SECTION 3
NEW GOLD RAINY RIVER MINE COMMITMENT REGISTRY FEDERAL COMMITMENTS

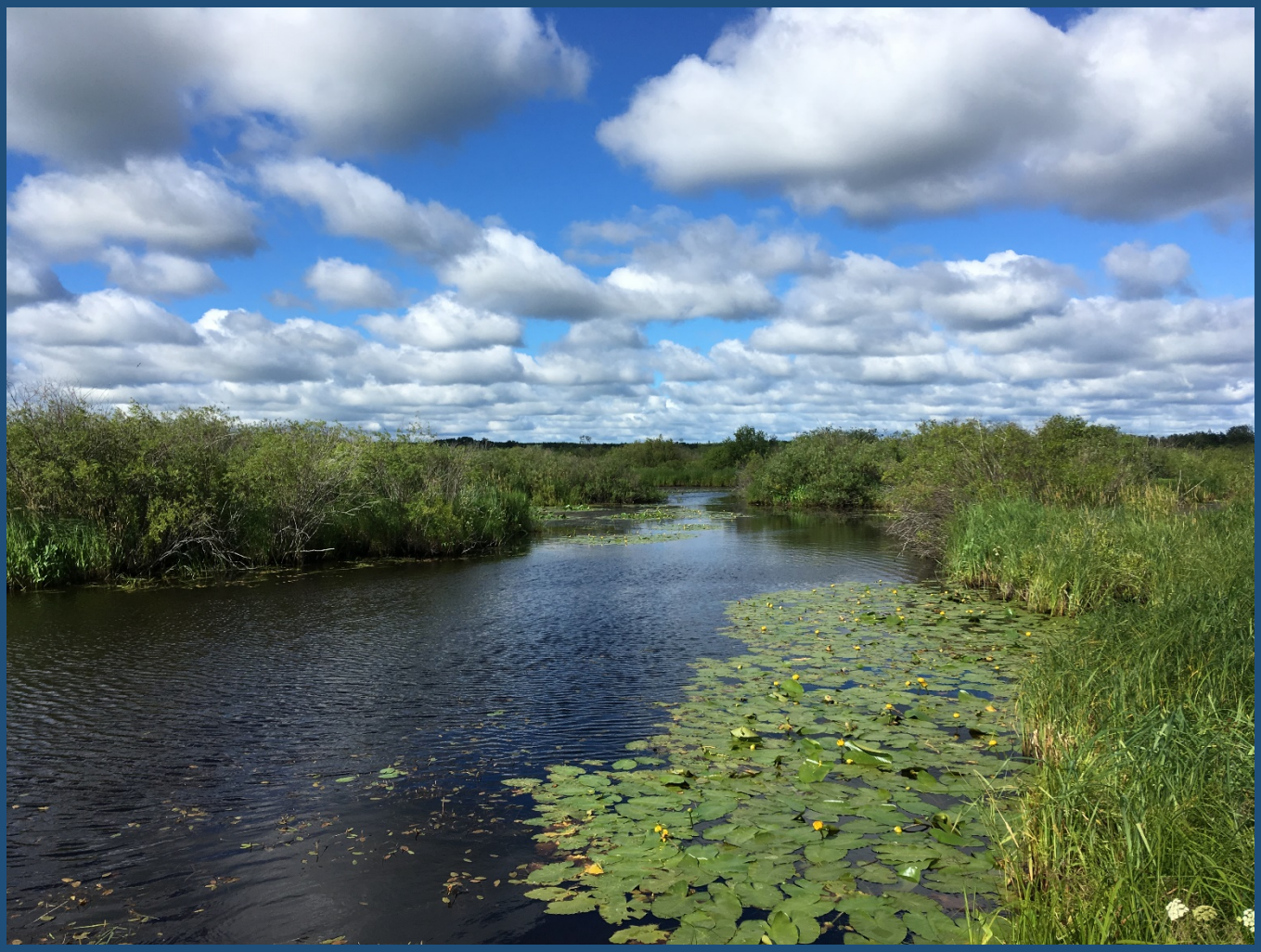

Figure 18 Pinewood River south of open pit

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2.0 General Conditions

Condition 2.1

The Proponent shall, throughout all phases of the Designated Project, inform its actions in meeting the conditions set in this Decision Statement by the best available information and knowledge, based on validated methods and models, undertaken by qualified individuals and apply the best available economically and technologically feasible mitigation measures.

Status: Ongoing

Supporting Analysis:

During operation of the RRM, applications for new or amended permits have been required, meeting the conditions set out in this Decision Statement as well as other Provincial and Federal approvals.

On July 25th, 2019, the Canadian Environmental Assessment Agency conducted an inspection at the mine. This site inspection allowed Rainy River Mine to demonstrate the implementation progress of its' Regulatory commitments, with the opportunity of feedback from CEAA.

Condition 2.2

Where consultation is a requirement of the conditions set out in this Decision Statement, the Proponent shall first consult Aboriginal groups on the most appropriate manner in which to engage in consultation with them.

Status: Ongoing

Supporting Analysis:

Consultation and engagement methods were significant discussion items throughout the EA process and in the negotiation of Impact Benefit and Participation Agreements. Active consultation and engagement with local communities continued through 2019.

Condition 2.3

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 31, 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 Decision Statement.

Status: Completed

Supporting Analysis:

The annual report was submitted to the Agency in March 2020. A digital copy can be found on the New Gold Website at http://www.newgold.com/projects/rainyriver/rainyriver-project. The public is also welcome to visit the New Gold office in Emo Ontario to review copies of the document.

Condition 2.4

The Proponent shall, in consideration of the annual report for condition 2.3, provide documentation to the Agency indicating the results of any monitoring for conditions 3.8, 4.6, 5.2, 5.3, 5.4, 6.4, and 8.4. The documentation shall demonstrate whether the mitigation measures have proven effective and whether the predictions made during the environmental assessment were accurate. The documentation shall also detail any corrective actions taken by the Proponent should the mitigation measures prove not to be effective.

Status: Ongoing

Supporting Analysis:

Documented results can be found under each of the specified sections for the monitoring work that was completed in 2019.

Condition 2.5

The Proponent shall make the report and documentation referred to in conditions 2.3 and 2.4 available on its website no later than 30 days after submission to the Agency.

Status: Ongoing

Supporting Analysis:

The report and documentation referred to in conditions 2.3 and 2.4 are made available on NG's website (www.newgold.com) no later than 30 days after submission to the Agency.

Condition 3: Fish and Fish Habitat

Condition 3.1.1

The Proponent shall minimize changes caused by the Designated Project to water levels and water flows in the Pinewood River, the Minor Creek System, and the Modified Minor Creek System in such a way as to protect fish and fish habitat, by implementing mitigation measures including, but not limited to: recycling of water, for ore processing, from the TMA and ponds constructed for water management.

Status: Ongoing

Supporting Analysis:

In 2017, the Mill, the Water Management Pond (WMP), the Tailings Management Area (TMA) Starter Cell (Cell 1) and Mine Rock Pond (MRP) were commissioned allowing water to be recycled from the open pit, under the authorization and subject to Conditions 3.2 through 3.5 of Permit to Take Water (PTTW) 7631-9VULMS, the WMP and TMA to assist in the milling of ore. The mine infrastructure was designed to encourage recycling of water.

Water was withdrawn from the Pinewood River to build the initial water inventory needed to start operations, under the authorization and subject to Conditions 3.2 and 3.3 of PTTW 8776-9W2QN3.Water taking from the Pinewood River ceased in October 2018, and PTTW 8776-9W2QN3 expired on November 30, 2018. No water was taken from the Pinewood River in 2019.

Condition 3.1.2

The Proponent shall minimize changes caused by the Designated Project to water levels and water flows in the Pinewood River, the Minor Creek System, and the Modified Minor Creek System in such a way as to protect fish and fish habitat, by implementing mitigation measures including, but not limited to: optimizing the timing, position and quantity of final effluent discharge between the final effluent discharge points.

Status: Ongoing

Supporting Analysis:

In 2017, the Water Management Pond (WMP), Tailings Management Area (TMA) Starter Cell and Mine Rock Pond (MRP) were commissioned, which increased the site capture of watershed drainage areas associated with the Rainy River Mine (RRM). As per Condition 3.3 of Permit to Take Water (PTTW) 8776-9W2QN3, the volume of water captured by site catchments was included in the total direct taking from the Pinewood River. During the construction of the WMP, TMA, MRP and development of the Open Pit, there were construction related discharges to the environment subject to the Effluent Limits in Condition 7 of Environmental Compliance Approval (ECA) 5781-9VJQ2J. The construction related discharge points were obtained through the Environment Canada Metal Mining Effluent Notification Process, and subject to the Metal Mining Effluent Regulations.

Condition 5 of ECA 5178-9TUPD9 dictates the discharge quality criteria, timing and volume restrictions for release of effluent from the four (4) final discharge points, Constructed Wetland Final Discharge, Water Management Pond Pipeline Discharge, Sediment Pond #1 and Sediment Pond #2. Discharge from Sediment Ponds #1 and #2 occurred in Fall 2019. Under an Abatement Plan approved by the Ministry of Environment, Conservation and Parks, discharge from the Water Management Pond Pipeline Discharge occurred in Fall 2019 via the Pinewood Pumphouse as the mixing structure (diffuser) had not been completed (Appendix B).

Condition 3.1.3

The Proponent shall minimize changes caused by the Designated Project to water levels and water flows in the Pinewood River, the Minor Creek System, and the Modified Minor Creek System in such a way as to protect fish and fish habitat, by implementing mitigation measures including, but not limited to: filling the open pit during the decommissioning and abandonment phases in a manner which meets the flow requirements in the Pinewood River while allowing the pit to be filled as expeditiously as possible to reduce any adverse environmental effects.

Status: Not applicable in 2019.

Supporting Analysis:

The Closure Plan for the Rainy River Mine outlines the close out and rehabilitation methods that will be used at the time of mine closure. With regard to the open pit, the pit walls will be reviewed by a professional engineer to ensure compliance with the Ontario Mine Rehabilitation Code. Safety measures that include a berm and boulders, and signage will be placed, and then the pit will be allowed to fill using a staged approach. This approach will involve water being directed from the Mine Rock Pond, seepage from the East Mine Rock Stockpile, and potentially runoff from the outside of the Tailings Management Area dams, in addition to open pit runoff and groundwater seeps. Flooding the final open pit is expected to take 60 to 75 years.

Condition 3.1.4

The Proponent shall minimize changes caused by the Designated Project to water levels and water flows in the Pinewood River, the Minor Creek System, and the Modified Minor Creek System in such a way as to protect fish and fish habitat, by implementing mitigation measures including, but not limited to: not taking water from the Pinewood River when flows are below the minimum threshold set by Ontario

Status: Complete

Supporting Analysis:

No water taking from the Pinewood River occurred in 2019. Permit to Take Water (PTTW) 8776-9W2QN3 expired on November 30, 2018.

Condition 3.2.1

The Proponent shall, for all effluent, comply with the MMER, the Fisheries Act and any site-specific water quality requirements set by Ontario. To ensure compliance, the Proponent shall implement, at a minimum, the following mitigation measures: treat effluent prior to discharge to the environment.

Status: Ongoing

Supporting Analysis:

In 2019, effluent discharges to the Pinewood River occurred from Sediment Pond #1, Sediment Pond #2, and the Water Discharge Pipeline. Effluent discharged from Sediment Ponds #1 and #2 did not contact tailings or any potentially acid generating (PAG) material. Effluent discharged from the Water Discharge Pipeline originated from the Water Management Pond (WMP), Sediment Pond #1 and other site runoff collection systems.

To maintain compliance with Environment Canada Environmental Effects Monitoring requirements issued for the project, RRM conducts semi-annual sublethal toxicity testing of its primary final effluent, water quality monitoring, sediment quality monitoring, benthic invertebrate community monitoring and fish population monitoring. Sublethal toxicity testing was conducted in September and October 2019. RRM has also built phase 1 of a treatment train, designed to treat effluent from milling operations prior to discharge to the environment.

Condition 3.2.2

The Proponent shall, for all effluent, comply with the MMER, the Fisheries Act and any site-specific water quality requirements set by Ontario. To ensure compliance, the Proponent shall implement, at a minimum, the following mitigation measures: treat tailings slurry to break down cyanide and precipitate heavy metals.

