director and the Aboriginal communities that were notified of the Undertaking during the Environmental Assessment process 30 days before the Start of Construction or by such other date as agreed to in writing by the Director.	The Aboriginal Consultation Plan was submitted February 9, 2015.	February 9, 2015
9.3	The Proponent shall implement the Aboriginal Consultation Plan during construction, operations and closure of the Undertaking.	Completed to date.	Ongoing

Condition/ Tracking #	Description	Status 2017	Date Completed (where applicable) 2017
9.4	<p>The Proponent shall continue to consult with the following Aboriginal communities: Rainy River First Nations, Naicatchewenin First Nation, Big Grassy River First Nation, Naothkamegwanning (Whitefish Bay) First Nation, Anishinaabeg of Naongashiing (Big Island) First Nation, Ojibways of Onigaming First Nation, and the Sunset Country Métis community (represented by Métis Nation of Ontario Region 1 Consultation Committee), to inform them of when impacting activities will occur. Before impacting activities occur, the Proponent shall provide interested Aboriginal communities with reasonable opportunity to carry out specific cultural practices, as those communities consider appropriate.</p>	Completed to date.	Ongoing

Condition/ Tracking #	Description	Status 2017	Date Completed (where applicable) 2017
10.1	The Proponent shall complete stage 2 archaeological assessment studies for the project, as necessary. The stage 2 archaeological assessments must be submitted to the Ministry of Tourism, Culture and Sport (MTCS) for review and accepted into MTCS's report register prior to the start of in-ground work.	<p>A Stage 2 overall property report was submitted in 2015. New Gold RRM received clearance from MTCS on January 8, 2015.</p> <p>Additional archaeological work was completed during 2015 at the Pinewood River Pumphouse, Tait Quarry and a section of the Highway 600 Re- alignment. NG received clearance from MTCS on August 6, 2015.</p> <p>Review and entry into the Public Register of the Archaeological Reports was received on January 8, 2015.</p>	Ongoing
10.2	If during construction any archaeological resources are discovered, all construction activities within 100 metres of the archaeological resources will cease immediately and a licensed archaeologist will be retained to carry out the necessary fieldwork in compliance with Section 48(1) of the Ontario Heritage Act.	<p>There were no findings during the additional archaeological work completed during 2015 (see 10.1).</p> <p>No archaeological resources were uncovered in 2017.</p>	Ongoing

Condition/ Tracking #	Description	Status 2017	Date Completed (where applicable) 2017
10.3	Archaeological resources that require removal will be transferred to a public institution selected through consultation with local First Nations and Métis represented by the Métis Nation of Ontario Region 1 Consultation Committee, in consultation with MTCS. An MTCS collection transfer form will be completed by the surrendering licensee and the institution accepting the materials. Collection shall be curated to current standards.	No transfers of artifacts occurred during 2017. The artifacts remain with Woodland Heritage Services and will be transferred upon completion of Stage 4 activities.	Ongoing
11.1	Prior to the construction of the proposed demolition landfill (or any other landfill) within the Site's property boundary, the Proponent shall obtain any necessary Environmental Assessment Act approvals and Environmental Protection Act approvals. In addition, prior to construction of the proposed demolition landfill (or any other landfill), the Proponent shall provide appropriate financial assurance to the Ministry's satisfaction, unless by then the appropriate cost has already been	There is no landfill within the boundary of the Rainy River Mine.	

Condition/ Tracking #	Description	Status 2017	Date Completed (where applicable) 2017
	accounted for and provided to the MNDM as part of Closure Plan requirements under the Mining Act.		
12.1	<p>As a minimum, the Proponent shall meet all requirements and commitments related to mine water discharges to the Pinewood River as agreed to by the Ministry during the EA process, or as revised through approvals by the Ministry. These requirements and commitments are found throughout the EA and include, but are not limited to, those set out in the July 17, 2014 memo by the Ministry's surface water specialist regarding the "Rainy River Gold Project: Effluent Criteria Discussion and Water Taking Thresholds" which appears in Appendix B of the Ministry Review of the EA.</p> <p>Further, as part of its application for the Environmental Compliance Approval(s) (ECA) required for the Undertaking, the proponent shall identify, through memo or other</p>	<p>New Gold RRM has implemented a water sampling programs that meets the requirements of the MOECC Environmental Compliance Approvals and the Federal Metal Mining Effluent Regulation.</p> <p>During 2017, effluent was discharged to the Pinewood River from temporary sediment ponds constructed in the periphery of the open pit, and the mine rock stockpile and overburden stockpile collection sumps. Water in these systems was treated for ammonia and suspended solids. Heavy metal concentrations have not been a concern to this time.</p> <p>During the Environmental Compliance Approval(s) application process (2015) a Water Management Plan was submitted to MOECC.</p>	Ongoing

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	means acceptable to the ECA Director, how the proponent's proposed water management process will satisfy the technical requirements and other surface water quality commitments stated in the EA.		

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12.2	<p>The Proponent shall meet all requirements and commitments related to the establishment of a minimum water taking threshold from the Pinewood River as agreed to by the Ministry during the EA process, or as revised through approvals by the Ministry. These requirements and commitments are found throughout the EA and include, but are not limited to, those set out in the July 17, 2014 memo by the Ministry's surface water specialist regarding the "Rainy River Gold Project: Effluent Criteria Discussion and Water Taking Thresholds" which appears in Appendix B of the Ministry Review of the EA.</p> <p>Further, as part of its application for the Permit(s) to Take Water (PTTW) required for the Undertaking, the proponent shall identify, through memo or other means acceptable to the PTTW Director, how the proponent's proposed water management process will satisfy the water taking commitments stated in the EA.</p>	<p>New Gold is committed to meeting all requirements and commitments related to the establishment of a minimum water taking threshold from the Pinewood River. Condition 3.3, sub-sections A and B, of the six (6) Permits to Take Water (PTTW) issued to New Gold restricts the total site water taking to a percentage of the Pinewood River daily flow rate. The total site water taking is restricted to not more than 20% of the daily flow rate in the Pinewood River during the period of March 1 to July 31, and to an amount of not more than 15% during the period of August 1 to November 30. Condition 3.3 sub-sections C and D of PTTW 8776-9W2QN3 for taking of water from the Pinewood River further restricts the direct taking of water from the Pinewood with a minimum water taking threshold. During the period of March 1 to July 31, the calculated flow of the Pinewood River must remain above 10,000m³ after pumping, and above 5,000m³ during the period of August 1 to November 30. No direct water taking from the Pinewood River is permitted under Condition 3.3 subsection E of PTTW 8776-9W2QN3. There were no exceedances of the minimum direct water taking threshold, or maximum water taking limits by source for any of the six PTTWs for 2017.</p>	Ongoing

Condition/ Tracking #	Description	Status 2017	Date Completed (where applicable) 2017
13.1	<p>The Proponent shall fulfill all requirements and commitments related to tailings management, including maintaining a sufficient water cover over deposited tailings and fulfilling monitoring requirements detailed in provincial regulatory documents, including the Closure Plan and any other permits and approvals associated with the Undertaking. In addition, the Proponent shall consider deterrent systems to ward off bird and animal life from accessing the TMA.</p>	<p>The draft closure plan amendment submitted to the Ministry of Northern Development and Mines (October 2017) outlines commitments related to tailings management during operations and mine closure and reclamation. These commitments include maintaining a sufficient water cover. In Q4 of 2017 the plant began pumping tailings into Cell 1 (Starter Cell) of the Tailings Management Area (TMA). The tailings are sampled routinely.</p> <p>In the fall of 2017 Cell 1 was monitored for bird activity. New Gold has onsite deterrents for birds in the form of bangers and hand held noise making devices. The Environmental Department is currently reviewing larger, self-sufficient deterrent systems to ward off birds and animals. Permanent fencing will be installed in 2018.</p>	Ongoing

Condition/ Tracking #	Description	Status 2017	Date Completed (where applicable) 2017
13.2	<p>The Proponent shall assess and utilize provincial, national and international industry best practices for tailings management and water management containment facilities as they relate to climate change and the increasing frequency of severe weather abnormalities. The management of tailings, based on this assessment, shall be done in a manner adequate to ensure the appropriate management of any contaminants that may be present during and beyond the operating life of the Undertaking.</p> <p>The Proponent shall, as part of the Compliance Reports required under Condition 6, or otherwise specified in writing by the Director, provide details to the Ministry on how actions required by this condition have been considered in the project design, operations and the Closure Plan.</p>	<p>Section 5.6.1 of the Rainy River Mine Comprehensive Closure Plan Amendment (October 2017) outlines the Geotechnical Design Criteria for the TMA dams. It indicates that;</p> <ul style="list-style-type: none"> - the dams have been designed to meet the most severe flood and earthquake criteria, being the probable maximum flood and maximum credible earthquake in accordance with the Ontario Lakes and Rivers Improvement Act requirements. - The designs are supported by geotechnical investigations of sub surface conditions conducted in 2010 by Klohn Crippen Berger and in 2011 and 2014 by AMEC. - Emergency spillways will be provided for each state of the TMA dam construction and Water Management Pond (WMP) to safely pass the probably maximum flood. Adequate freeboard will be maintained in the TMA and WMP to contain the environmental design flood corresponding to a 100-year 24-hour storm event. All spillways will be rock armoured to withstand erosion impacts from these flow rates. 	Ongoing

Condition/ Tracking #	Description	Status 2017	Date Completed (where applicable) 2017
14.1	<p>The Proponent shall assess and utilize best practices to protect the biodiversity of existing species within the area of the Undertaking. Building on the baseline studies completed during the Environmental Assessment process, including aquatic resources, terrestrial and species at risk baselines, and further studies as deemed necessary, the Proponent shall establish a pre-construction biodiversity baseline and report on biodiversity levels within the area of the Undertaking.</p> <p>The Proponent shall as part of the Compliance Reports required under Condition 6, or otherwise specified in writing by the Director, provide details to the Ministry on how the requirements set out in this condition are being met.</p>	<p>Version 5 of the Terrestrial Systems Monitoring Plan was submitted to the MNR on February 3, 2016 and accepted by the MNR in May 2016. New Gold is currently completing monitoring as part of the Terrestrial Systems and Habitat Monitoring Plan.</p> <p>During 2017 the following monitoring programs were implemented; Species at Risk monitoring for Bobolink and Eastern Whip-poor-will, wildlife observation monitoring, deer and fish tissue sampling to assess metal accumulation in organ and muscle tissue and barn swallow monitoring.</p> <p>The Biodiversity Monitoring Plan for the Pinewood River was implemented as per ECA No. 5781-9VJQ2J Condition 10(5) and ECA No. 5178-9TUPD9 Condition 8(7). These annual monitoring programs build off of baseline data collected during the EA process.</p>	February 3, 2016

