SECTION 2 NEW GOLD RAINY RIVER MINE ANNUAL ENVIRONMENTAL APPROVAL COMPLIANCE

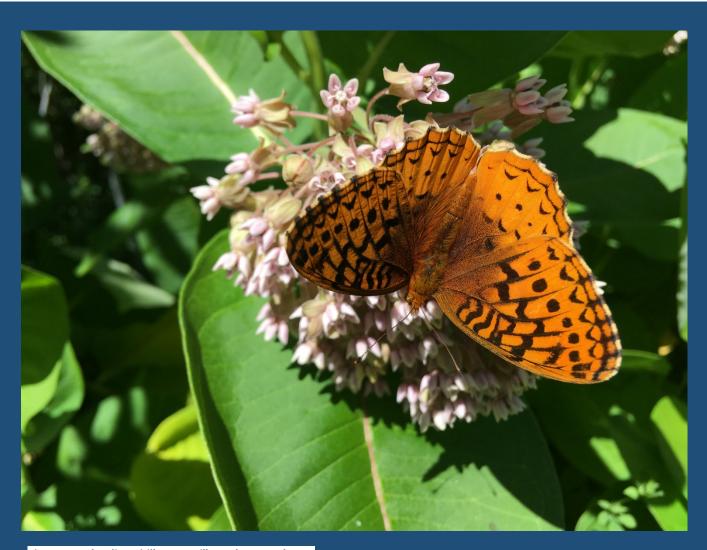


Figure 17 Aphrodite Fritillary on milkweed at pumphouse



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2.0 Annual Environmental Approval Compliance Report Requirements

This section provides a summary of the Compliance Requirements. Information on each of the specific compliance requirements can be found in detail in Sections 3-7 of this report. When referenced, Supporting Documentation can be found in the Appendices. This report is intended to meet both Federal and Provincial annual Environmental Assessment Compliance Reporting requirements.

Regulatory Background

Condition 2.3 of the Federal EA Decision Statement required that:

The Proponent shall submit to the Agency an annual report on the implementation of the conditions set out in this Decision Statement with a supporting analysis for each of the conditions for the preceding calendar year on or before March 31st, starting from the commencement of any activities in connection with the carrying out of the Designated Project. Each annual report shall describe how the Proponent has considered and incorporated the factors outlined in condition 2.1 in the implementation of the conditions set out in this Decisions Statement.

Condition 2.5 requires that the report be available on the Proponent website within 30 days of submission to the CEAA. This posting will be completed by April 15th 2020.

- Condition 6 of the Provincial Notice of Approval also indicated a requirement for an annual EA compliance report:
- Condition 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 Compliance Monitoring Program required by Condition 5 of this
 Notice of Approval.
- Condition 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.

Per an e-mail communication between Mr. Kyle Stanfield, New Gold RRM and Ms Sasha McLeod of the Ministry of Environment and Climate Change on March 2, 2015, the timing of the Provincial EA Compliance Report was aligned with the Federal requirement and will be due on March 31st each year.

This report is intended to meet both the Federal and Provincial, annual Environmental Assessment compliance report requirements.

Report Content Requirements

In accordance with the Federal EA Decision Statement and the Provincial EA Notice of Approval, along with the Compliance Monitoring Program submitted by New Gold RRM in fulfillment of Condition 5 of the Provincial EA Notice of Approval, this Annual EA Compliance Report contains the following:

• Federal Decision Statement Registry (Section 3)

This registry includes several conditions that are to be tracked. Most condition are monitored on an ongoing basis. The comprehensive table provides a summary and feedback on how the second year of the Operations Phase met the conditions of the Decision Statement, recognizing that 2019 was a very productive year.



Provincial Notice of Approval Registry (Section 4)

With this registry, New Gold RRM committed to maintaining a Notice of Approval Registry that tabulates the conditions of the Notice of Approval and the on-going status. The Notice of Approval Registry is to be updated on a regular basis, and no less frequently than annually as part of the project follow up reporting.

• Commitments Registry (Section 5)

New Gold RRM made many commitments which were disseminated through the associated EA documentation. New Gold RRM intends to fulfil these commitments as summarized in the Commitments Registry. The registry is intended as a living document and will be amended as needed, to include other mitigation measures / commitments as identified going forward. The registry will be updated on a regular basis, and no less frequently than annually as part of the project follow up reporting.

• Follow Up Monitoring Program (FMP) Registry (Section 6)

The RRM EA Report / Environmental Impact Statement, Section 13 describes the RRM monitoring plan and environmental management. In accordance with the Code of Practice for Preparing and Reviewing EAs in Ontario, 2014, monitoring is:

Used to verify the expected environmental effects of the undertaking and to determine if any additional impact management measures, or adjustments to any measures, are required. The monitoring framework should consider all phases of the proposed undertaking (for example, planning, detailed design, tendering, construction, operation, closure, decommissioning). This framework must include compliance monitoring and, where appropriate, effects monitoring.

In accordance with Canadian Environmental Assessment Act, 2012 the purpose of the FMP is to:

Verify the accuracy of the environmental assessment of a designated project; and determine the effectiveness of any mitigation measures.

The FMP applies to the construction, operation, active closure and decommissioning (active closure), and post-closure phases of the RRM, as appropriate. Additional reporting has been completed as required by the environmental approvals received to date; these reports have been issued to the appropriate regulatory authorities.

Public Consultation Registry (Section 7)

New Gold has committed to providing a public consultation table as part of the Provincial Compliance Monitoring Program (Version 2 February 11, 2015).