Status: Ongoing

Supporting Analysis:

Authorization to deposit tailings in the Tailings Management Area (TMA) Starter Cell (Cell 1) was received on September 28, 2017. Before tailings slurry can be deposited in Cell 1, or any subsequent cell in the TMA, the slurry must be treated by an in-plant tailings slurry cyanide destruction (SO2/Air) treatment facility located in the process plant as permitted in Environmental Compliance Approval (ECA) 5178-9TUPD9. The Water Management Pond (WMP) received effluent from the TMA during 2019. RRM has also built phase 1 of a treatment train, designed to treat effluent from milling operations prior to discharge to the environment.

Due to heavy rains received in the fall of 2019, discharge from Sediment Pond #1 commenced in September 2019, and discharge from Sediment Pond #2 commenced in October 2019. Discharge from the Water Discharge Pond to the Pinewood via the Water Discharge Pipeline and Pinewood Pumphouse began in October 2019 as authorized by the Ministry of Environment, Conservation and Parks as an Abatement Plan.

Condition 3.2.3

The Proponent shall, for all effluent, comply with the MMER, the Fisheries Act and any site-specific water quality requirements set by Ontario. To ensure compliance, the Proponent shall implement, at a

minimum, the following mitigation measures: collect site contact water and seepage in ditches and divert to either the TMA or water management facilities for release via final discharge points.

Status: Ongoing

Supporting Analysis:

All site water is collected in a site impoundment, such as Sediment Pond #1 and #2, the Tailings Management Area (TMA), Water Management Pond (WMP) or Mine Rock Pond (MRP), for recycling and further treatment before eventual release via final discharge points. TMA Cell 3 was commissioned in 2019.

Condition 3.2.4

The Proponent shall, for all effluent, comply with the MMER, the Fisheries Act and any site-specific water quality requirements set by Ontario. To ensure compliance, the Proponent shall implement, at a minimum, the following mitigation measures: install and operate a water quality control structure in the constructed wetland to prevent the release of final effluent discharge not compliant with the Regulations or requirements

Status: Not applicable for 2019.

Supporting Analysis:

Construction of the constructed wetland has been deferred until two years prior to closure. Construction will include a water quality control structure.

Condition 3.2.5

The Proponent shall, for all effluent, comply with the MMER, the Fisheries Act and any site-specific water quality requirements set by Ontario. To ensure compliance, the Proponent shall implement, at a minimum, the following mitigation measures: install secondary containment on pipelines that cross the West Creek Diversion Channel to prevent accidental discharge of effluent.

Status: Complete

Supporting Analysis:

Pipelines associated with mill processing and tailings transportation from the plant to the Tailings Management Area were installed in 2017. A design modification was completed which included secondary containment of the pipeline that cross the West Creek Diversion channel. Also where the pipeline crosses West Creek. The secondary containment consists of sleeves (pipe within a pipe) made from 36" high density polyethylene (HDPE). The rest of the pipeline has a double wall thickness for protection. The entire tailings pipeline also rest into a corridor which is also lined with a fused geomembrane and is sloped to drain into the multiple sumps in case of emergency

Condition 3.3.1

The Proponent shall control acid rock drainage and metal leaching so that all effluent and passive outflow from the Project Site comply with the MMER, any site-specific water quality requirements set by Ontario, and the Fisheries Act, as applicable at any time. To ensure compliance, the Proponent

shall implement, at a minimum, the following mitigation measures: line the former Clark Creek channel (under the east mine rock stockpile) with non-potentially acid generating material

Status: Ongoing

Supporting Analysis:

To comply with MDMER and provincial permitting requirements, effluent and passive outflow from the Potentially Acid Generating (PAG) rock drainage and metal leaching from active areas of East Mine Rock Stockpile area was collected in the Mine Rock Pond and associated seepage collection system. In 2019, Clark Creek channel was lined with non-acid generating rock under the East Mine Rock Stockpile area. up until the wick zone area. Non-acid generating rock will continue to be placed on top of the wick-zone area in 2020.

Condition 3.3.2

The Proponent shall control acid rock drainage and metal leaching so that all effluent and passive outflow from the Project Site comply with the MMER, any site-specific water quality requirements set by Ontario, and the Fisheries Act, as applicable at any time. To ensure compliance, the Proponent shall implement, at a minimum, the following mitigation measures: sort waste rock into potentially acid generating and non-potentially acid generating rock stockpiles through the development and implementation of a detailed mine rock segregation program using criteria for determining potentially acid generating material set by Ontario.

Status: Ongoing

Supporting Analysis:

A Geochemical Monitoring Plan for the Construction and Operation Phases was issued in accordance with MECP ECA 5178-9TUPD9 requirements and has been implemented at the RRM site. Monitoring was ongoing during 2019. Appendix Q.

Condition 3.3.3

The Proponent shall control acid rock drainage and metal leaching so that all effluent and passive outflow from the Project Site comply with the MMER, any site-specific water quality requirements set by Ontario, and the Fisheries Act, as applicable at any time. To ensure compliance, the Proponent shall implement, at a minimum, the following mitigation measures: design and construct the perimeter ditching around the east mine rock stockpile and low-grade ore stockpile to accommodate a 100-year flood event.

Status: Ongoing

Supporting Analysis:

EMRS permanent ditching was completed in February 2019, and WMRS permanent ditching was completed in December 2019.

Condition 3.3.4

The Proponent shall control acid rock drainage and metal leaching so that all effluent and passive outflow from the Project Site comply with the MMER, any site-specific water quality requirements set by Ontario, and the Fisheries Act, as applicable at any time. To ensure compliance, the Proponent

shall implement, at a minimum, the following mitigation measures: use potentially acid generating material only for the purpose of constructing the tailing management dam, where saturated conditions can be maintained. Potentially acid generating material must not be used for any other construction purpose.

Status: Ongoing

Supporting Analysis:

All the PAG that has been encountered during 2019 has either been stockpiled in the East Mine Rock Stockpile, used in the pit (for road building and padding in the overburden) or stockpiled in the Tailings Management Area and used for dam wall construction.

Condition 3.3.5

The Proponent shall control acid rock drainage and metal leaching so that all effluent and passive outflow from the Project Site comply with the MMER, any site-specific water quality requirements set by Ontario, and the Fisheries Act, as applicable at any time. To ensure compliance, the Proponent shall implement, at a minimum, the following mitigation measures: place an engineered cover over the east mine rock stockpile and any remaining ore stockpiles at or before the decommissioning phase. The cover should be designed to prevent infiltration of water and to limit infiltration of air during the decommissioning and abandonment phases.

Status: Ongoing

Supporting Analysis:

An engineered cover will be placed over the east mine rock stockpile and any remaining ore stockpiles at or before the decommissioning phase as per sections 5.7.3.1 and 9.14.1.3 of the Rainy River Project (RRM) Closure Plan (October 2017). During 2017 a stockpile containing potentially acid generating rock was covered with an engineered cover as per design in the RRM Closure Plan and had instrumentation installed for monitoring purposes. Further testing and monitoring were conducted in 2019 to assess second year of cover trial. See memo in Appendix O outlining results from 2019.

Condition 3.3.6

The Proponent shall control acid rock drainage and metal leaching so that all effluent and passive outflow from the Project Site comply with the MMER, any site-specific water quality requirements set by Ontario, and the Fisheries Act, as applicable at any time. To ensure compliance, the Proponent shall implement, at a minimum, the following mitigation measures: cover the tailings with water and maintain the tailings in a perpetually saturated state during the decommissioning and abandonment phases.

Status: Not applicable in 2019.

Supporting Analysis:

At the time of mine closure New Gold intends on maintaining the tailings in a perpetually saturated state during the decommissioning and abandonment phases. Further information regarding mine reclamation and decommissioning can be found in the Updated Rainy River Mine Closure Plan (March 2020). This condition currently doesn't apply to the operational state of the mine.

Condition 3.3.7

The Proponent shall control acid rock drainage and metal leaching so that all effluent and passive outflow from the Project Site comply with the MMER, any site-specific water quality requirements set by Ontario, and the Fisheries Act, as applicable at any time. To ensure compliance, the Proponent shall implement, at a minimum, the following mitigation measures: fill the open pit, in accordance with condition 3.1.3 and 3.1.4, as rapidly as practicable during the decommissioning and abandonment phases, using all available means, including directing drainage from the east mine rock stockpile into the pit.

Status: Not applicable in 2019

Supporting Analysis:

During the decommissioning and abandonment phases, the open pit will fill and be managed according to the requirements specified in section 9.3.1 of the Rainy River Mine Closure Plan (October 2017). During the first 10 years of flooding, waters from the Mine Rock Pond will be piped into the open pit. Following this initial flooding period, seepage from the east mine rock stockpile area will be piped into the open pit. With the additional input of natural water sources (rain, ground water seeps, TMA dam runoff) it is estimated that it will take 75 years to flood the open pit.

Condition 3.3.8

The Proponent shall control acid rock drainage and metal leaching so that all effluent and passive outflow from the Project Site comply with the MMER, any site-specific water quality requirements set by Ontario, and the Fisheries Act, as applicable at any time. To ensure compliance, the Proponent shall implement, at a minimum, the following mitigation measures: control water quality in the open pit lake during the abandonment phase.

Status: Not applicable in 2019.

Supporting Analysis:

This condition is not relevant to the construction and operations phases. It will be implemented during the "closing out" stage of the Rainy River Mine as stipulated in the Rainy River Project Closure Plan (October 2017), Section 10.2.

Condition 3.4

The Proponent shall design and construct new road watercourse crossings for the realignment of Highway 600 to allow for fish passage in accordance with the Environmental Guide for Fish and Fish Habitat.

Status: Complete

Supporting Analysis:

During the realignment of Highway 600 there was one water crossing required over a fish bearing watercourse located at the Pinewood River. In the fall of 2015, a clear span bridge was installed over the Pinewood River. There was no in water work required for the installation therefore no alterations to the original river channel that would impact or alter fish habitat or passage.

Condition 3.5

The Proponent shall design and construct new road watercourse crossings for the realignment of Highway 600 to meet the Highway Drainage Design Standards of the MTO.

Status: Complete

Supporting Analysis:

During the design phase of the Highway 600 realignment routine meetings were held between New Gold Inc. (formally Rainy River Resources) and the Ministry of Transportation of Ontario (MTO). The road and its associated crossings have been designed and constructed to meet MTO standards and was completed under the MTO Construction Administration and Inspection Task Manual (CAITM) protocol. Highway 600 was turned over to the MTO in 2017.

Condition 3.6

The Proponent shall design, and construct water intakes meeting standards set out in the Freshwater Intake End-of-Pipe Fish Screen Guideline of the DFO.

Status: Ongoing

Supporting Analysis:

In 2016 the Pinewood River Pumphouse and Intake was completed and operated in 2017 and 2018. This facility provides water to the Water Management Pond to utilize in mill processing in the event that there is not enough fresh water in the sites recycling process.

The pump intake enters the Pinewood River and is isolated by chain link fence that is installed below the high-water mark of the Pinewood River. In order to meet DFO guidelines and continue to allow successful suction of water, a fish screen was installed over the chain link fence running from the base of the Pinewood River to the above high-water mark. During construction of flow measurement systems in 2019, all pump intakes used for the water bypasses were equipment with fish screens that met DFO guidelines.

Condition 3.7

The Proponent shall both offset any residual serious harm to fish in accordance with subsection 35(2) of the Fisheries Act and associated regulations, and compensate for the loss of fish habitat resulting from the deposition of a deleterious substance into a tailings impoundment area in accordance with the MMER, by recreating fish habitat in the West Creek Diversion Channel, West Creek Pond, Stockpile Pond Diversion Channel, Stockpile Pond, Clark Creek Diversion Channel, Clark Creek Pond, and Teeple Road Pond.

Status: Ongoing

Fish habitat compensation was designed by qualified experts and was reviewed by the Ministry of Natural Resources and Forestry (MNRF) and the Department of Fisheries and Oceans Canada (DFO) during the permit approval phase.