Condition/ Tracking #	Description	Status 2017	Date Completed (where applicable) 2017
14.2	<p>In addition to fulfilling all commitments with regard to rehabilitating wildlife habitat and terrestrial systems, the Proponent shall consult with MNRF on the development of a monitoring plan for terrestrial systems and habitat. The Proponent shall prepare the monitoring plan before the start of construction and shall provide a draft plan to MNRF for review before the plan is finalized. The Proponent shall carry out the plan during construction, operation and closure of the Undertaking. The purpose of the monitoring plan is to verify the accuracy of the predictions the Proponent made during the EA about the Undertaking's impacts on wildlife and habitat and to monitor the effectiveness of rehabilitation efforts for wildlife habitat and terrestrial environments.</p> <p>The Proponent shall report on biodiversity baseline and results required in Condition 14.1 through the Terrestrial Systems and Habitat Monitoring Plan.</p>	Version 5 of the Terrestrial Systems Monitoring Plan was accepted by the MNRF in May of 2016.	May 6, 2016

Condition/ Tracking #	Description	Status 2017	Date Completed (where applicable) 2017
15.1 A	<p>Conditions Specific to Vegetation Clearing Activities Occurring Before May 1, 2015:</p> <p>a) The Proponent shall prepare and implement a Vegetation Clearing Plan that sets forth how the Proponent will conduct vegetation clearing activities that are intended to occur on the Site before May 1, 2015 (“Vegetation Clearing Activities”). As itemized below, this Vegetation Clearing Plan shall address issues related to those Vegetation Clearing Activities, including: compliance monitoring; compliance reporting; a complaint protocol; a community communication plan; consultation with Aboriginal communities; and terrestrial systems and habitat monitoring plans.</p>	<p>A vegetation clearing plan was prepared and implemented prior to the commencement of construction. The plan consists of clearing areas that coincide with the progression of construction and approvals from the Ministry of Natural Resources and Forestry.</p>	<p>February 21, 2015</p>

Condition/ Tracking #	Description	Status 2017	Date Completed (where applicable) 2017
15.1 B	<p>Conditions Specific to Vegetation Clearing Activities Occurring Before May 1, 2015:</p> <p>b) Unless otherwise stated in Condition 15 or stipulated per another timeline as may be identified in writing by the Director, the Proponent shall submit all elements of the Vegetation Clearing Plan to the Director, for the public record, 15 days before the Proponent's intended start of Vegetation Clearing Activities.</p>	<p>Prior to the start of construction a Vegetation Clearing Plan was provide to appropriate government agencies, and clearing permits were obtained from the MNRF.</p> <p>Consultation on the Vegetation Clearing Plan commenced in late 2014 and early 2015.</p>	February 21, 2015
15.1 C	<p>Conditions Specific to Vegetation Clearing Activities Occurring Before May 1, 2015:</p> <p>c) The Proponent shall post the Vegetation Clearing Plan on its project website by no later than 15 days prior to the intended start of Vegetation Clearing Activities.</p>	<p>The Vegetation Clearing Plan was originally posted on the New Gold Rainy River Project website on February 21, 2015. In the fall of 2017 the company website underwent some layout changes when the project transitioned to a mine. At that time the Clearing Plan was unintentionally removed from the website. The plan was reposted on March 23, 2018.</p>	February 21, 2015

Condition/ Tracking #	Description	Status 2017	Date Completed (where applicable) 2017
15.2 A	<p>Compliance Monitoring for Vegetation Clearing Activities: In relation to any vegetation clearing that occurs on the site before May 1, 2015, the Proponent shall monitor its fulfilment of: 1) the provisions of the Environmental Assessment pertaining to mitigation measures and public consultation regarding such Vegetation Clearing Activities; 2) all other commitments made by the Proponent during the Environmental Assessment process including the Commitments Registry as contained in the Errata dated December 15, 2014, in relation to such Vegetation Clearing Activities; and 3) the conditions included in section 15 of this Notice of Approval.</p>	<p>All clearing that has occurred on site has been completed in accordance with licenses obtained from the MNRF (when applicable) and New Gold is satisfied that the work has been conducted in accordance with the vegetation clearing plan provided in February 2015. During 2016 there was discussions with the MNRF over concerns about the size and proximity of brush piles to standing vegetation. New Gold took action to ensure that piles were moved, spread out, chipped or burned in a controlled manner to ensure that the risk of forest fires were reduced.</p> <p>Clearing was ongoing during 2017 excluding the period of the breeding bird window.</p>	Ongoing

Condition/ Tracking #	Description	Status 2017	Date Completed (where applicable) 2017
15.2 B	The Proponent shall prepare an implementation schedule for all the vegetation clearing activities that are intended to occur on the Site before May 1, 2015.	This condition is complete	February 21, 2015
15.3 A	Compliance Reporting for Vegetation Clearing Activities: In relation to vegetation clearing activities that occur on the Site before May 1, 2015, the Proponent shall prepare a Vegetation Clearing Compliance Report which describes and provides evidence of the Proponent's compliance with Condition 15 of this Notice of Approval.	Completed February 9, 2015. New Gold RRM submitted the updated RRM Vegetation Clearing Plan for Initial Clearing Prior to May 1, 2015, as required by the conditions of the Provincial EA Approval Notice.	February 9, 2015
15.3 B	Compliance Reporting for Vegetation Clearing Activities: The Proponent shall submit the Vegetation Clearing Compliance report to the Director within 30 days of completing the Vegetation Clearing Activities	Completed May 31, 2015.	May 31, 2015

Condition/ Tracking #	Description	Status 2017	Date Completed (where applicable) 2017
15.4 A	Complaint Protocol for Vegetation Clearing Activities: The Proponent shall prepare and implement a Vegetation Clearing Complaint Protocol that sets out how the Proponent will address inquiries and complaints received during any Vegetation Clearing Activities.	An External Feedback Protocol was completed February 2, 2015. In addition New Gold implemented a complaints protocol in February 2015 for any site activity or concern. No complaints were received related to Vegetation Clearing Activities in 2017.	Ongoing
15.5 A	By no later than 15 days prior to the start of Vegetation Clearing Activities, the Proponent shall provide notification to those interested persons to whom Condition 8 of this Notice of Approval applies. The notification shall include a link to the location where copies of the Vegetation Clearing Plan can be seen by members of the public, as required by Condition 15.1 (c).	Completed. The Vegetation Plan was posted to the New Gold website (accessible to the public) on February 12, 2015. Revision 2 was posted on February 24, 2015. Aboriginal communities were notified on January 19, 2015.	February 12, 2015 (V2); February 24, 2015 (V3)

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15.6 A	<p>Consultation with Aboriginal Communities for Vegetation Clearing Activities: By no later than 15 days prior to the intended start of Vegetation Clearing Activities, the Proponent shall notify and then follow up with the Aboriginal communities identified in Condition 9.1 of this Notice of Approval. This notification shall append the implementation schedule required under Condition 15.2(b), above. The notification shall also include a link to the location where copies of the Vegetation Clearing Plan can be seen by members of the public, as required by Condition 15.1 (c).</p>	<p>Completed February 13, 2015. An additional notification was provided on March 20, 2015 for new areas not included in the initial notification.</p>	<p>Ongoing</p>

Condition/ Tracking #	Description	Status 2017	Date Completed (where applicable) 2017
15.6 B	<p>Consultation with Aboriginal Communities for Vegetation Clearing Activities: By no later than 15 days prior to the intended start of Vegetation Clearing Activities, the Proponent shall consult the Aboriginal communities identified in condition 9.4 of this Notice of Approval, to ascertain whether they wish to carry out specific cultural practices prior to Vegetation Clearing Activities occurring. The Proponent shall provide reasonable time for interested Aboriginal communities to carry out such cultural practices prior to the start of Vegetation Clearing Activities, in coordination with the interested communities.</p>	<p>An Aboriginal Blessing Ceremony was carried out on February 6, 2015 attended by several of the 16 Aboriginal communities. The event was a follow-up to the RRM updated vegetation clearing schedule sent to Aboriginal communities in January 2015.</p>	<p>January 2015 & February 6, 2015</p>

Condition/ Tracking #	Description	Status 2017	Date Completed (where applicable) 2017
15.6 C	<p>Consultation with Aboriginal Communities for Vegetation Clearing Activities: By no later than 7 days prior to the intended start of Vegetation Clearing Activities, the Proponent shall submit to the Director copies of: the notification letters that it sent in fulfilment of conditions 15.6 (a) and (b); any records confirming the Aboriginal communities' receipt of those notification letters; records of any concerns heard from the Aboriginal communities in response to those letters; and records of efforts the Proponent has made, or has committed to make, to address those concerns.</p>	Completed February 16, 2015.	February 16, 2015

Condition/ Tracking #	Description	Status 2017	Date Completed (where applicable) 2017
15.7 A	<p>Terrestrial Systems and Habitat Monitoring for Vegetation Clearing Activities: The Proponent shall fulfill all its EA commitments with regard to land clearing and to rehabilitating wildlife habitat and terrestrial systems, in relation to any associated impacts from Vegetation Clearing Activities.</p>	<p>Land clearing is contained within the footprint of the project only in areas where development is required. When licenses are required they are obtained from MNRF. Grubbing is not conducted unless necessary and buffers are implemented around sensitive areas.</p> <p>Reclamation of the former Tait Quarry commenced in late 2017. The quarry which operated from 2015 to 2017 to supply material for the Highway 600 realignment underwent extensive tree clearing, blasting and rock extraction. Based on decisions made with MNRF during the Environmental Assessment process, the quarry will be reclaimed to suitable whip-poor-will habitat. Further reclamation activities will occur in the spring and summer of 2018 which include planting vegetation and seeding. A memorandum outlining the reclamation strategy can be found in the supporting documentation for Appendix B.</p> <p>As the mine advances into operations, the opportunity to reclaim more land will be possible.</p>	Ongoing
15.8	<p>When the Proponent submits its Vegetation Clearing Plan materials to the Director, the Proponent shall append a statement indicating that its submission is intended to fulfill Condition 15 of this Notice of Approval.</p>	Complete	February 21, 2015

