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We would like to acknowledge that we are located on the Stk'émłúpsēmc tē Secwépemc territory, situated within the unceded traditional lands of the Secwépemc Nation. New Afton appreciates the partnership that we have with the Stk'émłúpsēmc tē Secwépemc Nation and respect the territory and land on which we work, gather and play.

## A NOTE FROM THE ENVIRONMENT, LANDS & PERMITTING MANAGER

New Afton is excited to share some big news, creating positive momentum as we look to round out the year. In October of 2022, New Afton achieved a significant milestone in receiving a Mines Act M229 Permit Amendment. This updated permit allows for the mining of the C-Zone ore body and continued deposition of Thickened and Amended Tailings into the Historic Afton Open Pit.



This permit comes after a substantial effort over the last several of years by many qualified professionals, including employees and consultants. Prior authorizations to transition from conventional to thickened, and subsequently amended tailings, and mining of B3 were instrumental in this significant extension, carrying the mine life through to 2030. Our positive working relationship with Skeetchestn Indian Band (SIB), Tk'emłúps tē Secwépemc (TteS), and Stk'émłúpsēmc tē Secwépemc Nation (SSN), the Nlaka'pamux Nation Tribal Council (NNTC) and other interested local stakeholders has without a doubt enabled this milestone achievement.

Decision Making was completed in early 2022 to ensure that all necessary parties were aligned on the steps forward. Working with the Ministry of Energy, Mines and Low Carbon Innovation, geotechnical, geoscience, reclamation and closure plan details, were agreed upon to help ensure risks are adequately mitigated.

We are excited to be here conducting our business of mining in the traditional territory of the Stk'émłúpsēmc tē Secwépemc and in such a vibrant community. New Afton's positive environmental reputation is an outcome of delivering on environmental compliance through the ISO14001 EMS standards, operational engagement, transparent reporting, and robust environmental monitoring programs. The milestone achievement, of our C-Zone Permit, has been reached as a result of the support of the entire site and truly is a representation of New Gold's values based approach to ensure environmental, traditional knowledge and safety values were recognized and managed effectively.

**Luke Holdstock**  
*Environment, Lands & Permitting Manager*

Within the parameters of the New Gold SSN partnership, Consent Based



## NATIONAL DAY FOR TRUTH & RECONCILIATION

September 30<sup>th</sup> is the National Day for Truth and Reconciliation, which was established last year by the federal government. The grief and trauma that Indigenous people have faced for years was brought to the forefront for the first time for many people who had yet to learn the truth of the atrocities that took place within the residential school system with the discovery of children’s remains on school grounds across the country. September 30<sup>th</sup> is also Orange Shirt Day, which began as a way to acknowledge the experiences of those impacted by residential schools, to witness their stories, and to commit to reconciliation.

At New Gold, we invited all employees to wear orange shirts that were handed out throughout the month of September as a symbol of employees’ personal commitment to learning about this history and contributing to reconciliation through actions and learnings. We all have the opportunity to learn not only about the history, but also how we can support Indigenous businesses, authors, artists and people to build a better Canada for all moving forward. This year’s shirt was designed by Indigenous artist Natasha McNab from Kamloops, British Columbia.

New Gold respects and acknowledges that, because of our partnerships with Indigenous nations, we have the license to operate on sacred lands. New Gold’s long-term goals are to generate economic benefits for communities through skills training, business development support and minimizing barriers to contract opportunities in an effort to help support community well-being with long-term value creation.



## BEYOND NEW AFTON INDIGENOUS ENGAGEMENT VALIDATION

The Beyond New Afton (BNA) Project is currently in the validation phase, looping back with Indigenous partners and reporting on what the Beyond New Afton Committee heard from band members. We would like to thank Tk’emlúps te Secwépemc and Skeetchestn Indian Band for inviting us to host community open houses and luncheons to engage with over 160 band members. Both communities had an 8.3% participation rate based on their total membership on and off reserve. Thank you for engaging with us to help build a plan for the future.

Feedback included statements like:

- “Ensure there are meetings where band members can be involved through the BNA closure process.”
- “Healing of the land and more opportunities for future generations.”

The next stage of the BNA Project includes drafting the plan to be reviewed by community of interest groups.