In 2016, Teeple Pond and Diversion channel construction concluded, and the system was commissioned that fall. In 2017 the design team conducted a review of the system and produced an Annual Monitoring Report for the Department of Fisheries and Oceans to meet the requirements of Fisheries Act Authorization No. 15-HCAA-00039. The review concluded substantial conformance between the as built specifications and the design criteria and that the area or replacement habitat was greater than the required 8.41ha. In 2019 field research indicated 6 of the targeted 9 minnow species had returned to the system and were utilizing the constructed fish pools during periods of low water flow. This monitoring will continue for the next 2 years to ensure compliance with Fisheries Act

Authorization No. 15-HCAA-00039. A copy of the Teeple Pond and Diversion Annual Monitoring Report can be found in the Supporting Documentation for this section.

Construction of the remaining offsetting habitat (West Creek Pond and Diversion Channel, Stockpile Pond and Diversion Channel, and Clark Creek Pond and Diversion Channel) was completed in July 2017. As part of fulfilling the as-constructed survey condition of the approval, an interim As-Constructed compensation measures review was conducted during 2017 and a report submitted to DFO. In 2019, monitoring was completed and indicated 6 of the targeted 9 minnow species had returned to the Clark Creek system while West Creek system had 12 minnow species return (success criteria target 9 species). This monitoring is planned to happen annually for the next 3 years. (Appendix M).

Condition 3.8.1

The Proponent shall monitor water quality and quantity, and fish and fish habitat, to determine the effectiveness of the mitigation measures under conditions 3.1, 3.2, 3.3 and 3.7. In doing so, the Proponent shall monitor, at a minimum: water levels and flows, with respect to minimum flow thresholds for the Pinewood River set by Ontario, during periods of water taking as authorized pursuant to the Ontario Water Resources Act.

Status: Ongoing

Supporting Analysis

During 2015, a flow monitoring station was installed in the Pinewood River to track water level elevations and flow rates for the Pinewood River System. A flow monitoring station belonging to the Water Survey of Canada (WSC) is also located downstream of the project on the Pinewood River. In April 2017, the Water Management Pond (WMP) was commissioned and direct water takings from the Pinewood River began to build the initial water inventory for operations start up. The water takings were in accordance with Permit to Take Water (PTTW) 8776-9W2QN2, which has since expired in November 20, 2018.

Under PTTW 8776-9W2QN2, New Gold was required to develop and submit a Biological Monitoring Plan that addresses methods for monitoring and identifying fish kills and fish stranding, and a contingency plan to address adverse effects. This monitoring plan was submitted in early 2016 and commenced upon MOECC approval. The monitoring continued in 2019.

RRM has 3 PTTWs for the Mine Workings and Aggregate Dewatering. All water takings are monitoring using calibrated flow meters and data obtained from these takings is submitted annually via the Ministry of the Environment, Conservation and Parks (MECP) online reporting protocol.

Condition 3.8.2

The Proponent shall monitor water quality and quantity, and fish and fish habitat, to determine the effectiveness of the mitigation measures under conditions 3.1, 3.2, 3.3 and 3.7. In doing so, the Proponent shall monitor, at a minimum: effluent quality as per the requirements set out in the MMER.

Status: Ongoing

Supporting Analysis:

During 2019, effluent discharges to the environment as defined by the Metal and Diamond Mining Effluent Regulation (MDMER) occurred from Sediment Ponds #1, Sediment Pond #2, and via the

Water Discharge Pipeline. All discharged effluent was compliant with applicable provincial and federal regulations.

In 2019, three of four final discharge points were active. Discharge from Sediment Pond #1 commenced on September 15, 2019 continuing for 25 days, ceasing October 9, 2019. Discharge from Sediment Pond #2 commenced on October 4, 2019 continuing for 34 days, ceasing November 6, 2019. Discharge via the Water Discharge Pipeline commenced on October 9, 2019 continuing for 39 days, ceasing on November 16, 2019.

Condition 3.8.3

The Proponent shall monitor water quality and quantity, and fish and fish habitat, to determine the effectiveness of the mitigation measures under conditions 3.1, 3.2, 3.3 and 3.7. In doing so, the Proponent shall monitor, at a minimum: the effectiveness of recreated fish habitat. The monitoring shall be designed in accordance with any authorizations pursuant to subsection 35(2) of the Fisheries Act and associated regulations and/or the MMER.

Status: Ongoing

Supporting Analysis:

Fish habitat compensation was designed by qualified experts and was reviewed by the Ministry of Natural Resources and Forestry and the Department of Fisheries and Oceans Canada (DFO) during the permit approval phase.

By the end of 2017, all fish habitat had been recreated. The As-Constructed Report for Teeple Pond and Diversion Channel was completed and submitted to the DFO at the end of 2016. The third year of monitoring had been completed in 2019. A monitoring report was submitted to the DFO at the end of 2019. This monitoring will occur for the next 2 years with a report submitted annually.

The As-Constructed Report for West Creek Pond, Stockpile Pond, Clark Creek Pond and associated diversions was submitted to the DFO at the end of 2017. In 2019, the second year of monitoring had been completed and the monitoring report submitted to the DFO. This monitoring will occur for the next 3 years with a report submitted annually.

Condition 3.8.4

The Proponent shall monitor water quality and quantity, and fish and fish habitat, to determine the effectiveness of the mitigation measures under conditions 3.1, 3.2, 3.3 and 3.7. In doing so, the Proponent shall monitor, at a minimum: the effectiveness of the potentially acid generating and non-potentially acid generating rock segregation program through ongoing geochemical verification of the waste rock during any period that waste rock is generated.

Status: Ongoing

Supporting Analysis

Potential acid generating and non-potentially acid generating rock is sampled and segregated per the Geochemical Monitoring Plan.

The effectiveness of the PAG and NPAG rock segregation program is demonstrated through ongoing geochemical testing of the produced mine rock as detailed in the Annual Geochemical Monitoring Report (Appendix A).

As per the Geochemical Monitoring Plan (Appendix Q), duplicates of blast hole cuttings are analyzed at the on-site LECO laboratory to assess the precision of the analyses that classify mine rock as PAG or NPAG. In 2019, duplicates were submitted at a rate of 6.3% (with a target of 5% or 1 in 20 samples submitted in duplicate). The duplicates are analyzed for Total Sulfur and Total Carbon and the results are compared to the original sample. The relative percent difference (RPD) between the original and duplicate samples must be less than 20% for samples containing carbon or sulfur concentrations greater than five times the detection limit (i.e., greater than 0.025 wt.% C or S) to be deemed as having acceptable precision. For carbon, 2,942 of 3,001 samples (98%) met this criterion. For sulfur, 2,978 of 3,001 samples (99%) met this criterion. These results indicate that the LECO laboratory is providing effective precision for the classification of mine rock.

Duplicates are also submitted to an independent laboratory for acid-base accounting (ABA) analysis to compare to the neutralization potential ratio (NPR) determined on-site from Total Sulfur and Total Carbon measurements at the LECO laboratory. This process assesses the accuracy of PAG and NPAG classifications of mine rock. Duplicates for ABA were submitted at a rate of 4.9% (with a target of 5%). The independent ABA results provided a generally good match with the on-site values, indicating good accuracy for classification of mine rock.

The independent ABA results are compared to the acid generating predictions of the ARD block model. The ARD block model uses a proxy of calcium concentrations in ICP-MS data of drill core to estimate the neutralization potential (NP) with the purpose of locating possible PAG and NPAG mining blocks. Comparison of the independent ABA results to the ARD block model demonstrated some mismatches in 2019. The discrepancy likely results from the calcium proxy for NP, which contains some uncertainty as a result of different lithological units containing different mineralogies. Alternatives to the calcium NP proxy for prediction of ARD potential in the ARD block model are being investigated. The classifications from the ARD block model, however, do not influence the segregation of PAG and NPAG mine rock.

Overall, the Geochemical Monitoring Plan was executed as intended in 2019. The results of ongoing monitoring demonstrate that the on-site laboratory is performing well and segregation of PAG and NPAG material is occurring properly.

Condition 3.8.5

The Proponent shall monitor water quality and quantity, and fish and fish habitat, to determine the effectiveness of the mitigation measures under conditions 3.1, 3.2, 3.3 and 3.7. In doing so, the Proponent shall monitor, at a minimum: water quality in the open pit, pursuant to any requirements set by Ontario in the Mine Closure Plan for the Designated Project.

Status: Not applicable in 2019.

Supporting Analysis:

This condition is currently not relevant as the mine is in its operational phase.

Condition 3.8.6

The Proponent shall monitor water quality and quantity, and fish and fish habitat, to determine the effectiveness of the mitigation measures under conditions 3.1, 3.2, 3.3 and 3.7. In doing so, the Proponent shall monitor, at a minimum: the maintenance of a perpetually saturated state of the tailings, for 25 years from the start of the decommissioning phase of the Designated Project.

Status: Not applicable in 2019.

Supporting Analysis:

This condition currently doesn't apply to the project as the mine was in a construction and operational phase in 2019. However, the Closure Plan for the project outlines the process in which tailings will be rehabilitated in a saturated state.

Condition 4: Migratory Birds

Condition 4.1.1

The Proponent shall carry out all phases of the Designated Project in a manner that avoids harming or killing migratory birds, or disturbing, destroying or the taking of nests or eggs, with consideration of guidance provided in: Environment Canada's policy on Incidental Take of Migratory Birds in Canada.

Status: Ongoing

Supporting Analysis

In order to educate New Gold Employees and site contractors, the Rainy River Mine Environmental Team has implemented site wide notices regarding the breeding bird window and the requirements for bird sweeps in new construction areas or areas that have been inactive for periods of time. A bird sweep is a method of walking an area in a grid system to ensure that no birds are nesting on the ground or nesting in tall grass areas. The Environment department is also the primary contact for any incidents or mortalities to birds, nests or eggs on site.

In 2019 three migratory birds were found dead on-site, a Chestnut-sided Warbler was killed by some fans during construction of the Water Treatment Plant, a dead Sora was found in the Admin building parking lot and a Sandhill Crane was found dead and entangled in the Wildlife Exclusion Fence . The incidents were reported the MNRF and EC.

In 2020 the monitoring programs will continue and the Environmental team will continue to provide education to staff and site contractors.

Condition 4.1.2

The Proponent shall carry out all phases of the Designated Project in a manner that avoids harming or killing migratory birds, or disturbing, destroying or the taking of nests or eggs, with consideration of guidance provided in: Environment Canada's avoidance guidelines on General Nesting Periods of Migratory Birds in Canada.

Status: Ongoing

Supporting Analysis:

Starting in 2015 members of the Rainy River Mine Environmental Team have been trained by qualified professionals on conducting bird sweeps and identifying bird species classified as Species at Risk (SAR). During 2019, 33 bird sweeps were conducted between April and August in construction areas to ensure the absence of nesting birds or species at risk prior to disturbance.

In areas where nests were found, appropriate buffers were flagged off around the perimeter of the buffer zone and the nests were monitored on a weekly basis until the nests were abandoned. Buffer zones were established based on input from consulting expertise in conjunction with discussions with the Ministry of Natural Resources and Forestry. Furthermore, the clearing of vegetation was prohibited during the breeding bird window. This program will continue in 2020.

Condition 4.2

The Proponent shall, at all times, implement noise reduction measures to control sound levels from machinery to avoid harassing migratory birds.

Status: Ongoing

Supporting Analysis:

Noise reduction measures include: All excessively noisy equipment is housed within the insulated mill building, this includes the SAG and Ball Mills, the Grinding pump, the compressors and the pebble crusher. This is our primary noise reduction measure. The majority of the time the overhead and personnel doors are kept closed on the mill further reducing noise emissions. The crushed ore stockpile is kept as high as practically possible to reduce the velocity of impact, thereby reducing noise emissions. The light vehicles and heavy mobile equipment are all equipped with mufflers to reduce engine exhaust noise. During 2019, additional sound monitoring was not conducted for two different Species at Risk habitat areas. ESA permit requires sound monitoring to be performed in habitat areas during 2020.

Condition 4.3

The Proponent shall install and use site lighting fixtures in a manner that reduces light pollution in the surrounding environment to avoid disturbance to nocturnal species, such as the Common Nighthawk (Chordeiles minor).