Condition/ Tracking #	Description	Status 2017	Date Completed (where applicable) 2017
15.9	The Director may require the Proponent to amend aspects of the Vegetation Clearing Plan at any time. Should an amendment be required, the Director will notify the Proponent, in writing, of the required amendment and of the date by which the Proponent must complete the amendment and submit it to the Director.	Not requested in 2017.	Ongoing
15.10	The Proponent shall carry out the Vegetation Clearing Plan, as it may be amended by the Director.	Completed.	
15.11	The Proponent shall make documentation pertaining to the Vegetation Clearing Plan available to the Ministry or designate upon request, in a timely manner, when so requested by the Ministry.	No requests were made during 2017.	Ongoing

Condition/ Tracking #	Description	Status 2017	Date Completed (where applicable) 2017
15.12	In addition to fulfilling the Vegetation Clearing Plan conditions above, the Proponent shall also mention its Vegetation Clearing Activities, as relevant, in other materials it produces to fulfill the other conditions required by this Notice of Approval.	Complete. The Vegetation Clearing Plan was posted on New Gold's website February 12, 2015 and with a subsequent revision (Revision 3) posted on February 24, 2015. The clearing plan was unintentionally removed from the company website during maintenance that was conducted in the winter of 2017. The plan was uploaded back to the New Gold Rainy River Mine page on March 25, 2018.	February 12, 2015 and February 24, 2015.
16.1 A	<p>The Proponent shall ensure that the need for the Undertaking is capable of adapting to climate change during the construction, operation and closure phases of the Undertaking, and to that end the Proponent shall:</p> <p>a) Plan its construction practices, operational procedures and the design of the Undertaking to respond to storms, flooding, (including the consideration of the 500-year flood level), drought or other severe weather events resulting from climate change.</p>	<p>The location of the Rainy River Project is most susceptible to flooding associated with significant rainfall.</p> <p>During the project design phase qualified engineers were retained to design the layout and associated infrastructure to meet major storm events. Examples of this include; designing diversion systems and ponds, and water control dams to re-route existing creek channels around the project to meet 1 in 100 year flood events and maintaining site drainage through ditching systems and settling ponds. These designs were shared with the government through the Lakes and Rivers Improvement Act Permitting Process with the Ministry of Natural Resources and Forestry.</p> <p>In 2016 while the project was still in its construction phase New Gold developed a site wide emergency pumping plan to deal with rainfall events and potential impacts to dams and construction work fronts. New Gold retained an onsite contractor to monitor water levels during rainfall events (24 hours/day 7 days/week) and implement the plan if necessary. In addition extra pumps and pumping equipment is stored onsite in the event of a flooding catastrophe. The site wide emergency pumping plan was reviewed by the MNRF and MOECC.</p>	Ongoing

Condition/ Tracking #	Description	Status 2017	Date Completed (where applicable) 2017
		<p>In case of severe drought New Gold's greatest project impact would be related to lack of water to support the processing facility and dust control. In order to mitigate these issues a water recycling and reclaim system is in place for all ore processing in the mill via the Mine Rock Pond and Water Management Pond. Other onsite retention ponds with treated water could be used in emergency situations for dust suppression.</p>	
16.1 B	<p>The Proponent shall ensure that the need for the Undertaking is capable of adapting to climate change during the construction, operation and closure phases of the Undertaking, and to that end the Proponent shall:</p> <p>b) Design the post-closure aspects of the site to ensure resilience to climate change impacts, such as maintaining an appropriate site water balance and sufficient water cover over the TMA. The Proponent shall also undertake an updated review of climate change scenarios at a point approximately two years prior to implementing final closure of the TMA to confirm, or modify, anticipated future hydrological conditions related to climate change scenarios.</p>	<p>The filed Closure Plan (2015) and draft Closure Plan Amendment (October 2017) outline the post-closure strategy of the TMA which includes a 2m water cover over the tailings. As the project advances through the operations, further amendments to the closure plan will be necessary and will allow for opportunities to review climate change scenarios at closure.</p>	Ongoing

Condition/ Tracking #	Description	Status 2017	Date Completed (where applicable) 2017
16.1 C	<p>The Proponent shall ensure that the need for the Undertaking is capable of adapting to climate change during the construction, operation and closure phases of the Undertaking, and to that end the Proponent shall:</p> <p>c) The Proponent shall, as part of the Compliance Reports required under condition 6, or otherwise specified in writing by the Director, provide details to the Ministry on how climate change has been incorporated into the project design.</p>	<p>Through the Environmental Assessment process as well as the application process for Permits to Take Water and Environmental Compliance Approvals, New Gold has provided information related to water balance and implications of flooding or drought on the project.</p>	Ongoing
16.1 D	<p>The Proponent shall ensure that the need for the Undertaking is capable of adapting to climate change during the construction, operation and closure phases of the Undertaking, and to that end the Proponent shall:</p> <p>d) The Proponent shall also include these considerations, as appropriate, in the Closure Plan or future Closure Plan amendments submitted to MNDM.</p>	<p>The Closure Plan for the Rainy River Mine discusses operational flexibility in regard to water demands. Through the design of the project water diversion structures and ditching around the East Mine Rock Stockpile were designed to handle extreme flooding events (1 in 100 year event). The TMA dams have been designed to meet the most severe flood and earthquake criteria, being the probable maximum flood and maximum credible earthquake in accordance with the Ontario Lakes and Rivers Improvement Act requirements.</p>	Ongoing

Condition/ Tracking #	Description	Status 2017	Date Completed (where applicable) 2017
17.1	The Proponent shall obtain other necessary permits and approvals including, but not limited to, those that are committed to in the Environmental Assessment.	To date New Gold has met the requirements of this condition. A copy of the Environmental Permits and Approvals for the project has been included in the Annual Compliance Report in Table 2 Section 1.7 Regulatory Update.	Ongoing

Condition/ Tracking #	Description	Status 2017	Date Completed (where applicable) 2017
18.1 A	<p>In carrying out the Undertaking, the Proponent shall require that its contractors, subcontractors and employees: a) Fulfil the commitments made by the Proponent in the Environmental Assessment process, including those made in the Environmental Assessment and in the Proponent's responses to comments received during the formal Environmental Assessment comment periods.</p>	<p>All employees and contractors go through a standard site orientation, which includes Environmental, Community, Health and Safety (and other pertinent site aspects).</p> <ul style="list-style-type: none"> • Contractors are required to attend an environmental kick off meeting prior to start of work. Purpose of the meeting is to review commitments and permit requirements applicable to the Scope of Work. There are also statements in contracts that require the contractor to adhere to all applicable permits and site environmental procedures. • Financial / other materials may include specific clauses with contracts on standards, requirements etc., depending on the nature of the contract. • Environmental Conditions set out in Permits also include reference to specific contract drawings that are to be adhered to by the construction contractors • NG RRM Environmental Department monitors Contractors to ensure construction works and mining operations are carried out in accordance with Environmental Commitments • Side wide bulletins are issued via email, radio communication and posting in work places. When required, the bulletins discuss environmental commitments and approvals. 	Ongoing

Condition/ Tracking #	Description	Status 2017	Date Completed (where applicable) 2017
18.1 B	In carrying out the Undertaking, the Proponent shall require that its contractors, subcontractors and employees: b) Meet applicable regulatory standards regarding the construction, operation and maintenance of the Undertaking, including these conditions of approval.	As outlined in the response to condition 18.1(a) New Gold has taken several steps to ensure that all onsite personal are familiar with the Environmental Conditions and Approvals for the project. To ensure that these conditions are implemented and met as well as other permit approvals New Gold Environmental Department has implemented a number of strategies including; Site Inspections and Audits or work tasks; incorporating regulatory requirements in contract tenders, orientation training, operating procedures, site wide communication bulletins; installing signage around the mine site; participating in meetings amongst different departments and contractors to communicate environmental requirements; include environmental conditions and approvals in construction execution plans.	Ongoing
18.1 C	In carrying out the Undertaking, the Proponent shall require that its contractors, subcontractors and employees: c) Obtain any necessary approvals, permits or licenses	New Gold Environmental Department is responsible for obtaining all environmental related permits, approvals and licences for the project. In order to ensure that permits are obtained for all work fronts, the department reviews contract scopes of work and participates in meetings held with mine staff and contractors. During 2017 New Gold also retained environmental consulting expertise in areas related to fisheries, wildlife and species at risk, Air Quality Monitoring, mine reclamation and water quality, who assist in ensuring appropriate approvals are obtained. Since the start of construction in 2015 it is site practice that all new construction and operation activities or deviations from original designs are communicated to the Environmental Department who screen for required permits or amendments to existing permits.	Ongoing

Condition/ Tracking #	Description	Status 2017	Date Completed (where applicable) 2017
19.1	<p>Prior to implementing any proposed changes to the Undertaking, the Proponent shall determine what Environmental Assessment Act requirements are applicable to the proposed changes and shall fulfill those Environmental Assessment Act requirements.</p>	<p>The Rainy River Project feels that during 2017 design modifications and changes to support the project were communicated effectively with MOECC to obtain input and ensure work was being conducted in accordance with current permits and approvals.</p> <p>In 2017 the following amendments, applications and memos were submitted to MOECC; 2016 Annual Compliance Report Version 1(March 2017), Version 2 Revision (July 2017), Laydown 4 Quarry Permit Application (May 2017), Supplemental PAG Information Memo (June 2017), Pinewood River Permit to Take Water Amendment (July, 2017), Hydrogeological Conditions Influencing Flow in Pinewood River Memo (Oct 2017), Closure Plan Amendment (submitted to MNDM Oct 2017), Water Balance and Ammonia Concentrations TMA/WMP Memo (Nov 2017), Constructed Wetland Preliminary Design Drawings (Nov 2017), Water Management Risk Analysis and Contingency Measures (Nov 2017)</p>	Ongoing

Condition/ Tracking #	Description	Status 2017	Date Completed (where applicable) 2017
20.1	30 days prior to construction, or as per another timeline as may be identified in writing by the Director, the Proponent shall provide notification of the Proponent's intention to proceed with construction. If significant changes to the existing environment or regulatory changes have occurred that could affect the implementation of the Undertaking or result in any new potential adverse environmental effects from the undertaking, the Proponent shall include a description of those changes in its notice. The Proponent shall provide the notice to the Director and Regional Director of the Ministry, the MNRF, the MNDM, and any other relevant agencies that the Proponent or the Director determine may have an interest in any changes provided in the notice.	Notification was submitted on January 29, 2015. During the fall of 2017 the mine entered its operations phase.	Commitment completed January 29, 2015.