Photo: Candace Camille Photography

# STK'EMLÚPSEMĆ TE SECWÉPEMĆ NATION & NEW GOLD

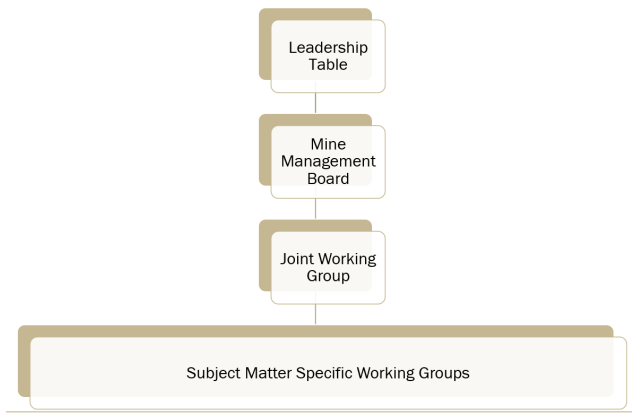
## ENGAGEMENT STRUCTURE

The Stk'emplúsemć te Secwépeemć Nation (SSN) and New Gold's New Afton Mine signed the Cooperation Agreement (CA) in October of 2021. The CA replaces the Participation Agreement that was originally signed in 2008, and amended in 2011. The teams at SSN and New Afton have been working together to implement the agreement, along with the new engagement structure which is made up of various engagement teams. Displayed below is the new engagement structure that has representatives from SSN, New Gold and Tk'emlúps te Secwépeemć and Skeetchestn Indian Band.



The engagement structure was designed by input from the communities to create two-way communication between leadership and the technical experts of the various working groups. Each engagement team is co-chaired by both New Gold and SSN and discussion topics are formed together to ensure collaborative cooperative conversations allowing the teams to work together on shared goals.

Recently, the Joint Working Group (JWG) reviewed the effectiveness of the engagement structure and the monthly meetings through an anonymous survey. The survey reported that all participants see value in participating in the JWG and have identified areas of improvement to implement and have since agreed to quarterly in person meetings.



## PERFORMANCE BY THE NUMBERS

### PRODUCTION

OUTPUTS (3 months ended September 30)	2022	2021
Ore Processed (thousand tonnes)	714	1,202
Tailings Produced (thousand tonnes)	698	1,180
Average gold grade of ore (g/tonne)	0.59	0.43
Average copper grade of ore (%)	0.64%	0.72%
Copper Produced (million pounds)	8.5	15.6
Gold Produced (ounces)	11,428	13,653

### ENVIRONMENTAL SCORECARD

INCIDENTS (9 months ended September 30)	2022	2021
Environmental Non-Compliances	0	1
Externally reported spills	3	3
Number of fines incurred	0	0

2022 externally reported spills include: 500L process water leak from a thickener pipeline, 756L grout (bentonite) release into Kamloops Lake, and a 1000L tailings slurry spill from vent shed 4.



## HUMAN RESOURCES BY THE NUMBERS

<b>EMPLOYEE COMPOSITION</b> (6 months ended September 30)	<b>Q3 2022</b>	
Total # of Employees on Payroll	677	100%
Employees from BC	614	91%
Employees hired from Kamloops region	534	79%
Employees hired from BC, outside Kamloops	80	12%
Employees from outside BC	63	9%
First Nations Employees	146	22%
SSN Members (Tk'emlúps te Secwépemc and Skeetchestn)	41	6%
Female Employees	116	17%
Male Employees	561	83%
Average Age	39	



## LEADERSHIP TRAINING AT NEW AFTON PROFESSIONAL SUPERVISOR AND EFFECTIVE LEADERSHIP DEVELOPMENT

People and Communities: We invest in our employees through personal development, we strengthen our team by embracing diversity and inclusiveness and we are dedicated to creating sustainable benefits to our host communities. In 2022, New Afton has offered leaders and future leaders the opportunity to participate in leadership training provided by Ascencia Group. By the end of the year, 38 participants will complete the Effective Leadership Development program and 28 participants will complete the Professional Supervisor training. In September, the first Cohort of Effective Leadership Development graduated the program, with the second and third cohorts completing their mid-term presentations.



John Andrew, New Afton’s Mill Operations Superintendent, had this to say about the program: “The Effective Leadership Development program helped me to focus my time and effort on long term objectives both at work and at home. It put into perspective what creates the most value to my team, the organization and my family.”

# ENERGY MATTERS

## WORKING TOWARDS A LOWER EMISSIONS FUTURE

When it comes to reducing greenhouse gases (GHG) emissions, energy really does matter. New Gold has set a target to reduce GHG emissions by 30% by the year 2030 (from a 2020 baseline). When planning for how to achieve that target, you have to look at what is generating the majority of those emissions and focus your efforts on those areas.