Status: Ongoing

Supporting Analysis:

New Gold is continuing to work towards installing more permanent lightning fixtures on the mine to reduce the need to temporary light plants. Some temporary light plants are solar powered.

Temporary light plants are used only in areas where employees are working a night shift or if required for safety purposes. Light plants are designed so that lights can be angled toward the ground. During routine field inspections members of the Rainy River Environmental Department check all lighting fixtures to ensure they are angled appropriately and used only when necessary. Monitoring and consideration to this condition will continue to be implemented as the operation advances.

Condition 4.4

The Proponent shall deter migratory birds from using the tailings management area.

Status: Ongoing

Supporting Analysis:

During the open water season of 2019, the TMA was inspected daily by mill operators for birds as well as other potential issues. The current protocol is that Mill Operators are to contact the New Gold Environmental Department if birds are identified anywhere on the active TMA. Additional inspections are conducted by the Environmental Department frequently. To date when birds have been found on the TMA best efforts to haze them away have been made using certified bird hazing techniques (flares, noise making devises). The Environmental Department is reviewing the current process to see if adjustments are necessary for 2020. An ecological risk assessment maybe undertaken to determine what hazards are associated within the TMA for birds.

Condition 4.5

The Proponent shall provide comparable replacement artificial nesting structures for Barn Swallows (Hirundo rustica) prior to the removal of existing nesting structures.

Status: Ongoing

Supporting Analysis:

At the commencement of construction in 2015 four artificial nesting structures were put in place April 2015, prior to the 2015 breeding season. New Gold has been monitoring the success of these nesting structures each year since 2015 which has been limited at best. As the operation advances additional homes and outbuildings will need to be torn down. At that time the need to develop additional artificial nesting structures will be investigated. If there is found to be an increase in use of artificial nesting structures and competition for nesting habitat is observed more nesting structures will be built.

Condition 4.6

The Proponent shall monitor migratory birds, breeding activity and mortality, to evaluate the effectiveness of mitigation measures under conditions 4.1 to 4.3. If monitoring demonstrates an inconsistency with those conditions, then document how this has been rectified. Monitoring starts at construction and ceases at the end of the decommissioning phase.

Status: Ongoing

Supporting Analysis:

During 2019 the requirement for monitoring activities were restricted to ongoing visual inspections of four artificial barn swallow nesting structures, as per permit. The structures were installed on April 2015. Nesting attempts occurred in one structure with two eggs being laid in one nest. These eggs did not hatch and are assumed to have been eaten by a predator, Species at Risk monitoring and reporting during daily operations. Annual monitoring of active Bald Eagle nests which occur in close proximity the RRP site. Monitoring will attempt to establish fledging success.

Implementation of a wildlife log of general breeding bird observations at the RRP site by employees (focused on raptors and raptor nests, and SAR species); and In regard to mitigation strategies that are being implemented on the project to assist in monitoring and reduce adverse effects these include:

- Reduction of speed limits on the mine site to reduce vehicle collisions with birds Restricting habitat displacement for mine infrastructure to periods outside the breeding bird season (May 1 to August 15).
- In order to track mortality New Gold RRM has an onsite reporting system for employees to report any road collisions with birds and wildlife.

During 2019 there were three bird mortality events reported, a Chestnut-sided Warbler was killed by some fans during construction of the Water Treatment Plant, a dead Sora was found in the Admin building parking lot and a Sandhill Crane was found dead and entangled in the Wildlife Exclusion Fence . The incidents were reported the MNRF and EC.

Condition 4.7

The Proponent shall monitor use of the tailings management area by migratory birds under condition 4.4 from the start of the operations phase to the end of the decommissioning phase.

Status: Ongoing

Supporting Analysis:

During the open water season of 2019, the TMA was inspected daily by mill operators for birds as well as other potential issues. The current protocol is that Mill Operators are to contact the New Gold Environmental Department if birds are identified anywhere on the active TMA. Additional inspections are conducted by the Environmental Department frequently. To date when birds have been found on the TMA best efforts to haze them away have been made using certified bird hazing techniques (flares, noise making devises). The Environmental Department is reviewing the current process to see if adjustments are necessary for 2020. An ecological risk assessment maybe undertaken to determine what hazards are associated within the TMA for birds

Condition 4.8

The Proponent shall monitor the effectiveness of the artificial nesting structures created for Barn Swallows (Hirundo rustica).

Status: Ongoing

Supporting Analysis:

The RRM began to monitoring barn swallows within the project prior to the construction phase (pre 2015) and implemented four artificial nesting structures in 2015 prior to the breeding season to offset the removal of existing farm structures. Monitoring of the success of the nesting structures has been completed over the past four years. The first year that nesting attempts occurred in any of the structures was 2016, all structures went unused in 2017 and 2018. During 2019, two nesting attempts were made, and one nest had two eggs laid in it. The eggs were later found to be missing and assumed to have been eaten by a predator.

5.0 Health of Aboriginal Peoples

Condition 5.1.1

The Proponent shall, during the construction, operations, and decommissioning phases of the Designated Project, control exceedances of the Canadian Ambient Air Quality Standards and meet air quality requirements established by Ontario at the nearest human receptor by: implementing fugitive dust best management practices.

Status: Ongoing

Supporting Analysis:

During 2019, fugitive dust management practices followed the Fugitive Dust Best Management Practices Plan approved by the MECP in 2016. In June of 2019, all light vehicle roads received an application of Calcium Chloride as a dust suppressant. In addition, RRM continued using the same practices that were implemented in 2018.

Condition 5.1.2

The Proponent shall, during the construction, operations, and decommissioning phases of the Designated Project, control exceedances of the Canadian Ambient Air Quality Standards and meet air quality requirements established by Ontario at the nearest human receptor by: maintaining site roadways to control silt loading.

Status: Ongoing

Supporting Analysis:

During 2019, RRM continued to maintain site roadways to control silt loading. In June, calcium chloride was applied a dust suppressant on light vehicle roads. Water trucks equipped with spray bars apply water along all major haul roads on the RRM site. In addition, RRM applied dust suppressant on neighboring public roads often by RR personal such as Gallinger and highway 600 between the camp and highway 71. Speeds are restricted and to 60 km on all site access roads and 40 km to 20 km on internal site roads. Commercial traffic entered the site along East Access or Teeple Road. RRM site services regular grade and place crush material on all site roads. Off-road activities are restricted on the RRM site. Construction of rock access roads is a common practice where heavy equipment is required.

Condition 5.1.3

The Proponent shall, during the construction, operations, and decommissioning phases of the Designated Project, control exceedances of the Canadian Ambient Air Quality Standards and meet air quality requirements established by Ontario at the nearest human receptor by: using water sprays at the crusher and at active stockpiles.

Status: Ongoing

Supporting Analysis:

During 2018, water spray bars were installed during April to October at the active construction quarries. The primary crusher is equipped with a baghouse system to manage dust generated during the crushing process. At the end of 2017, a secondary water and chemical dust suppression system incorporating spray bars was installed at the primary crusher.

During 2019, a secondary water and chemical dust suppression system incorporating calcium chloride was also installed at the primary crusher.

Condition 5.1.4

The Proponent shall, during the construction, operations, and decommissioning phases of the Designated Project, control exceedances of the Canadian Ambient Air Quality Standards and meet air quality requirements established by Ontario at the nearest human receptor by: using dust control equipment.

Status: Ongoing

Supporting analysis:

During the early operations phase, the same dust control equipment utilized in 2017 continued into 2019. This included water trucks equipped with spray bars for road dust suppression, spray bars on mobile aggregate crushers, dust control curtains on production drills and dust cyclones on development drills. The primary crusher and conveyor system utilizes baghouses and a chemical spray system to control dust. In the mill processing area dust is controlled by a system of baghouses, wet scrubbers and specialized dust control equipment.

Condition 5.1.5

The Proponent shall, during the construction, operations, and decommissioning phases of the Designated Project, control exceedances of the Canadian Ambient Air Quality Standards and meet air quality requirements established by Ontario at the nearest human receptor by: using low-Sulphur diesel equipment and using pollution control equipment on mobile heavy equipment and meeting the Canadian Environmental Protection Act for the emissions from this equipment and vehicles.

Status: Ongoing

Supporting Analysis:

Equipment purchased during 2019 followed the same purchasing standards as set out in 2017. All preventative maintenance programs include a surveillance program to test for emissions from mobile equipment. Pollution control equipment is installed on mobile heavy equipment that meets the Canadian Environmental Protection Act for the emissions from equipment and vehicles. Two air quality monitoring stations are also installed on site and routinely monitored to ensure there are no air quality exceedances.

Condition 5.1.6

The Proponent shall, during the construction, operations, and decommissioning phases of the Designated Project, control exceedances of the Canadian Ambient Air Quality Standards and meet air quality requirements established by Ontario at the nearest human receptor by: revegetating disturbed areas in a manner that minimizes all exposed dust sources.

Status: Ongoing

Supporting Analysis:

Revegetating disturbed areas to minimize exposed dust sources was performed around the mine site and Tait Quarry during construction and operations. There was limited revegetation in 2019 as additional grubbing and topsoil stripping occurred within the mine rock stockpile footprints and open pit in preparation for dump and pit expansions. Tree clearing and vegetation disturbance is limited to the extent required. Where possible, forest and vegetation buffers are maintained on site. In 2020, a portion of the East Mine Rock Stockpile is planned to begin the reclamation and revegetating process.

Condition 5.2

The Proponent shall monitor air quality to evaluate the effectiveness of mitigation measures under condition 5.1. Monitoring starts with construction and ceases at the commencement of the decommissioning phase.

Status: Ongoing

Supporting Analysis:

Ambient air quality monitoring program continued in 2019 with monitoring of relevant air emissions parameters stipulated in the Rainy River Project Ambient Air Quality Monitoring Plan in compliance of ECA 04172-A2LR4V condition 10.1 Quarterly reports can be found under appendix E.

Condition 5.2.1

The Proponent shall alert the Aboriginal groups in cases of exceedances of the Canadian Ambient Air Quality Standards and air quality requirements established by Ontario at the nearest human receptor.

Status: Ongoing

Supporting Analysis:

Any ambient air quality exceedances discussed here are based on provincial health-based criteria. Copies of regulatory exceedance letters are shared with Aboriginal Communities during

quarterly meetings. Aboriginal communities also receive a weekly email detailing any spill, exceedance or complaint that occurred during the previous week. Three ambient air quality exceedances occurred during 2019. All were reported to Communities and our Aboriginal stakeholders. Copies of these weekly reports can be located under supporting document (Appendix H).

Condition 5.3

The Proponent shall monitor wells located within the open pit dewatering zone of influence, used by Aboriginal groups for drinking water, for water quality and quantity. Monitoring starts with construction and ceases after the first 10 years of the decommissioning phase.

Status: Ongoing

Supporting Analysis:

Through the consultation phase and up to the end of 2019, New Gold has not been informed of the locations of any wells utilized by Aboriginal groups within the proximity of the open pit dewatering zone of influence.

In 2017, New Gold implemented a Offsite ground water sampling program for residents surrounding RRM. To date there have been no issues reported to New Gold regarding wells from any of the neighboring landowners.

Condition 5.3.1

The Proponent shall alert Aboriginal groups who use wells located within the open pit dewatering zone of influence for drinking water in cases of exceedance of water quality standards established by Ontario. The Proponent shall alert these Aboriginal groups as soon as possible once any exceedance is detected.

Status: Ongoing

Supporting Analysis:

To date New Gold has not been informed of any wells used by Aboriginal groups within the Open Pit zone of influence.

Condition 5.4

The Proponent shall monitor key contaminants, including mercury, arsenic, cadmium and lead, for their concentrations in Northern Pike (Esox lucius) and Walleye (Sander vitreus) in the Pinewood River. Monitoring starts with construction and ceases 10 years after the start of the decommissioning phase.

Status: Ongoing

Supporting Analysis:

Large body fish tissue sampling was not required in 2019 as it is meant to occur concurrent with MDMER and EEM sampling programs. In Fall of 2020 this program will be active again.

Condition 5.4.1

The Proponent shall alert the Aboriginal groups in cases of exceedance of provincial, federal or international health-based criteria. The Proponent shall alert these Aboriginal groups as soon as possible once any exceedance is detected.