Supporting Documentation

Condition Number 15.7A – Tait Quarry Reclamation Memo

Memo

Date: October 5, 2017
To: Nigel Fisher (New Gold)
From: Matt Evans (Amec Foster Wheeler)
cc: Sheila Daniel, Dave Simms (Amec Foster Wheeler)
Ref: TC170506A
Re: **Rainy River Project, Tait Quarry Proposed Reclamation Approach**

1.0 INTRODUCTION

Amec Foster Wheeler Environment & Infrastructure, a Division of Amec Foster Wheeler Americas Limited (Amec Foster Wheeler) was retained by New Gold Inc. (New Gold) to assist in preparing reclamation plans for the Rainy River Project (RRP) Tait Quarry, with a goal that the quarry will eventually provide habitat for Eastern Whip-poor-will, as per conditions of the RRP Endangered Species Act 17(2)(c) Overall Benefits Permit.

The RRP site is within the Township of Chapple, approximately 65 kilometres (by road) northwest of Fort Frances within northwestern Ontario. The RRP is currently in the development phase and other construction activities are ongoing at the site.

The Tait Quarry was in production from 2015 to 2017 and closure activities will commence in October of 2017. Through discussions with the MNR in 2013 and 2014, it was decided that the reclamation process to be implemented at the Tait Quarry will attempt to produce suitable whip-poor-will habitat that is similar to the habitat found at the New Gold aggregate pit near Roen Road. Prior to disturbance, the Tait Quarry was not considered to be whip-poor-will habitat as it was densely forested, lacked open rocky outcrops, and lacked suitable open areas (with forest edge) for foraging. Reclamation activities at the Tait Quarry will aim to produce viable whip-poor-will habitat. Future monitoring efforts will assess and report on the success of these activities.

The RRP Closure Plan (AMEC 2014a, Amec Foster Wheeler 2015a), the Tait Quarry Aggregate Permit, and Section 7.5 of the RRP Endangered Species Act Permit provide certain requirements with respect to reclamation of the Tait Quarry. This memo outlines New Gold's 2017 and 2018 proposed reclamation activities that are intended to satisfy reclamation and closure conditions in all three of these documents and attempt to provide future Eastern Whip-poor-will habitat in the reclamation area.

1.1 Background - RRP Endangered Species Act Permit

In November 2014, the Ontario Ministry of Natural Resources and Forestry (MNRF) approved an *Endangered Species Act* 17(2)(c) Overall Benefits Permit (ESA, 2007) for the RRP (Permit #FF-C-001-14). Within the permit is the requirement that New Gold conduct whip-poor-will research as outlined in Eastern Whip-Poor-Will Habitat Enhancement and Restoration Experimental Study - An Overall Benefits Component for Endangered Species Act Permitting (Amec 2014b). One of the research components outlined in this document is to conduct a whip-poor-will habitat reclamation study with the closure of Tait Quarry. Some of the research questions that will be studied during the reclamation of the Tait Quarry include the following:

- i. How can reclamation activities in the Tait Quarry successfully result in the production of suitable Eastern Whip-poor-will habitat?
- ii. How quickly can individual Eastern Whip-poor-will be induced to colonize the reclaimed quarry?
- iii. Can we decipher enough information that can be used to optimize the process of reclamation of Eastern Whip-poor-will habitat during progressive reclamation in 2027 and at closure in 2033?

The research study will also take into consideration data on species utilization of the New Gold aggregate pit site on Roen Road (formerly operated by the Ministry of Transportation) prior to the re-activation of the pit. Results from this study could provide valuable information to be used in the development of the Habitat Management Plan for Eastern Whip-poor-will Overall Benefit Areas and the overall Eastern Whip-poor-will Site Rehabilitation Plan, both of which are requirements of the RRP Endangered Species Act Permit.

Ultimately, the proposed reclamation at Tait Quarry will provide valuable information to be used in management plans with the goal of leading to:

- An increase in the quality and amount of suitable habitat for the species;
- An increase in the number of breeding pairs located within the RRP footprint, post-closure; and
- An increase in the local distribution of the species, around the Project site post-closure.

Results obtained from the Tait Quarry reclamation program will guide as applicable, the development of the RRP Eastern Whip-poor-will Site Rehabilitation Plan that will be implemented during progressive reclamation and at closure for the RRP site.

This study proposes to go above and beyond the reclamation and monitoring process at Ontario quarries and mines, by taking a unique experimental approach to reclamation that allows for the testing of questions we currently have; questions related to optimizing habitat conditions that encourage recolonization by whip-poor-will. The Tait Quarry reclamation study will allow New Gold to further assess whip-poor-will habitat selection when birds begin to re-colonize this previously impacted area.

2.0 TAIT QUARRY RECLAMATION (2017 and 2018)

Quarrying and related activities within the RRP Tait Quarry ended in August 2017. New Gold plans to implement earthworks reclamation activities in the fourth quarter (Q4) of 2017 to be followed by revegetation activities in Q2 of 2018, as outlined in Attachments 1 to 4 to reclaim the quarry. The proposed reclamation activities are based on the best available scientific information regarding Eastern Whip-poor-will habitat preferences; using data collected onsite at the RRP from 2010 to present (KCB 2011; AMEC 2011, 2012, 2013, 2014a; MNR 2013; Rand 2014; Amec Foster Wheeler 2015b, 2016) and from studies conducted elsewhere in North America, where applicable (e.g., Wilson 1985; James and Neal 1986; Mills 1987; Eastman 1991; Palmer-Bell 1996; Cink 2002; Cadman et al. 2007; Wilson and Watts 2008; COSEWIC 2009).

2.1 Earthworks (Q4 2017)

Attachments 1 - 3 provide the detailed earthworks scheduled for different areas of the Tait Quarry footprint in Q4 2017, briefly summarized herein.

The quarry pit (Area 5 in Attachment 2) will be left as a pond after the quarry faces have been reclaimed to an overall slope of $\leq 2:1$. Outside the quarry pit, naturally occurring open bedrock areas (e.g., Areas 1, 2) will be retained and in some cases enlarged as it has been shown in several whip-poor-will studies (summarized in COSEWIC 2009), including studies at the RRP (Rand 2014; Amec Foster Wheeler 2015b, 2016), that this species has a distinct affinity to treed open bedrock habitats. To this end, some rock piles that resulted from quarry works (e.g. piles of oversized material) will be maintained and/or enlarged to provide more bedrock areas scattered throughout the reclamation area.

Rock from Area 8 will be used to create two narrow fingers of exposed rock in Area 3, or will be used to make boulder clusters using six to eight oversized boulders (e.g., boulders >1 m in size). The access road (Area 7) will remain for ongoing post-closure monitoring, but at the completion of monitoring (date to be determined) will be ripped and left to revegetate naturally.

Topsoil (60 to 80% clay, 10 to 15% peat / organic material and 10 to 20% rock) will be placed in specified areas in a thickness ranging from 200 to 300 mm thickness (as per Attachment 3) to support revegetation activities in the Spring of 2018.

2.2 Revegetation (Q2 2018)

Revegetation will include hand planting of tree seedlings and hydroseeding or broadcast seeding using a native seed mixture previously approved by the MNRF for use at the Rainy River Mine Site. General revegetation of the RRP site is readily achievable with current technologies, as demonstrated by revegetation efforts previously employed at other mine sites in Ontario. Vegetation (and wildlife) recovery times will vary depending on the species and/or communities involved.

Through active revegetation programs, early successional plant and wildlife communities would be expected to become established within three to five years. The development of semi-mature aspen and/or spruce woodlands (the most common forest community type currently in the area) would be expected to occur over a period of approximately 30 to 40 years. Intermediate community types would develop during the intervening period. Specifically for Eastern Whip-poor-will, recolonization might be observed within the surrounding undisturbed forest within a few years as the site now provides forest edge next to an open area, typical of habitats used by whip-poor-will for foraging. Recolonization of the revegetated areas within the disturbed footprint will likely be observed 10 to 30 years after the commencement of reclamation activities. By that time, replanted tree cover is projected to reach heights where whip-poor-will could reasonably be expected to begin utilizing developing habitats.

Attachments 2 to 4 provide detailed revegetation activities scheduled for Q2 2018 as briefly summarized here. Areas that are to be replanted with trees (Areas 1, 3 to 5, and 8 to 10; see Attachment 3) will receive locally sourced mixed trembling aspen and black or white spruce (or species consistent with those cleared, as available) at a density of 1,000 stems per hectare, in order to establish a mixed forest with a density known to be preferred by whip-poor-will. This specified density takes into account the fact that some hand-planted seedlings may fail and that some natural regeneration will occur.

Ground cover (e.g., herbaceous plants) will be established in open areas (Areas 2, 4, 5, 8 to 10; see Attachment 3) by seeding with a native upland seed mixture (Attachment 4) that has previously been approved by the MNRF.

2.3 Relevance to Future Mine Closure Activities

New Gold is committed to encouraging and, as practical, restoring the RRP site to productive, naturalized vegetation communities on cessation of mining activities. This will involve the active revegetation of peripheral tailings management area areas, the mine rock stockpiles and the remaining portions of the overburden stockpile, as well as the general mine site area. Progressive reclamation such as proposed in this memo for the Tait Quarry are designed to provide valuable information that can help ensure revegetation success at closure. While the Tait Quarry, 2017 and 2018 reclamation activities are designed to provide species-specific habitat, namely for Eastern Whip-poor-will, the knowledge gained from will be support future closure activities for the RRP.

Rainy River Project

Tait Quarry Proposed Reclamation Approach

October 5, 2017



3.0 REFERENCES

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Rainy River Project

Tait Quarry Proposed Reclamation Approach

October 5, 2017



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4.0 CLOSING

We appreciate the opportunity to be involved with New Gold in this leading research.

Prepared by:

A handwritten signature in black ink that reads "Matt Evans".

Matt Evans, Ph.D.,
Senior Ecologist

Reviewed by:

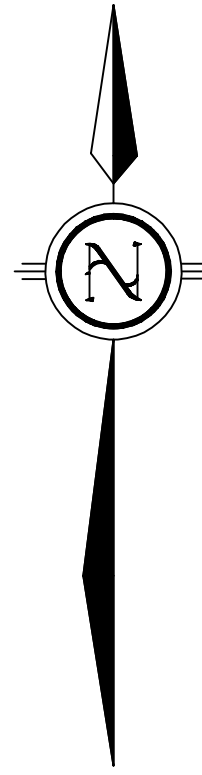
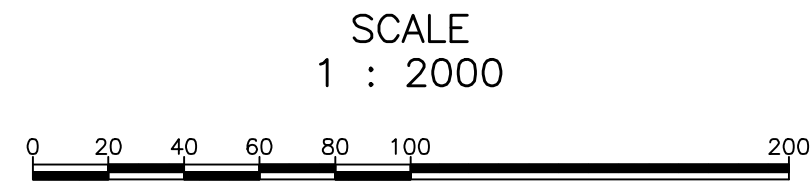
A handwritten signature in black ink that reads "Sheila Daniel".

Sheila Daniel, M.Sc., P.Geo.
Principal, Mining Environmental

ATTACHMENTS

Attachment 1
Aggregate Resource Act Permit
Reclamation Plan for Tait Quarry

DISTRICT OF RAINY RIVER
TOWNSHIP OF TAIT
NEW GOLD TAIT ROAD QUARRY



DECLARATION OF PURPOSE
THIS SITE PLAN IS PREPARED UNDER THE AGGREGATE
RESOURCES ACT FOR A PERMIT, CATEGORY 12

A. PROGRESSIVE REHABILITATION - CATEGORY 12 QUARRY

- Progressive revegetation of the Tait Quarry site is not proposed, as the duration of quarry use is expected to be short (less than one year). Instead the site will be revegetated following the completion of all quarrying activities.
- As the limit of extraction is reached, for a category 12 operation, the operator will either extract to the limit of extraction and back fill to produce a 2:1 slope with available overburden, or extract less material and use inert material to produce the 2:1 slope. (See sections on this page).
- All available overburden, topsoil and organic matter will be applied to the slopes and quarry floor, with some areas having greater depths.

B. FINAL REHABILITATION

- Revegetation of the Tait Quarry will be integrated with habitat manipulation of the immediate area surrounding the Tait Quarry site to develop habitat that is expected to be utilized by Eastern Whip-poor-will, consistent with Endangered Species Act Permit Number FF-C-501-14 requirements. This will include providing a suitable soil base for supporting a patchy forest structure dominated by a mixture of Trembling Aspen and Black Spruce, together with a ground cover consisting of native grasses, herbs and shrubs. Ground cover will be developed using a native seed mixes, pending availability, together with possible use of a nurse crop. Shrubs are expected to invade the site naturally. Tree seedlings (Trembling Aspen and Black Spruce) will be planted in a patchwork format. A detailed habitat restoration plan will be developed in consultation with the AMNR, prior to implementation.
- Equipment, plants, buildings and aggregate stockpiles will be removed from the site. Roads may remain to access the back of the property.
- Overburden and topsoil stockpiles and berms will be utilized in progressive and final rehabilitation.
- Drainage will be contained within the rehabilitated quarry with a discharge point located at the northwest corner of the extraction zone to allow for stock levels to safely drain from the workings if required. Uneven ripping and depths of soil replacement will provide for localized areas that may be wetter than others providing for habitat diversity. Where extracting advances below the water table, these areas will be allowed to flood and be deemed as final rehabilitation.
- The anticipated final end use is a rural, naturalized area.