Status: Ongoing

Supporting Analysis:

New Gold RRM continues to communicate with aboriginal communities regarding provincial health-based criteria. Aboriginal Communities continue to receive a weekly email detailing any spill, exceedance or complaint that occurred during the previous week. Additional information is provided on request. Copies of these weekly reports can be located under supporting document (Appendix J).

5.5 The proponent shall consult with the Aboriginal groups on the implementation of conditions 5.2, 5.3 and 5.4.

Status: Ongoing

Supporting Analysis:

During the Environmental Assessment permitting phase of the New Gold Rainy River Mine, Aboriginal Communities were consulted regarding the project and potential impacts related to conditions 5.2 to 5.4 (air, fish, water quality). Since the approval of the EA New Gold has continued Aboriginal Community involvement by;

- Establishing Environmental Monitoring Boards in 2016. The purpose of these meetings is to ensure community members are engaged in environmental aspects of the project. Some topics that are discussed include; environmental monitoring results (i.e.; air quality, wildlife monitoring, dear tissue sampling programs, fish tissue sampling programs), exceedances or environmental spills, project design (tailings management, reclamation).
- Conducting on-site tours and discussing fish salvage programs, water quality sampling protocols and sampling results and other environmental monitoring requirements
- Providing email notifications to Aboriginal Communities regarding environmental exceedances (air, water and environmental spills)
- Inviting First Nation members to participate in fish tissue sampling programs and fish salvage programs.

6.0 Current use of Lands and Resources for Traditional Purposes:

Condition 6.1

The Proponent shall provide access to private lands to Aboriginal groups for their current use of land, including hunting and plant harvesting.

Status: Ongoing

Supporting Analysis:

New Gold provides access to private lands where it is safe to do so. On a regular basis, New Gold also provides site tours of the mine site to community members.

Condition 6.2

Current use of Lands and Resources for Traditional Purposes: The Proponent shall avoid use of herbicides along the transmission line corridor unless required to prevent fire hazards. The Proponent shall minimize the removal of non-woody vegetation within the transmission line corridor.

Status: Ongoing

Supporting Analysis:

Over the life of the mine, the line will be inspected and if necessary, vegetation that would impact the line may need to managed. The use of herbicide for vegetation management is not intended. During 2019 there was no need to manage vegetation along the line.

Condition 6.3.1

The Proponent shall, throughout all phases of the Designated Project, undertake progressive habitat restoration as per any requirements set by Ontario in the Mine Closure Plan for the Designated Project. Habitat restoration shall include: a consideration of habitat types that support a diversity of wildlife species and traditional uses by Aboriginal peoples, including ungulates and furbearers, as well as native plant species previously collected at the Project Site for food and medicinal purposes.

Status: Ongoing

Supporting Analysis:

During 2019, native seeds and plant species were used in areas where re-vegetation occurred. Major earthworks took place to create and plant the vegetation plots. Planting will be completed in spring 2020. Determination of plants used on the vegetation plot was determined through community information sessions, regulatory requirements, and site requirements. These plots will be used to test different plant and tree species with an array of surface treatments. Consultation began in 2018 with first nation communities to determine the different plant species that could be used at closure for medicinal and traditional purposes. The vegetation test plots are scheduled to be completed in 2020 with monitoring commencing shortly after. Appendix R.

Condition 6.3.2

The Proponent shall, throughout all phases of the Designated Project, undertake progressive habitat restoration as per any requirements set by Ontario in the Mine Closure Plan for the Designated Project. Habitat restoration shall include: separating and stockpiling removed organic rich material during construction (of open pit and during tailings dam stripping) for use to support revegetation and other reclamation activities.

Status: Ongoing

Supporting Analysis:

During construction activities, organic rich material was separated and stockpiled in designated areas for use in revegetation and other reclamation activities. In 2019, organic rich material was salvaged during development of areas within the East Mine Rock Stockpile and West Mine Rock Stockpile.

Condition 6.4

The Proponent shall monitor habitat restoration to verify the success of revegetation efforts. Monitoring starts with construction and ends once habitat has been restored and proven effective.

Status: Ongoing

Supporting Analysis:

In the early stages of the Rainy River Mine the largest construction undertaking that has seen the most reclamation is the creation of three man made diversions to re-route former water systems known as the West Creek, Clark Creek and Teeple Drain. Construction of these diversion structures referred to as the West Creek, Clark Creek and Teeple Diversions commenced in 2015 with commissioning commencing in late 2016 and mid-2017. As part of the Fisheries and Oceans Canada approval process for these structures, New Gold is required to complete an annual monitoring report of the fisheries, fish habitat and compensation of these structures. Regarding habitat restoration, the 2019 reports indicate the following: Teeple, West Creek, Clark Creek ponds and diversions constructed habitat remains stable and in place. Shorelines and graded offset features are stable, and riparian vegetation cover and plantings have achieved moderate to good coverage and have reached the targeted 80% success criteria. This monitoring of these systems will continue annually until 2022.

Condition 6.5

The Proponent shall restore access to the Project Site for the Aboriginal groups during the decommissioning phase, to the extent that such access is safe, for their traditional purposes.

Status: This condition is not applicable in 2019.

Supporting Analysis:

This condition is not relevant to the current early operations phase of the project.

Condition 6.6

The proponent shall consult with the Aboriginal groups on the implementation of conditions 6.1, 6.4 and 6.5.

Status Update: Ongoing

Supporting Analysis:

6.1 Through negotiated agreements and in the Rainy River Project Indigenous Consultation Plan, New Gold has engaged Indigenous groups on accessing New Gold property.
6.4 Updates on habitat restoration and the success of revegetation efforts are provided during site tours and at Environmental Monitoring Board meetings.
6.5 Not applicable during the operations phase.

7.0 Aboriginal Archaeological, Heritage and Cultural Resources

Condition 7.1.1

The Proponent shall, for all phases of the Designated Project: avoid known culturally significant sites.

Status Update: Ongoing

Supporting Analysis:

Culturally significant sites were avoided in 2019.

Condition 7.1.2

The Proponent shall, for all phases of the Designated Project: assess additional culturally significant sites, if discovered.

Status Update: Ongoing

Supporting Analysis:

No culturally significant sites were identified in 2019.

Condition 7.1.3

The Proponent shall, for all phases of the Designated Project: establish a procedure for Aboriginal groups to safely access the Project Site for cultural and ceremonial purposes.

Status Update: Ongoing

Supporting Analysis:

A formal procedure was identified in Section 4.0 of the Aboriginal Consultation Plan (Provincial Environmental Assessment, Notice of Approval Condition 9) and issued to MOECC on February 9, 2015. In 2018, revisions were made to the document name, contact information and updates made in response to MECP comments. The current version of the Indigenous Consultation Plan was issued to MECP on July 30, 2018.

Condition 7.1.4

The Proponent shall, for all phases of the Designated Project: preserve any discovered burial sites.

Status Update: Ongoing

Supporting Analysis:

No burial sites were discovered in 2019.

Condition 7.1.5

The Proponent shall, for all phases of the Designated Project: salvage and preserve any artifacts that cannot be maintained in-situ.

Status Update: Ongoing

Supporting Analysis:

Northwest Archaeological Assessments under the guidance of qualified archaeologist Andrew Hinshelwood, completed analysis and cataloguing of artifacts discovered during the 2018 Stage 4 excavation on the southwestern edge of the mine site. During 2019, preliminary reports for both excavation sites plus the final report for the smaller excavation site, were submitted to the Ontario Ministry of Tourism, Culture and Sport (MTCS) - Archaeological Programs Unit, for review and acceptance into the Ontario Public Register of Archaeological Reports. The final report for the larger excavation site will be completed and submitted to the MTCS in 2020. Upon acceptance of both final reports by the MTCS, arrangements will be made with Aboriginal people to transfer the artifacts to appropriate facilities.

Condition 7.1.6

The Proponent shall, for all phases of the Designated Project: transfer artifacts in condition 7.1.5 to a facility identified by Aboriginal groups, in consultation with the Ontario Ministry of Tourism, Culture and Sport.

Status: Ongoing

Supporting Analysis:

Artifacts will be transferred from the archaeologist once the reports for MTCS are complete and consultation with Indigenous groups regarding the artifacts is complete. No artifacts were transferred in 2019.

Condition 7.2

The proponent shall consult with the Aboriginal groups on the implementation of condition 7.1.

Status: Ongoing

Supporting Analysis:

No additional cultural sites were identified in 2019. Throughout the Environmental Assessment process, New Gold had engaged Aboriginal groups on previously identified cultural sites.

8.0 Subsection 5(2) effects related to components of the Designated Project that may be associated with federal authorizations

Condition 8.1.1

The proponent shall, in implementing condition 3.7, take measures to avoid or lessen adverse effects: on migratory birds and their habitats.

Status: Ongoing

Supporting Analysis

In order to lessen adverse effects on migratory birds and their habitats New Gold has implemented the following activities during the first year of construction (2015) and continued to carry these tasks through 2019:

- Establishment of compensation-related habitat and a monitoring and maintenance plan has been initiated (barn swallow nesting boxes and compensation lands),

- New Gold RRM is aware and has taken extra care with regards to the potential for effects on migratory birds during nesting periods. All employees receive Species at Risk training and information regarding nesting birds and the migratory bird act during site orientation. Frequent site wide information bulletins are also shared,

- 33 bird sweeps occurred in 2019 as a precautionary measure to ensure birds were not nesting in proposed areas for construction. A bird sweep is a method of walking a grid system in a proposed construction work zone to ensure that no birds are nesting in the area prior to the commencement of work. A sweep is valid for 72 hours,

- Mitigation measures used to deter birds from nesting in construction zones or landing on the Tailings Management Area include deterrent cannons, netting over uninstalled pipes, culverts and openings, and 5,000+ stakes with reflective tape were installed to deter birds from future work areas, and

- No tree clearing occurred during the breeding bird window (April 15th to August 15th).

The success of the diversion structures and fish habitat compensation will be monitored over the next four-five years as part of the Department of Fisheries and Oceans Authorization. In the event that maintenance activities are required this condition will be reviewed for appropriate mitigation strategies.

Condition 8.1.2

The proponent shall, in implementing condition 3.7, take measures to avoid or lessen adverse effects: on terrestrial species, including amphibians and reptiles, and their habitats.

Status: Ongoing

Supporting Analysis:

The construction of DFO and MDMER compensation and offsetting habitat being the West Creek, Clark Creek, Stockpile Pond and Teeple Pond systems began in 2015 and reached completion in 2018. These structures were intended to provide habitat connectivity for fish and wildlife including SAR and other wildlife as well as to direct clean water away from mining activities. Thus, reducing or mitigating impact to all wildlife and their habitat. Another consideration was the location of these structures. Generally due to topographical reasons, ponds were constructed in low areas and diversions were kept away from high mining activity areas. These considerations help promote use by wildlife including SAR and to varying degrees work around these areas is limited or restricted when possible. Another consideration was whether the habitat being disturbed could be considered critical habitat for SAR. During the EA process the mine site was not determined to have suitable habitat for bat roosting or denning of American Badger. No amphibian SAR are known to inhabit the geographical area of the mine site. The Snapping turtle, a reptile, is known to exist within the Rainy River district. Potentially, snapping turtles would benefit from the DFO/MDMER compensation/offset structures due to the connectivity they promote. Also, the creation and stewardship of these structures would provide suitable replacement habitat to most habitat types that may have been lost as it is designed to mimic the habitat that existed prior to the mine's construction.

Condition 8.1.3

The proponent shall, in implementing condition 3.7, take measures to avoid or lessen adverse effects: On species at risk (SAR) and their habitats.