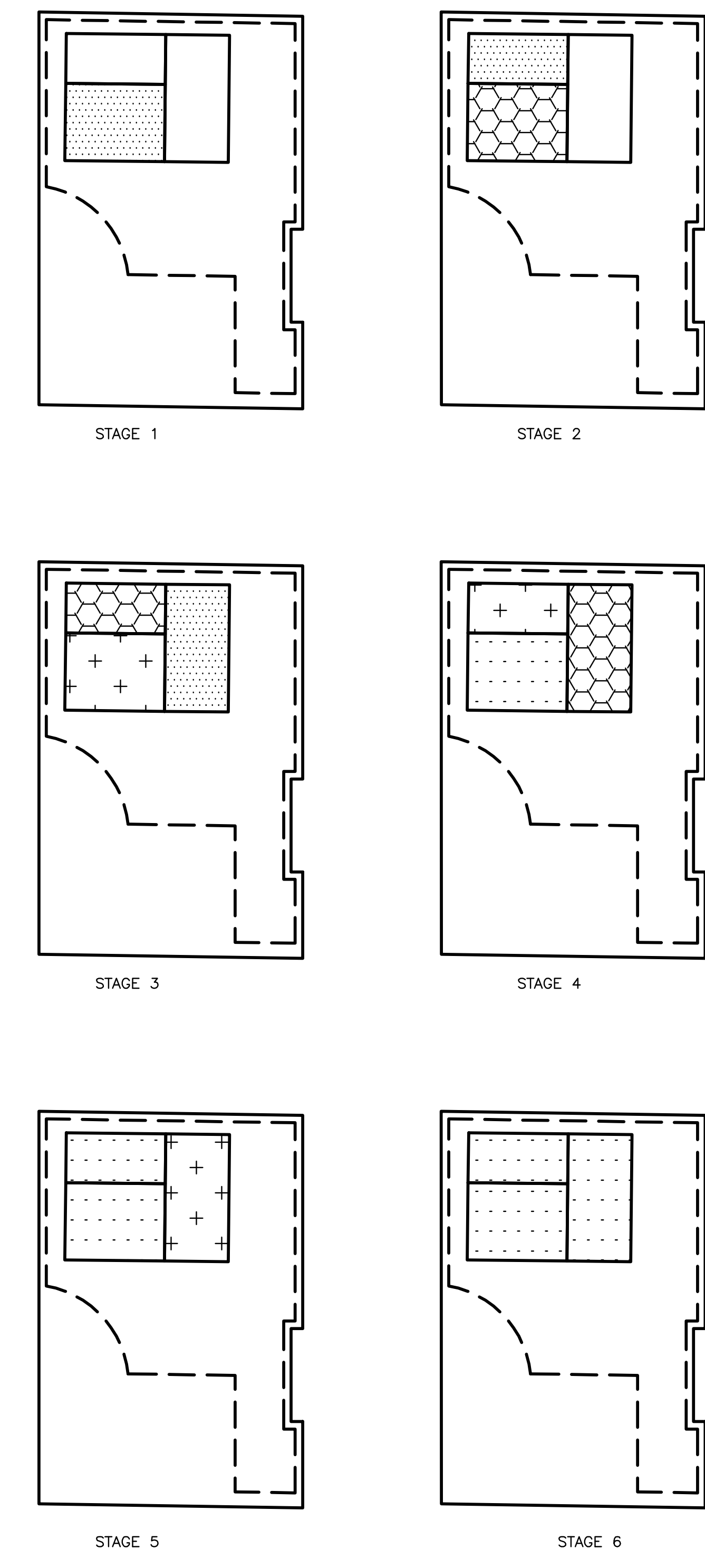
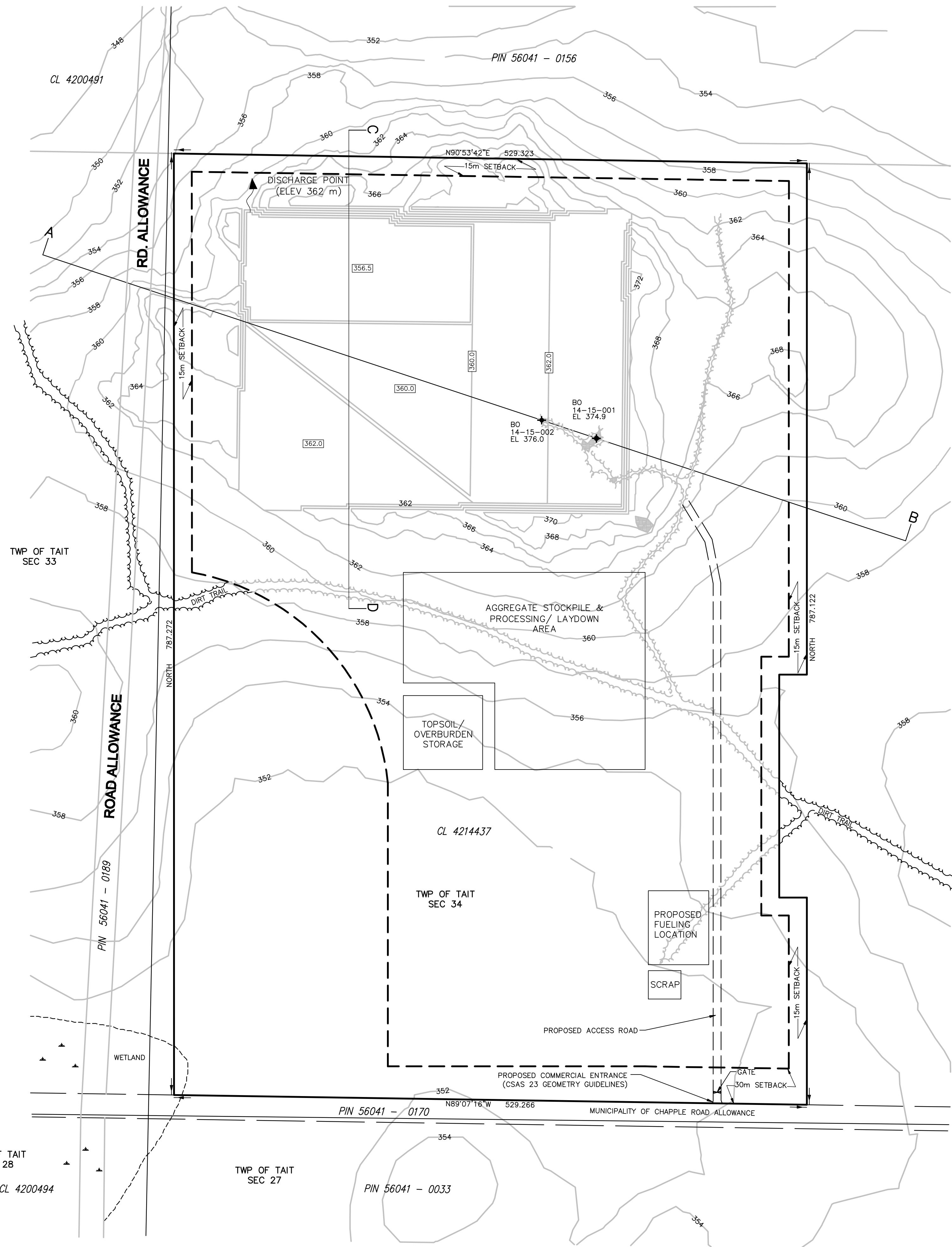
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6 Degree Universal Transversal Mercator
(UTM) Grid Coordinates, UTM Zone 15
Referenced from HCM 00819980376 &
IB
The survey was conducted using a Trimble
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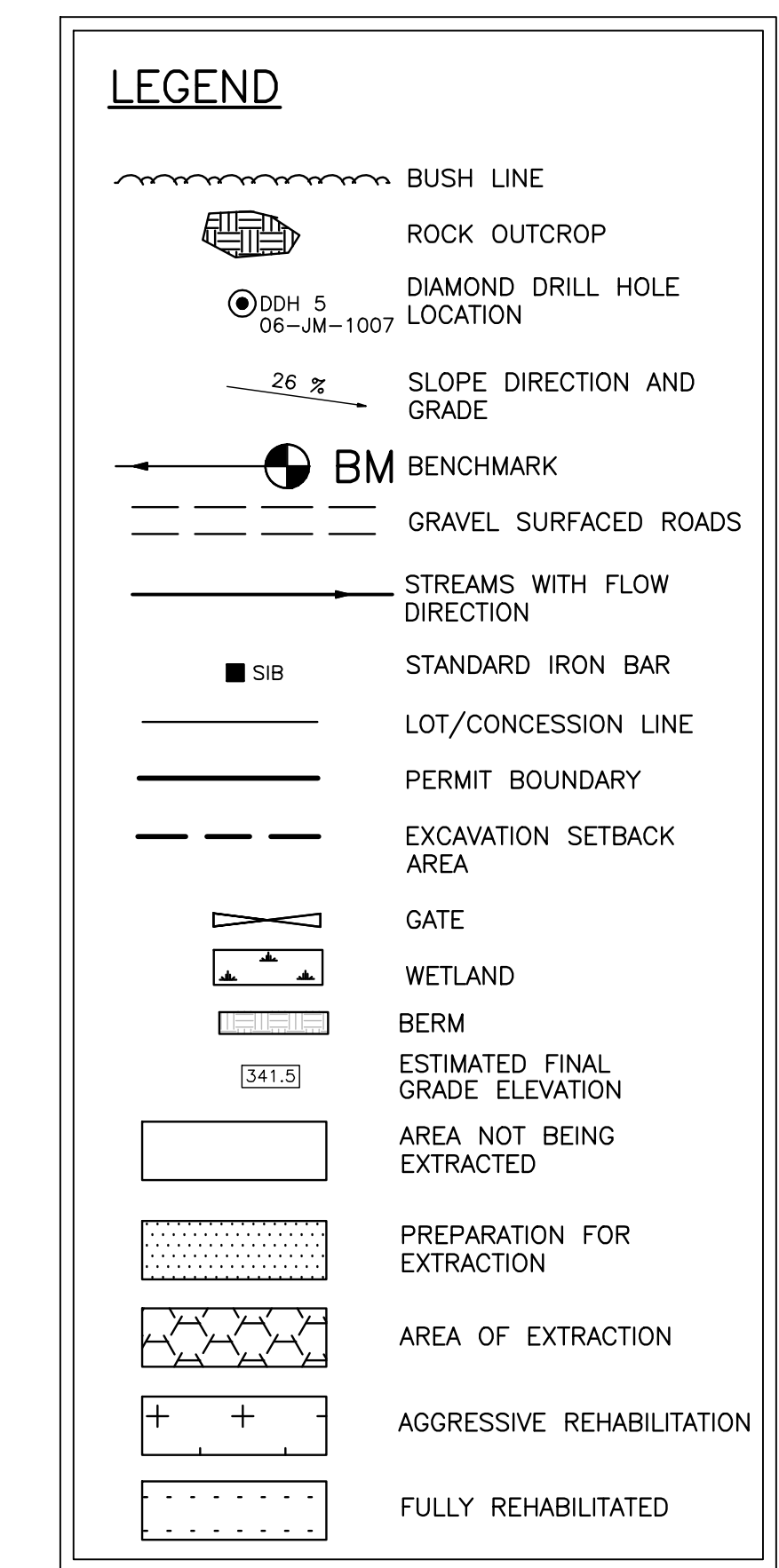
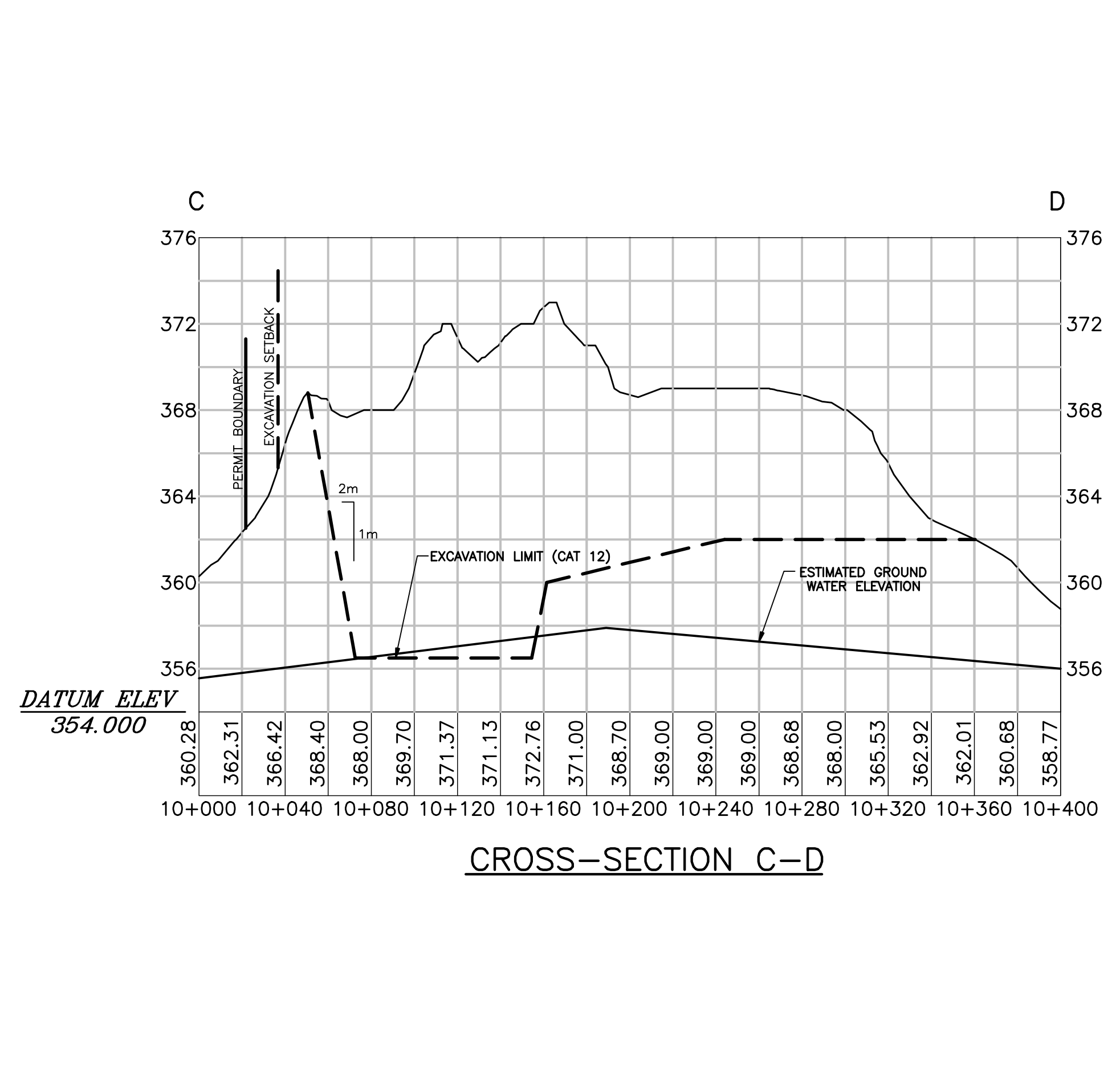
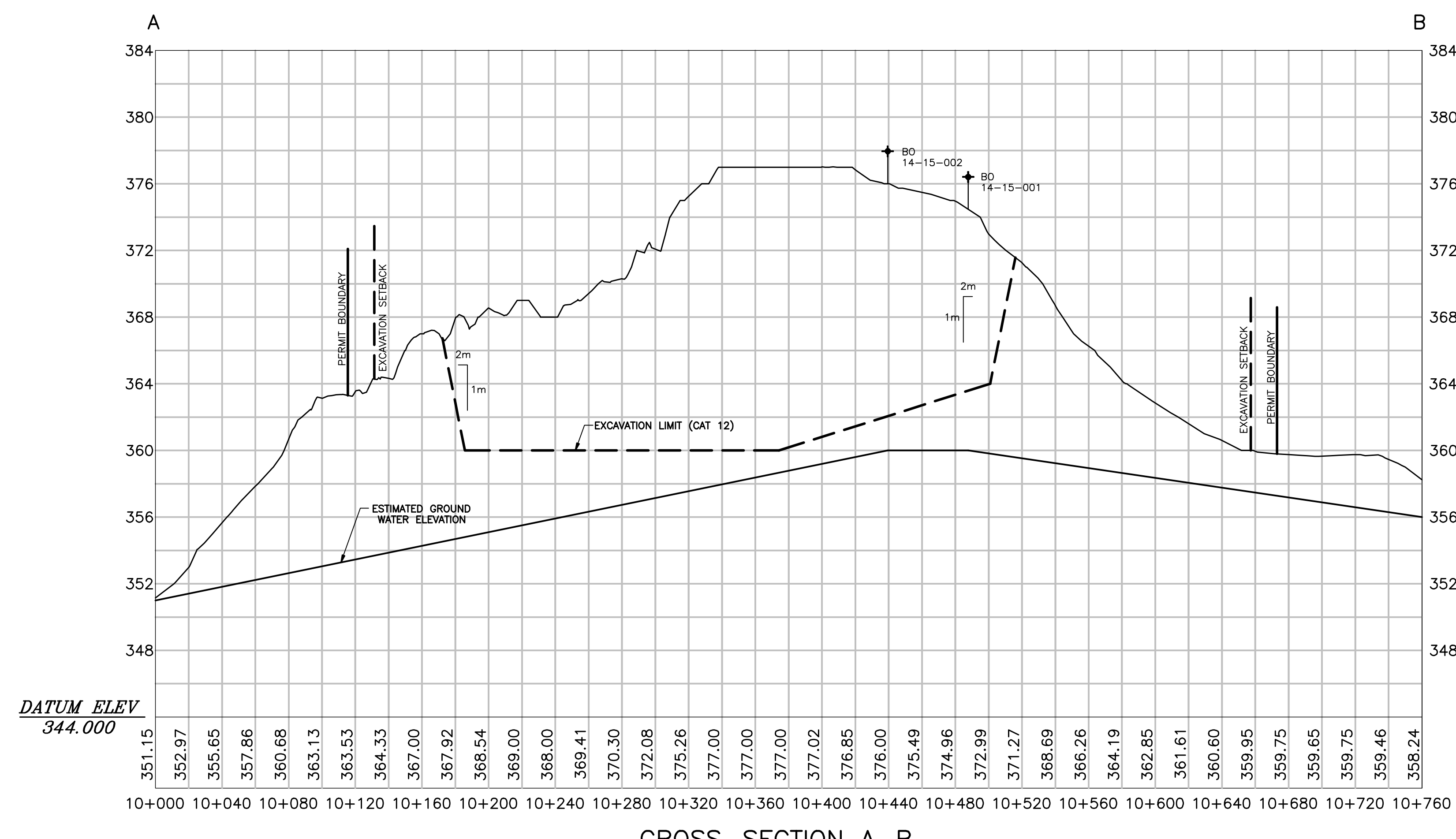
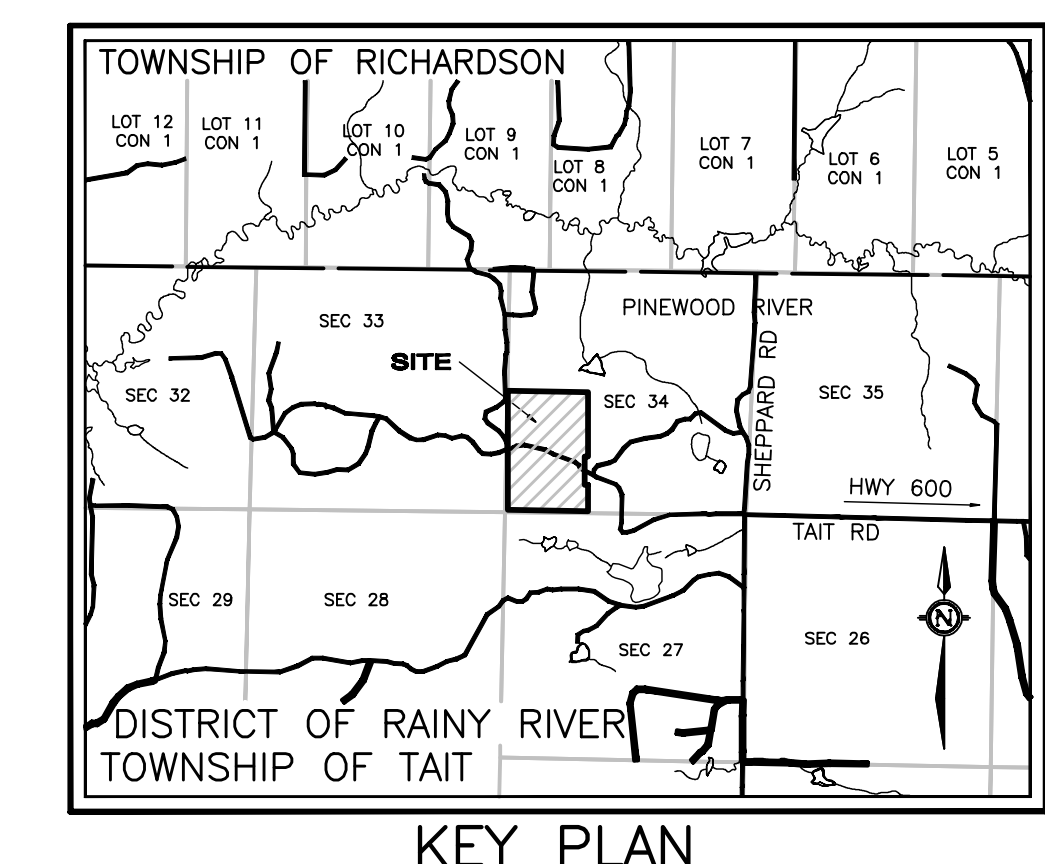
Vertical Datum
Elevations are ORTHOMETRIC derived from
GBM 0011953U587K Elevation = 365.596 TABLET IN CONCRETE
CULVERT

N- Value E- Value Elev.
5408787.960 432725.354 365.596 BM 365.596 TABLET IN CONCRETE
CULVERT

NOTE:
BEARINGS AND DISTANCES AS SHOWN ON THIS PLAN ARE GRID.
ELEVATIONS AS SHOWN ON THIS PLAN ARE ORTHOMETRIC.
DISTANCES AND ELEVATIONS AS SHOWN ON THIS PLAN
ARE IN METRES.



PROGRESSIVE REHABILITATION
FOR PIT/QUARRY
N.T.S.



IS APPROVED BY THE
MINISTRY OF NATURAL RESOURCES
PURSUANT TO SECTION 9 (4) OF THE
AGGREGATE RESOURCES ACT TO
PREPARE AND CERTIFY SITE PLANS.

CATEGORY 12
APPLICANT NAME: New Gold Inc.
ADDRESS: Rainy River Project Office
1111 Victoria Avenue East
Thunder Bay, ON
P7C 1B7

SIGNATURE OF OWNER REPRESENTATIVE: [Signature]
DATE: 02/02/2015

**PROGRESSIVE AND FINAL
REHABILITATION PLAN**

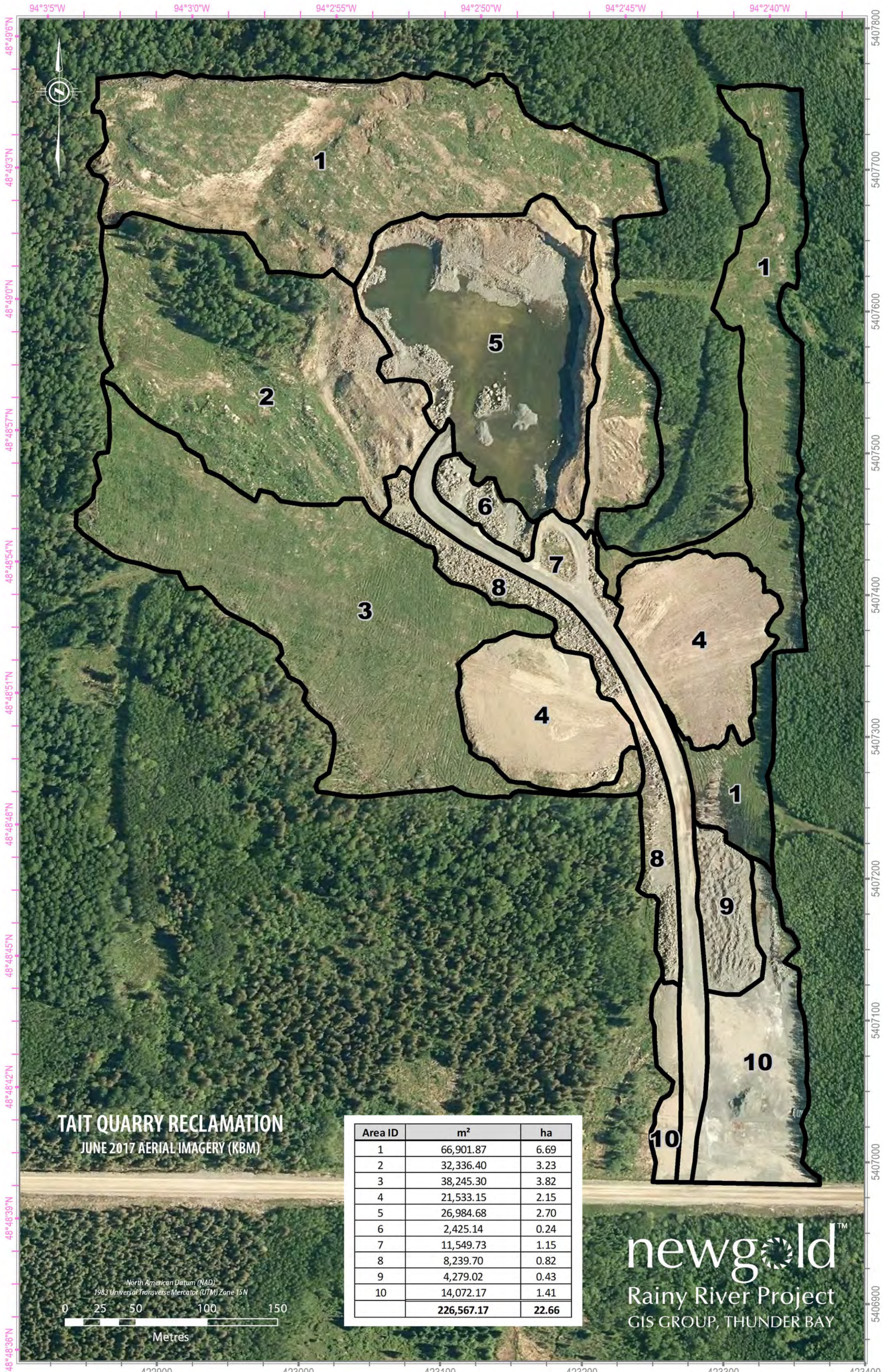
PROJECT NO. 13-251-13 REVISION #1
DATE: JANUARY 30, 2015 SCALE: 1:2000
DRAWN: L.B. CHECKED: C.Z. APPROVED: S.P.