Status: Ongoing

Supporting Analysis:

The construction of DFO and MDMER compensation and offsetting habitat being the West Creek, Clark Creek, Stockpile Pond and Teeple Pond systems began in 2015 and reached completion in 2018. These structures were intended to provide habitat connectivity for fish and wildlife including SAR as well as to direct clean water away from mining activities. Thus, reducing or mitigating impact to SAR and their habitat. Another consideration was the location of these structures. Generally due to topographical reasons, ponds were constructed in low areas and diversions were kept away from high mining activity areas. These considerations help promote use by wildlife including SAR and to varying

degrees work around these areas is limited or restricted when possible. Another consideration was whether the habitat being disturbed could be considered critical habitat for SAR. During the EA process the mine site was not determined to have suitable habitat for bat roosting or denning of American Badger. No amphibian SAR are known to inhabit the geographical area of the mine site. The Snapping turtle, a reptile, is known to exist within the Rainy River district. Potentially, Snapping turtles would benefit from the DFO/MDMER compensation/offset structures due to the connectivity they promote. Also, the pond portions of these structures would provide suitable replacement habitat to any that may have been lost.

Condition 8.1.4

The proponent shall, in implementing condition 3.7, take measures to avoid or lessen adverse effects: on current use of lands and resources for traditional purposes by Aboriginal peoples.

Status: Ongoing

Supporting Analysis:

The construction of fish habitat compensation to offset the impact of the Tailings Management Area (TMA) started in 2015 and was completed in 2017. The man-made ponds (4) and creek diversion systems contained fish habitat features suitable to existing fish species presence (minnows) and native plant species consistent to what was naturally growing on site. The construction of these features and loss of habitat associated with the construction of the TMA was shared with communities through the Environmental Assessment Permitting Phase as part of Public and Aboriginal Consultation. All project design components related to compensation and reclamation were developed to reflect available Traditional Knowledge, naturally occurring features and previous land use considerations. Monitoring of the success of the diversion structures and fish habitat compensation will be monitored over the next five years as part of the Department of Fisheries and Oceans Authorization. In the event that maintenance activities are required this condition will be reviewed for appropriate mitigation strategies.

Condition 8.1.5

The proponent shall, in implementing condition 3.7, take measures to avoid or lessen adverse effects: on sites of cultural significance to Aboriginal peoples.

Status: Ongoing

Supporting Analysis:

Creation of fisheries compensation related habitat initiated during 2015, 2016, 2017 and 2018 (completed) did not impact any identified sites of cultural significances to Aboriginal peoples. Previous archeological assessments of the New Gold Rainy River Project property included Stage 1 through 4 assessments and excavation.

Monitoring of the success of the diversion structures and fish habitat compensation will be monitored over the next five years as part of the Department of Fisheries and Oceans Authorization. In the event that maintenance activities are required this condition will be reviewed for appropriate mitigation strategies.

Condition 8.1.6

The proponent shall, in implementing condition 3.7, take measures to avoid or lessen adverse effects: from potential sources of contamination (e.g. mercury, arsenic, cadmium and lead).

Status: Ongoing

Supporting Analysis:

The design and construction of the fisheries compensation features were created in a manner to reflect natural systems that will not be impacted by mine waste water that could be a potential source of contamination. No acid generating rock was used in the creation of rock features. Monitoring of the success of the diversion structures and fish habitat compensation will be monitored over the next five years as part of the Department of Fisheries and Oceans Authorization. In the event that maintenance activities are required this condition will be reviewed for appropriate mitigation strategies. Additionally, New Gold monitors internal water management systems for water quality purposes. If discharge to the environment is required, the water is sampled per ECA and MDMER requirements before and during discharge.

Condition 8.2

The Proponent shall, in implementing condition 6.3, take into consideration the habitat needs of species at risk consistent with final recovery strategies or action plans, or alternatively, rely on best available information where recovery plans or action plans for the species are not yet completed for the species at risk.

Status: Ongoing

Supporting Analysis:

In 2018 New Gold completed the reclamation of the former Tait Quarry which operated between 2015 and 2017 to provide material for the construction of Highway 600. Through discussions with the MNRF in 2013 and 2014 it was decided that Tait Quarry would be reclaimed to whip-poor-will habitat similar to that found in the gravel pit on Roen Road. Prior to its development, Tait Quarry was not considered to be suitable habitat for whip-poor-wills, which are a Species at Risk in the Rainy River District.

Future reclamation projects will take into consideration action plans for other SAR known to inhabit areas close to the mine. Compensation and offsetting habitat such as those required under the mines DFO conditions were built with the intent that Snapping turtles and White Pelicans would use them as well as Bald Eagles. In 2019, New Gold facilitated 12 Traditional Knowledge meetings, one with each interested First Nation community stakeholders. The intent of these meetings was to learn what species FN communities would like to New Gold focus on encouraging to return to the mine site post closure.

New Gold RRM considered Species at Risk and the potential for habitat creation in site restoration activities to date, including in accordance with their Provincial Endangered Species Act permit.

Species at Risk monitoring was conducted in 2019 and the annual report was submitted to MNRF in January 2020 to fill condition numbers 7.2 and 7.3 of ESA FF-C-001-14.

Condition 8.3

The Proponent shall provide about 1400 hectares of private land as habitat for Eastern Whip poor-will (Antrostomus vociferous) and Bobolink (Dolichonyx oryzivorus).

Status: Closed

Supporting Analysis:

Prior to project development the Ministry of Natural Resources and Forestry (MNRF) determined that 18 identified Eastern Whip-poor-will breeding territories could potentially be affected by the project development and that 348 ha of Bobolink habitat had the potentially to be impacted by the project. Based on this information to offset the loss of habitat New Gold obtained 1468.3 ha of lands to provide Eastern Whip-poor-will breeding territories and 348 ha of field habitat suitable for Bobolink breeding habitat.

Condition 8.4

The Proponent shall monitor the effectiveness of the habitat in condition 8.3.

Status: Ongoing

The RRM owns and monitors over 1800 ha of overall benefit land and are following the monitoring plan described in the 2019 SAR report.

As per ESA permit FF-C-001-14 Appendix G and Appendix J, no monitoring was required for 2019 of the overall benefit lands and no report of their effectiveness was required or created. Species at Risk reported in the 2019 annual report were solely those reported following our wildlife reporting procedure. Eastern Whip-Poor-Will OB lands will be assessed in 2020 and a report will be generated for this year. Bobolink OB lands will be assessed next in 2026.

Condition 8.5.1

The Proponent shall: maintain a fence around the tailings management area to prevent access by wildlife.

Status: Ongoing

Supporting Analysis:

By the spring of 2019 a 14 km wildlife exclusion fence had been erected that encompasses the footprint of the TMA WDP and WMP.

Condition 8.5.2

The Proponent shall: implement measures to prevent Snapping Turtles (Chelydra serpentine) from entering the following components of the Designated Project: tailings management area (TMA), water management pond (WMP), water discharge pond, constructed wetland, overburden pile, west mine rock pile and sediment ponds 1 and 2.

Status: Ongoing

Supporting Analysis:

8.5.2.1 – Tailings Management Area

By the spring of 2019 a 14 km wildlife exclusion fence was erected that encompasses the footprint of the TMA WDP and WMP. No Snapping turtles were observed in the TMA WDP or WMP in 2019

8.5.2.2- Water Management Pond

By the spring of 2019 a 14 km wildlife exclusion fence was erected that encompasses the footprint of the TMA WDP and WMP. No Snapping turtles were observed in the TMA WDP or WMP in 2019

8.5.2.3 - Water Discharge Pond

In 2019 the Wildlife Exclusion Fence was re-aligned to encompass the WDP. Prior to the construction of the WDP beaver activity was managed to keep water levels low and Loslo Creek was fish salvaged a final time in 2017. These measures as well as forest clearing would have limited the interest to Snapping Turtles

8.5.2.4 – Constructed Wetland:

Constructed wetland will be built as part of mine closure and does not exist at this time.

8.5.2.5 - Overburden Pile

Ditching is built with steep banks around the overburden stockpile to ensure turtles do not enter the overburden dump and slit fence is installed that will direct them away from the area. No snapping turtles were observed in or around the overburden stockpile in 2019.

8.5.2.6 - West Mine Rock Pile

In 2019 ditching around the area was complete. This ditching is built with steep banks to ensure turtles do not enter the stockpile area. No turtles were observed in the area in the 2019.

8.5.2.7 - Sediment Ponds 1 & 2

Sediment ponds 1 and 2 were completed in 2018, during construction of these ponds no snapping turtles were observed. The banks of the ponds are rock armored and geotechnical fabric lined so turtles will be discouraged from borrowing into them or climbing over them. No turtles were seen within these ponds during 2019.

9.0 Accidents or Malfunctions

Condition 9.1.1

In the event of an accident or malfunction with the potential to cause adverse environmental effects, the Proponent shall; Notify the Agency and other relevant regulatory agencies of the occurrence as soon as possible.

Status: Ongoing

Supporting Analysis:

In the event of an accident or malfunction with the potential to cause adverse environmental effects, New Gold Rainy River Mine has implemented a standard operating procedure for spill reporting and an emergency preparedness and response plan that obligates notification to the Agency and other relevant regulatory agencies of an occurrence as soon as possible.

Condition 9.1.2

In the event of an accident or malfunction with the potential to cause adverse environmental effects, the Proponent shall: implement measures to minimize any adverse environmental effects associated with the occurrence as soon as possible.

Status: Ongoing

Supporting Analysis:

In the event of an accident or malfunction with potential to cause adverse environmental effects, New Gold has implemented a site wide spill reporting procedure. The objective of this procedure is to implement measures to control and minimize adverse environmental effects associated with the event. This reporting procedure incorporates the site-wide emergency preparedness and response plan, if necessary.

Condition 9.1.3

In the event of an accident or malfunction with the potential to cause adverse environmental effects, the Proponent shall: submit a written report to the Agency as soon as possible in the circumstances, but at the latest 30 days after the day on which the accident or malfunction took place; the written report must include:

9.1.3.1 The measures that were taken to mitigate the effects of the occurrence;

9.1.3.2 If an emergency response plan was implemented, details concerning its implementation;

9.1.3.3 Changes made to avoid a subsequent occurrence of the accident or malfunction.

Status: Ongoing

Supporting Analysis:

In the event of an accident or malfunction with the potential to cause adverse environmental effects, New Gold shall follow the site wide spill reporting procedure and ECA#5178-9TUPD9 condition 11(4) which includes providing a written report detailing mitigation measures and changes made to avoid a reoccurrence. A copy of the report will be submitted to the Agency within 10 working days of the event as per ECA# 5178-9TUPD9 condition 11(4).

A copy of the Site Wide Spill Reporting Procedure (ENV-SOP-0001) and the Environmental Department Reporting Procedure (ENV-SOP-0002) can be found in Appendix G.

10.0 Implementation Schedule

Condition 10.1

The Proponent shall submit an implementation schedule for conditions contained within this Decision Statement to the Agency, or anyone designated pursuant to s. 89 of CEAA 2012, 15 days prior to construction.

Status: Complete

Supporting Analysis: This condition was completed on February 3, 2015.

Condition 10.2

The Proponent shall submit an update to this implementation schedule in writing to the Agency, or anyone designated pursuant to s. 89 of CEAA 2012, every two years on March 31, starting the year following the date of the initial submission of the implementation schedule until completion of the activities.

Status: Ongoing

Supporting Analysis:

The updated Implementation Schedule contains the following revisions for 2019;

- Condition 2.2: referenced latest Aboriginal Consultation Plan and added that Government comments may change consultation manner.
- Condition 3.2.4: added Post-operations to timing, added Constructed Wetlands structure will stay in place through closure for TMA passive discharge.
- Condition 5.3, 5.3.1: noted that there are no drinking water wells within the Zone of Influence (ZOI).

A copy of the 2019 Implementation Schedule can be found in the Table 3.

Condition 10.3

The Proponent shall provide the Agency, or anyone designated pursuant to s. 89 of CEAA 2012, with notice of any implementation schedule changes from the initial schedule or any subsequent updates 30 days prior to the implementation of the change.

Status: Ongoing

Supporting Analysis:

An updated Implementation Schedule has been provided for March 2019 Annual Compliance Report. Condition 10.2 outlines the changes.

Table 3 Rainy River Mine Federal Environmental Assessment Implementation Schedule for Conditions in Decision Statement, Version 4, March 2020

	CONDITION	TIMING (as applicable)	TIMING RATIONALE
1.	**Definitions**		
2.	**General Conditions**		
2.1	The Proponent shall, throughout all phases of the Designated Project, inform its actions in meeting the conditions set in this Decision Statement by the best available information and knowledge, based on validated methods and models, undertaken by qualified individuals and apply the best available economically and technologically feasible mitigation measures.	Construction, Operations, Post-operations	General condition referencing all project phases.
2.2	Where consultation is a requirement of the conditions set out in this Decision Statement, the Proponent shall first consult Aboriginal groups on the most appropriate manner in which to engage in consultation with them.	December 31, 2015, Construction, Operations, Post-operations	Aboriginal consultation plan developed Feb 2015, with last update in July 2019. New Gold will continue to tailor consultation going forward based on feedback from Aboriginal Groups and Government comments.
2.3	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 31, 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 Decision Statement.	March 31, 2016 and annually going forward	Timing set by condition.
2.4	The Proponent shall, in consideration of the annual report for Condition 2.3, provide documentation to the Agency indicating the results of any monitoring for Conditions 3.8, 4.6, 5.2, 5.3, 5.4, 6.4, and 8.4. The documentation shall demonstrate whether the mitigation measures have proven effective and whether the predictions made during the environmental assessment were accurate. The documentation shall also detail any corrective actions taken by the proponent should the mitigation measures prove not to be effective.	March 31, 2016 and annually going forward	Timing set by condition.
2.5	The Proponent shall make the report and documentation referred to in Conditions 2.3 and 2.4 available on its website no later than 30 days after submission to the Agency.	Within 30 days of submission to Agency	Timing set by condition.

3.	**Fish and Fish Habitat**		
3.1	**The Proponent shall minimize changes caused by the Designated Project to water levels and water flows in the Pinewood River, the Minor Creek System, and the Modified Minor Creek System in such a way as to protect fish and fish habitat, by implementing mitigation measures including, but not limited to:**		
3.1.1	Recycling of water, for ore processing, from the tailings management area and ponds constructed for water management;	Primarily during operations	Processing occurs during commissioning late in the construction phase, and during operations.
3.1.2	Optimizing the timing, position and quantity of final effluent discharge between the final effluent discharge points;	Construction, Operations, Post-operations	Effluent discharge occurs primarily during operations. Effluent discharge (timing and quantity) will be managed as needed, to minimize effects.
3.1.3	Filling the open pit during the decommissioning and abandonment phases in a manner which meets the flow requirements in the Pinewood River while allowing the pit to be filled as expeditiously as possible to reduce any adverse environmental effects; and	Post-operations	NG has committed to this approach once approvals are obtained in order to minimize long term effects.
3.1.4	not taking water from the Pinewood River when flows are below the minimum threshold set by Ontario.	Construction, Operations, Post-operations	NG has committed to not taking water during any project phase when flows are below the minimum threshold set by Ontario.
3.2	**The Proponent shall, for all effluent, comply with the Metal Mining Effluent Regulations, the Fisheries Act and any site-specific water quality requirements set by Ontario. To ensure compliance, the Proponent shall implement, at a minimum, the following mitigation measures:**		
3.2.1	Treat effluent prior to discharge to the environment;	Construction, Operations, Post-operations (if/as needed)	NG has committed to treating water as needed to meet requirements for all Project phases.
3.2.2	Treat tailings slurry to break down cyanide and precipitate heavy metals;	Primarily during operations	Tailings are produced during processing which will occur during plant commissioning (late in the construction phase), and during operations. Tailings will be treated during these periods.
3.2.3	Collect site contact water and seepage in ditches and divert to either the tailings management area or water management facilities for release via final discharge points;	Construction, Operations, Post-operations (active decommissioning)	Site contact water and seepage will be managed and monitored through designated discharge points per regulatory requirements.
3.2.4	Install and operate a water quality control structure in the constructed wetland to prevent the release of final effluent discharge	Operations, Post-operations	Constructed wetland construction timing revised to during operations.

	not compliant with the Regulations or requirements; and		Structure will stay in place through closure for TMA passive discharge.
3.2.5	Install secondary containment on pipelines that cross the West Creek Diversion Channel to prevent accidental discharge of effluent.	Construction	Installed during construction phase and maintain during operations phase.
3.3	**The Proponent shall control acid rock drainage and metal leaching so that all effluent and passive outflow from the Project Site comply with the Metal Mining Effluent Regulations, any site-specific water quality requirements set by Ontario, and the *Fisheries Act*, as applicable at any time. To ensure compliance, the Proponent shall implement, at a minimum, the following mitigation measures:**		
3.3.1	Line the former Clark Creek channel (under the east mine rock stockpile) with non-potentially acid generating material;	Construction, Operations	Install during the construction and operations phases as the east mine rock stockpile is developed.
3.3.2	Sort waste rock into potentially acid generating and non-potentially acid generating rock stockpiles through the development and implementation of a detailed mine rock segregation program using criteria for determining potentially acid generating material set by Ontario;	Construction, Operations	Sorting will occur during the development mining (construction phase) and production mining (operation phase).
3.3.3	Design and construct the perimeter ditching around the east mine rock stockpile and low-grade ore stockpile to accommodate a 100-year flood event;	Construction, Operations	Ditching to be initiated during the construction phase and will expand as necessary during operations phases as the stockpiles are developed.
3.3.4	Use potentially acid generating material only for the purpose of constructing the tailing management dam, where saturated conditions can be maintained. Potentially acid generating material must not be used for any other construction purpose;	Construction, Operations	TMA construction will occur during the construction and operations phases.
3.3.5	Place an engineered cover over the east mine rock stockpile and any remaining ore stockpiles at or before the decommissioning phase. The cover should be designed to prevent infiltration of water and to limit infiltration of air during the decommissioning and abandonment phases;	Operations, Post-operations (active decommissioning)	Cover has been designed accordingly. Cover will be placed sequentially during operations and will be completed by end of active decommissioning phase.
3.3.6	Cover the tailings with water and maintain the tailings in a perpetually saturated state during the decommissioning and abandonment phases;	Post-operations	Tailings will be maintained in a permanent state of saturation after operations cease.
3.3.7	Fill the open pit, in accordance with Condition 3.1.3 and 3.1.4, as rapidly as practicable during the decommissioning and abandonment phases, using all available means, including directing drainage from the east mine rock stockpile into the pit; and	Post-operations (after mining ceases and flooding is initiated)	NG has committed to directing drainage to the open pit once approvals are obtained in order to minimize long term effects.
3.3.8	Control water quality in the open pit lake during the abandonment phase.	Post-operations (after mining ceases and flooding is	NG has committed to monitoring and managing open pit water quality in order to minimize long

		initiated)	term effects.
3.4	The Proponent shall design and construct new road watercourse crossings for the realignment of Highway 600 to allow for fish passage in accordance with the Environmental Guide for Fish and Fish Habitat.	Construction	Completed during construction in accordance with the requirements of approvals.
3.5	The Proponent shall design and construct new road watercourse crossings for the realignment of Highway 600 to meet the Highway Drainage Design Standards of the Ministry of Transportation of Ontario.	Construction	Completed during construction in accordance with the requirements of approvals.
3.6	The Proponent shall design and construct water intakes meeting standards set out in the Freshwater Intake End-of-Pipe Fish Screen Guideline of the Department of Fisheries and Oceans Canada.	Construction, operations, Post-operations	Fish screens used, whenever pumping occurs in fish bearing waters
3.7	The Proponent shall both offset any residual serious harm to fish in accordance with subsection 35(2) of the *Fisheries Act* and associated regulations, and compensate for the loss of fish habitat resulting from the deposition of a deleterious substance into a tailings impoundment area in accordance with the Metal Mining Effluent Regulations, by recreating fish habitat in the West Creek Diversion Channel, West Creek Pond, Stockpile Pond Diversion Channel, Stockpile Pond, Clark Creek Diversion Channel, Clark Creek Pond, and Teeple Road Pond.	Construction	Completed initial compensation construction in accordance with the requirements of approvals during the construction phase.
3.8	**The Proponent shall monitor water quality and quantity, and fish and fish habitat, to determine the effectiveness of the mitigation measures under Conditions 3.1, 3.2, 3.3 and 3.7. In doing so, the Proponent shall monitor, at a minimum:**		
3.8.1	Water levels and flows, with respect to minimum flow thresholds for the Pinewood River set by Ontario, during periods of water taking as authorized pursuant to the *Ontario Water Resources Act*;	Construction, Operations, Post-operations (potential for pit flooding)	Monitoring will occur during all water takings in accordance with approvals.
3.8.2	Effluent quality as per the requirements set out in the Metal Mining Effluent Regulations;	Construction, Operations, Post-operations	Monitoring will occur during all water discharges in accordance with approvals, including the MMER that applies to all project phases.
3.8.3	The effectiveness of recreated fish habitat. The monitoring shall be designed in accordance with any authorizations pursuant to subsection 35(2) of the *Fisheries Act* and associated regulations and/or the Metal Mining Effluent Regulations;	Construction, Operations	Monitoring will occur of effectiveness of compensation habitat in accordance with approved plans and approvals
3.8.4	The effectiveness of the potentially acid generating and non-potentially acid generating rock segregation program through ongoing geochemical verification of the waste rock during any period that waste rock is generated;	Construction, Operations and post operations	Rock segregation occurs during handling, construction, operations and post operations.

3.8.5	Water quality in the open pit, pursuant to any requirements set by Ontario in the Mine Closure Plan for the Designated Project; and	Post-operations (until pit is flooded and water quality meets approval requirements)	NG has committed to monitoring and managing open pit water quality in order to minimize long term effects.
3.8.6	The maintenance of a perpetually saturated state of the tailings, for 25 years from the start of the decommissioning phase of the Designated Project.	25 years post-operations	Tailings will be maintained in a permanent state of saturation after operations cease. Monitoring will occur for 25 years at a minimum.
4.	**Migratory Birds**		
4.1	**The Proponent shall carry out all phases of the Designated Project in a manner that avoids harming or killing migratory birds, or disturbing, destroying or the taking of nests or eggs, with consideration of guidance provided in:**		
4.1.1	Environment Canada's policy on Incidental Take of Migratory Birds in Canada;	Construction, Operations, Post-operations	Applies to all project phases.
4.1.2	Environment Canada's avoidance guidelines on General Nesting Periods of Migratory Birds in Canada.	Construction, Operations, Post-operations	Applies to all project phases. The majority of clearing is anticipated to occur during the construction phase.
4.2	The Proponent shall, at all times, implement noise reduction measures to control sound levels from machinery to avoid harassing migratory birds.	Construction, Operations, Post-operations (active decommissioning)	Applies to all phases where extensive heavy equipment in use.
4.3	The Proponent shall install and use site lighting fixtures in a manner that reduces light pollution in the surrounding environment to avoid disturbance to nocturnal species, such as the Common Nighthawk (*Chordeiles minor*).	Construction, Operations, Post-operations (active decommissioning)	Applies to all phases where extensive lighting is in use.
4.4	The Proponent shall deter migratory birds from using the tailings management area.	As applicable	NG will deter migratory birds from using the tailings management area at any time where water quality within the area is anticipated to be of concern. Modelling does not indicate a concern during construction, operations or post-operations at this time.
4.5	The Proponent shall provide comparable replacement artificial nesting structures for Barn Swallows (*Hirundo rustica*) prior to the removal of existing nesting structures.	Prior to nest removal (Construction, Operations)	NG will provide replacement structures in advance of nests being removed.
4.6	The Proponent shall monitor migratory birds, breeding activity and mortality, to evaluate the effectiveness of mitigation measures under Conditions 4.1 to 4.3. If monitoring demonstrates an inconsistency	Construction, Operations, Post-operations (active decommissioning)	Timing set by condition.