PERMIT SIZE = 41.23 ha
EXTRACTION AREA = 30.64 ha
PLAN 3 OF 3

TBT ENGINEERING
1918 YONGE STREET
THUNDER BAY, ON P7C 6T9
TELEPHONE (807) 624-5160
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Attachment 2

**Numbered Areas in the Tait Quarry, with Numbers Corresponding to
Closure Treatments Outlined in Attachment**



TAIT QUARRY RECLAMATION
 JUNE 2017 AERIAL IMAGERY (KBM)

Area ID	m ²	ha
1	66,901.87	6.69
2	32,336.40	3.23
3	38,245.30	3.82
4	21,533.15	2.15
5	26,984.68	2.70
6	2,425.14	0.24
7	11,549.73	1.15
8	8,239.70	0.82
9	4,279.02	0.43
10	14,072.17	1.41
	226,567.17	22.66

North American Datum (NAD)
 1983 Universal Transverse Mercator (UTM) Zone 15N



newgoldTM
 Rainy River Project
 GIS GROUP, THUNDER BAY

94°3'5"W 94°3'0"W 94°2'55"W 94°2'50"W 94°2'45"W 94°2'40"W

48°49'6"N 48°49'3"N 48°49'0"N 48°48'57"N 48°48'54"N 48°48'51"N 48°48'48"N 48°48'45"N 48°48'42"N 48°48'39"N 48°48'36"N

5407800 5407700 5407600 5407500 5407400 5407300 5407200 5407100 5407000 5406900

422900 423000 423100 423200 423300 423400

Attachment 3

Closure Treatments for Each Designated Areas within the Tait Quarry

- Numbers Correspond to Those Shown in Attachment 1

Rainy River Project

Tait Quarry Proposed Reclamation Approach

October 5, 2017



<u>Area # (as per Attachment 1)</u>	<u>Name</u>	<u>Size (ha)</u>	<u>Earthworks and Revegetation Works Planned</u>	<u>Material Quantities</u>	<u>Timing</u>
1	Cleared original ground	6.69	<ul style="list-style-type: none"> Rip road along east edge of quarry and place topsoil (60-80% clay, 10-15% peat and 10-20% rock) up to 300 mm thickness to support revegetation works in 2018. Replant with locally sourced mixed poplar and black or white spruce trees (or species consistent with those cleared, as available) at a density of 1000 stems per ha. 	<ul style="list-style-type: none"> 6,690 stems 	<ul style="list-style-type: none"> Fall 2017 Spring 2018
2	Cleared original ground (rock)	3.23	<ul style="list-style-type: none"> Retain existing trees and leave open bedrock areas. Utilize rock pile on east side of Area 2 for quarry reclamation (Area 5). If a rock base remains after rock pile removal, place topsoil (60-80% clay, 10-15% peat and 10-20% rock) to a depth of 200 mm over 60-70% of the slopes. Seed with upland seed mix (see Attachment 3) and replant trees consistent with Area 1 	<ul style="list-style-type: none"> 53 kg of upland seed 	<ul style="list-style-type: none"> Fall 2017 Fall 2017 Spring 2018
3	Cleared original ground (open area)	3.82	<ul style="list-style-type: none"> Develop two rock fingers with oversized material; dozer out material. Alternatively, place boulder clusters (e.g. 6 - 8 large oversized boulders (>1 m) per cluster). Replant with locally sourced mixed poplar and black or white spruce (or species consistent with those cleared, as available) at a density of 1000 stems per ha. 	<ul style="list-style-type: none"> 3,820 stems 	<ul style="list-style-type: none"> Fall 2017 Spring 2018
4	Topsoil dumps	2.15	<ul style="list-style-type: none"> Utilize topsoil for reclamation of other areas and then regrade consistent with original topography. Seed with upland seed mix (see Attachment 3) and replant trees consistent with Area 1. 	<ul style="list-style-type: none"> 35 kg of upland seed and 2,150 stems 	<ul style="list-style-type: none"> Fall 2017 Spring 2018
5	Quarry	2.7	<ul style="list-style-type: none"> Reclaim quarry faces to an overall slope of $\leq 2:1$; upper 1 - 2 m of rock face may be left exposed to open up understorey. Quarry floor to be left as pond, after faces have been resloped. Place topsoil mix (60-80% clay, 10-15% peat and 10-20% rock) to a depth of 200 mm over 60-70% of the slopes. 		<ul style="list-style-type: none"> Fall 2017 Fall 2017 Fall 2017

Rainy River Project

Tait Quarry Proposed Reclamation Approach

October 5, 2017



<u>Area # (as per Attachment 1)</u>	<u>Name</u>	<u>Size (ha)</u>	<u>Earthworks and Revegetation Works Planned</u>	<u>Material Quantities</u>	<u>Timing</u>
			<ul style="list-style-type: none"> Seed with upland seed mix (see Attachment 3) and replant trees consistent with Area 1. 	<ul style="list-style-type: none"> 33 kg of upland seed and 2,000 stems 	<ul style="list-style-type: none"> Spring 2018
6	Rock piles	0.24	<ul style="list-style-type: none"> Build up both existing rock piles with oversized material to a height of approximately 3 m above grade. 		<ul style="list-style-type: none"> Fall 2017
7	Access road	1.15	<ul style="list-style-type: none"> Maintain an access road for ongoing monitoring and inspections with an appropriate turn around area. Running width of the road should be suitable to support access by a dozer and rock trucks and the road surface should support light vehicle use. On completion of monitoring, rip road and leave area as opening in forest to support foraging activity. Secure access with berm and/or dense tree planting near Hwy. 600. 		<ul style="list-style-type: none"> Fall 2017 Dependent on reclamation success and monitoring outcome
8	Oversized rock	0.82	<ul style="list-style-type: none"> Use rock to achieve requirements for Area 5. Remaining oversized material will be used to form two rock fingers or multiple boulder clusters in Area 3. If needed, place topsoil (60-80% clay, 10-15% peat and 10-20% rock) to 200 mm thickness to support open understorey. Seed with upland seed mix and replant trees consistent with Area 1. 	<ul style="list-style-type: none"> 14 kg upland seed and 820 stems 	<ul style="list-style-type: none"> Fall 2017 Fall 2017 Fall 2017 Spring 2018
9	Processed rock	0.43	<ul style="list-style-type: none"> Use rock to achieve grades on slopes in Area 5. Cobble sized material to be blended with topsoil mix (Brenna clay and peat) to support open understorey. Place topsoil (60-80% clay, 10-15% peat and 10-20% rock) to 200 mm thickness to support open understorey. Seed and replant trees consistent with Area 1. 	<ul style="list-style-type: none"> 7 kg upland 	<ul style="list-style-type: none"> Fall 2017 Fall 2017 Fall 2017 Spring 2018

Rainy River Project

Tait Quarry Proposed Reclamation Approach

October 5, 2017



<u>Area # (as per Attachment 1)</u>	<u>Name</u>	<u>Size (ha)</u>	<u>Earthworks and Revegetation Works Planned</u>	<u>Material Quantities</u>	<u>Timing</u>
				seed and 430 stems	
10	Crusher area and entrance	1.41	<ul style="list-style-type: none"> Remove rock / aggregate material or pile (via a dozer) as required based on material. Balance ground conditions to create rock piles similar to Area 6 but with mixed rock. Place topsoil (60-80% clay, 10-15% peat and 10-20% rock) to 200 mm thickness to support open understorey. Seed and replant trees consistent with Area 1. 	<ul style="list-style-type: none"> 23 kg upland seed and 1410 stems 	<ul style="list-style-type: none"> Fall 2017 Fall 2017 Spring 2018

Rainy River Project

Tait Quarry Proposed Reclamation Approach

October 5, 2017

Attachment 4

Upland Seed Mixture to be Used for Reseeding Ground Cover at the Tait Quarry

Rainy River Project

Tait Quarry Proposed Reclamation Approach

October 5, 2017

Upland Seed Mix (Application Rate 16.5 kg/ha)

Common Name	Species¹	Seed Species Composition² (%)
Big Bluestem	<i>Andropogon gerardii</i>	22
Canda Wild Rye	<i>Elymus canadensis</i>	42
Fowl Bluegrass	<i>Poa palustris</i>	22
	Total Grasses	88
Thimbleweed	<i>Anemone virginiana</i>	2
Common Evening Primrose	<i>Oenothera biennis</i>	4
Black-eyed Susan	<i>Rudbeckia hirta</i>	4
Blue Vervain	<i>Verbena hastata</i>	2
	Total Forbs	12

Notes: ¹ All shrub species were removed from the seed mix due to lack of availability. Additional species removed from the seed mix per MNRF comments received on May 6 and 21, 2015 include Virginia Wild Rye (*Elymus virginicus*); Rice Cut Grass (*Leersia oryzoides*); Showy Tick Trefoil (*Desmodium canadense*); Purple Prairie Clover (*Dalea purpurea*); Ox-eye (*Heliopsis helianthoides*) and Marsh Milkweed (*Asclepias incarnata*). Thimbleweed (*Anemone virginiana*) and Common Evening Primrose (*Oenothera biennis*) were selected as alternative substitute species. Additional species diversity is expected through natural colonization. ² Seed species composition may vary from the table above based on commercial availability of seed at the time of construction.