	with those conditions, then document how this has been rectified. Monitoring starts at construction and ceases at the end of the decommissioning phase.		
4.7	The Proponent shall monitor use of the tailings management area by migratory birds under Condition 4.4 from the start of the operations phase to the end of the decommissioning phase.	Operations, Post-operations (active decommissioning)	Timing set by condition.
4.8	The Proponent shall monitor the effectiveness of the artificial nesting structures created for Barn Swallows (Hirundo rustica).	Construction, Operations	NG will monitor and report on use of replacement structures in accordance with Wildlife Monitoring Plan. Nesting structures to be fully functional by early operations at the latest.
5.	**Health of Aboriginal Peoples**		
5.1	The Proponent shall, during the construction, operations, and decommissioning phases of the Designated Project, control exceedances of the Canadian Ambient Air Quality Standards and meet air quality requirements established by Ontario at the nearest human receptor by:	Construction, Operations, Post-operations (active decommissioning)	Timing set by condition
5.1	The Proponent shall, during the construction, operations, and decommissioning phases of the Designated Project, control exceedances of the Canadian Ambient Air Quality Standards and meet air quality requirements established by Ontario at the nearest human receptor by:	Construction, Operations, Post-operations (active decommissioning)	Timing set by condition
5.1.2	Maintaining site roadways to control silt loading;		
5.1.3	Using water sprays at the crusher and at active stockpiles;		
5.1.4	Using dust control equipment;		
5.1.5	Using low-sulphur diesel equipment and using pollution control equipment on mobile heavy equipment and meeting the Canadian Environmental Protection Act for the emissions from this equipment and vehicles; and		
5.1.6	Revegetating disturbed areas in a manner that minimizes all exposed dust sources.		
5.2	The Proponent shall monitor air quality to evaluate the effectiveness of mitigation measures under Condition 5.1. Monitoring starts with construction and ceases at the commencement of the decommissioning	Construction, Operations	Timing set by condition.

	phase.		
5.2.1	The Proponent shall alert the Aboriginal groups in cases of exceedances of the Canadian Ambient Air Quality Standards and air quality requirements established by Ontario at the nearest human receptor.		
5.3	The Proponent shall monitor wells located within the open pit dewatering zone of influence, used by Aboriginal groups for drinking water, for water quality and quantity. Monitoring starts with construction and ceases after the first 10 years of the decommissioning phase.	Construction, Operations, Post-operations (10 years)	Timing set by condition. Note: There are no drinking water wells within ZOI.
5.3.1	The Proponent shall alert Aboriginal groups who use wells located within the open pit dewatering zone of influence for drinking water in cases of exceedance of water quality standards established by Ontario. The Proponent shall alert these Aboriginal groups as soon as possible once any exceedance is detected.		
5.4	The Proponent shall monitor key contaminants, including mercury, arsenic, cadmium and lead, for their concentrations in Northern Pike (*Esox lucius*) and Walleye (*Sander vitreus*) in the Pinewood River. Monitoring starts with construction and ceases 10 years after the start of the decommissioning phase.	Operations, Post-operations (10 years)	Timing set by condition
5.4.1	The Proponent shall alert the Aboriginal groups in cases of exceedance of provincial, federal or international health-based criteria. The Proponent shall alert these Aboriginal groups as soon as possible once any exceedance is detected.		
5.5	The proponent shall consult with the Aboriginal groups on the implementation of Conditions 5.2, 5.3 and		
6.	**Current use of Lands and Resources for Traditional Purposes**		
6.1	The Proponent shall provide access to private lands to Aboriginal groups for their current use of land, including hunting and plant harvesting.	Construction, Operations, Post-operations	Applies to all project phases.
6.2	The Proponent shall avoid use of herbicides along the transmission line corridor unless required to prevent fire hazards. The Proponent shall minimize the removal of non-woody vegetation within the transmission line corridor.	Construction, Operations	Vegetation management only required for construction and operations phases.
6.3	The Proponent shall, throughout all phases of the Designated Project, undertake progressive habitat restoration as per any requirements set by Ontario in the Mine Closure Plan for the Designated Project. Habitat restoration shall include:	Construction, Operations	Applies to habitat restoration including progressive reclamation during late construction phase and through operations phase.

6.3.1	A consideration of habitat types that support a diversity of wildlife species and traditional uses by Aboriginal peoples, including ungulates and furbearers, as well as native plant species previously collected at the Project Site for food and medicinal purposes; and	Construction, Operations, Post-operations	Applies to habitat restoration including both progressive and final reclamation.
6.3.2	Separating and stockpiling removed organic rich material during construction of open pit and during tailings dam stripping) for use to support revegetation and other reclamation activities.	Construction, Operations	Materials will be separated and stockpiled during TMA and pit (to be developed during construction and operations phases).
6.4	The Proponent shall monitor habitat restoration to verify the success of revegetation efforts. Monitoring starts with construction and ends once habitat has been restored and proven effective.	Construction, Operations, Post-operations	Monitoring of habitat restoration will be primarily post-operations after final reclamation is complete; will be conducted in according with the Closure Plan and Wildlife Monitoring Plan.
6.5	The Proponent shall restore access to the Project Site for the Aboriginal groups during the decommissioning phase, to the extent that such access is safe, for their traditional purposes.	Post-operations	Timing set by condition.
6.6	The proponent shall consult with the Aboriginal groups on the implementation of Conditions 6.1, 6.4 and 6.5.	Construction, Operations, Post-operations	Implementation during all phases consistent with Aboriginal Consultation Plan, February 2015 or as amended
7.	**Aboriginal Archaeological, Heritage and Cultural Resources**		
7.1	**The Proponent shall, for all phases of the Designated Project:**		
7.1.1	Avoid known culturally significant sites;	Construction, Operations, Post-operations	During all project phases.
7.1.2	Assess additional culturally significant sites, if discovered;		
7.1.3	Establish a procedure for Aboriginal groups to safely access the Project Site for cultural and ceremonial purposes;	Construction, Operations, Post-operations	Procedure established February 2015 and ongoing through all phases as safe.
7.1.4	Preserve any discovered burial sites;	Construction, Operations, Post-operations	During all project phases.
7.1.5	Salvage and preserve any artifacts that cannot be maintained in-situ; and	Construction, Operations, Post-operations	During all project phases.
7.1.6	Transfer artifacts in Condition 7.1.5 to a facility identified by Aboriginal groups, in consultation with the Ontario Ministry of		

	Tourism, Culture and Sport.		
7.2	The proponent shall consult with the Aboriginal groups on the implementation of Condition 7.1.	Construction, Operations	Project footprint will reach its maximum during the operations phase.
8.	**Effects that may be related to Federal Authorizations**		
8.1	The proponent shall, in implementing Condition 3.7, take measures to avoid or lessen adverse effects:	Construction	Completed compensation construction in accordance with the requirements of approvals during the construction phase.
8.1.1	On migratory birds and their habitats;		
8.1.2	On terrestrial species, including amphibians and reptiles, and their habitats;		
8.1.3	On species at risk and their habitats;		
8.1.4	On current use of lands and resources for traditional purposes by Aboriginal peoples;		
8.1.5	On sites of cultural significance to Aboriginal peoples; and		
8.1.6	From potential sources of contamination (e.g., mercury, arsenic, cadmium and lead).		
8.2	The Proponent shall, in implementing Condition 6.3, take into consideration the habitat needs of species at risk consistent with final recovery strategies or action plans, or alternatively, rely on best available information where recovery plans or action plans for the species are not yet completed for the species at risk.	Construction, Operations, Post-operations (active decommissioning)	During all project phases.
8.3	The Proponent shall provide about 1,400 hectares of private land as habitat for Eastern Whip•poor-will (*Antrostomus vociferous*) and Bobolink (*Dolichonyx oryzivorus*).	Construction	Completed
8.4	The Proponent shall monitor the effectiveness of the habitat in Condition 8.3.	Construction, Operations	Assessment of habitat effectiveness to be completed in accordance with the Wildlife Monitoring Plan.
8.5	**The Proponent shall:**		
8.5.1	Maintain a fence around the tailings management area to prevent access by wildlife; and	Construction, Operations, Post-operations (active decommissioning)	No longer required once tailings management area is reclaimed.
8.5.2	Implement measures to prevent Snapping Turtles (*Chelydra serpentine*) from entering the following components of the Designated Project:	Construction, Operations, Post-operations (active decommissioning)	Based on timing of construction of project component e.g., sediment ponds not constructed until operations phase. No longer required once project area is reclaimed.
8.5.2.1	Tailings management area;		

8.5.2.2	Water management pond;		
8.5.2.3	Water discharge pond;		
8.5.2.4	Constructed wetland;		
8.5.2.5	Overburden pile;		
8.5.2.6	West mine rock pile; and		
8.5.2.7	Sediment ponds 1 and 2.		
9.	**Accidents or Malfunctions**		
9.1	**In the event of an accident or malfunction with the potential to cause adverse environmental effects, the Proponent shall:**		
9.1.1	Notify the Agency and other relevant regulatory agencies of the occurrence as soon as possible;	Construction, Operations, Post-operations	Applies to all project phases.
9.1.2	Implement measures to minimize any adverse environmental effects associated with the occurrence as soon as possible; and	Construction, Operations, Post-operations	Applies to all project phases.
9.1.3	Submit a written report to the Agency as soon as possible in the circumstances, but at the latest 30 days after the day on which the accident or malfunction took place; the written report must include:	Construction, Operations, Post-operations; within 30 days of incident	Applies to all project phases.
9.1.3.1	The measures that were taken to mitigate the effects of the occurrence;		
9.1.3.2	If an emergency response plan was implemented, details concerning its implementation; and		
9.1.3.3	Changes made to avoid a subsequent occurrence of the accident or malfunction.		
10.	**Implementation Schedule**		
10.1	The Proponent shall submit an implementation schedule for conditions contained within this Decision Statement to the Agency, or anyone designated pursuant to s. 89 of CEAA 2012, 15 days prior to construction.	15 days prior to construction	Timing set by condition.
10.2	The Proponent shall submit an update to this implementation schedule in writing to the Agency, or anyone designated pursuant to s. 89 of CEAA 2012, every two years on March 31, starting the year following the date of the initial submission of the implementation schedule until completion of the activities.	Every two years starting March 31, 2016	Timing set by condition.
10.3	The Proponent shall provide the Agency, or anyone designated pursuant to s. 89 of CEAA 2012, with notice of any implementation schedule changes from the initial schedule or any subsequent updates 30 days prior to the	30 days prior to implementation	Timing set by condition.

	implementation of the change.		
11.	**Record Keeping**		
11.1	The Proponent shall record, retain and make available to the Agency, or anyone designated pursuant to s. 89 of CEAA 2012, upon demand, at a facility close to the Designated Project area (local facility), information related to the implementation of the conditions of this Decision Statement, including:	Construction, Operations, Post-operations	Applies to all monitoring starting from construction
11.1.1	The results of all monitoring, including:		
11.1.2	The place, date and time of any sampling;		
11.1.3	The dates and the analyses that were performed;		
11.1.4	The analytical techniques, methods or procedures used in the analyses;		
11.1.5	The names of the persons who collected and analyzed each sample and documentation of any professional certifications relevant to the work performed that they might possess; and		
11.1.6	The results of the analyses.		
11.2	The proponent shall retain and make available upon demand to the Agency, or anyone designated pursuant to s. 89 of CEAA 2012, the information contained in Condition 11.1 for a minimum of twenty-five years or until decommission ends, whichever is longer, unless otherwise specified, at a facility close to the Designated Project area (or at a location within Canada and agreed upon by the Agency, should the local facility no longer be maintained).	Construction, Operations, Post-operations	Timing set by Condition 11.1.

Revision history

March 2019:

- 2019-03-31, condition 2.2: referenced latest Aboriginal Consultation Plan and added that Government comments may change consultation manner.
- 2019-03-31, condition 3.2.4: added Post-operations to timing, added Constructed Wetlands structure will stay in place through closure for TMA passive discharge.

- 2019-03-31, condition 5.3, 5.3.1: Noted that there are no drinking water wells within the Zone of Influence (ZOI).

September 2017:

- 2017-09-06, condition 2.2 revised timing to all phases, consultation manner confirmed first but changes to consultation manner may occur, based on feedback from Aboriginal Groups
- 2017-09-06, condition 3.2.4 revise timing to operations to reflect the change in timing of wetland construction
- 2017-09-06, various, changed tense for conditions completed during the construction phase e.g., 3.2.5, 3.4, 3.5, 3.7
- 2017-09-06, condition 3.6 extend timing to include all project phases when pumping from fish bearing waters may occur
- 2017-09-06, condition 3.8.4 extend timing to include all project phases when rock is handled
- 2017-09-06, condition 8.5.2 changed rationale to tie condition timing to construction timing
- 2017-09-06, condition 5.5, 6.6 and 7.1.4 updated timing to reflect completed date – no change in timing occurring throughout all project phases

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