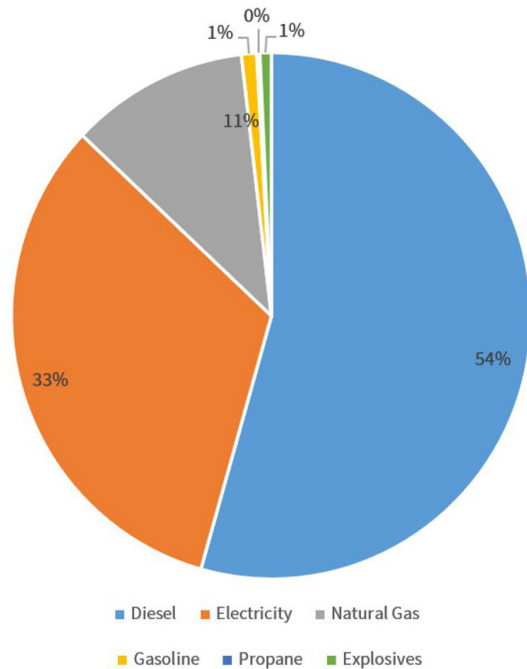
In 2021, 54% of New Afton’s GHG emissions were due to diesel consumption, 33% were from electricity use, 11% from natural gas with gasoline, propane and explosives making up the remaining 2%.

Diesel is the obvious focus area and the major initiative for the reduction of diesel use is electrification. To date, New Afton has been actively deploying battery electric (BE) production vehicles in operation, including an 18 tonne BE loader and two 50 tonne BE haul trucks. The mine is investigating further electrification options for the new C-Zone mining area.



The majority of natural gas used by the mine is for heating the air going underground in winter, to prevent ice buildup in the ventilation shafts. The mine is currently investigating the option of partial

2021 GHG Emissions



electrification of the heating system to offset approximately 75% of the natural gas used for shaft heating.

In 2021, the BC Hydro electricity emissions factor (the quantity of GHG emissions per unit of electricity generated) reduced by 76%, compared to prior year. With electricity being New Afton’s largest energy source, this will result in a significant reduction of GHG emissions and also helps to justify future electrification initiatives.

The vast majority of GHG emissions at New Afton are as a result of the energy used by the mine, so effective energy management is a key component of GHG emissions reduction strategy. Energy management at the mine complies with the international ISO 50001 energy management system standard. The standard helps to integrate energy management and awareness into operations and business practices at the mine.

The standard was modified slightly in 2021 to include a focus on GHG emissions as well as energy use. This has positively impacted decision making and facilitated further GHG reductions. As the adage says, “Where attention goes, energy flows and results show”.

New Afton is committed to a lower carbon future and doing what they can to reduce their impact on climate change.



## WE WELCOME YOUR FEEDBACK

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

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New Afton welcomes your feedback: Call us at (250) 377-2100 or email us at [info.newafton@newgold.com](mailto:info.newafton@newgold.com)

To learn about New Afton's current career opportunities please visit: [www.newgold.com/careers](http://www.newgold.com/careers).

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

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain information contained in this newsletter are "forward-looking". All statements in this newsletter, other than statements of historical fact, which address events, results, outcomes or developments that New Gold expects to occur are "forward-looking statements". Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the use of forward-looking terminology such as "plans", "expects", "is expected", "budget", "scheduled", "targeted", "estimates", "forecasts", "intends", "anticipates", "projects", "potential", "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will be taken", "occur" or "be achieved" or the negative connotation of such terms. Forward-looking statements in this newsletter include, among others, statements with respect to: the intended mining of the C-Zone and continued deposition of Thickened and Amended Tailings into the Historic Afton Open Pit; the Company's long-term goals with the surrounding communities; the further electrification of New Afton, including the C-Zone mining area and heating systems; planned next stages for the BNA Project; GHG emission reduction initiatives and future plans relating to a lower carbon future.

All forward-looking statements in this newsletter are based on the opinions and estimates of management that, while considered reasonable as at the date of this newsletter in light of management's experience and perception of current conditions and expected developments, are inherently subject to important risk factors and uncertainties, many of which are beyond New Gold's ability to control or predict. Certain material assumptions regarding such forward-looking statements are discussed in this newsletter, New Gold's latest annual management's discussion and analysis ("MD&A"), annual information form ("AIF") and technical reports on the New Afton Mine filed on SEDAR at [www.sedar.com](http://www.sedar.com) and on EDGAR at [www.sec.gov](http://www.sec.gov). In addition to, and subject to, such assumptions discussed in more detail elsewhere, the forward-looking statements in this newsletter are also subject to the following assumptions: (1) there being no significant disruptions affecting New Gold's operations other than as set out herein; (2) political and legal developments in jurisdictions where New Gold operates, or may in the future operate, being consistent with New Gold's current expectations; (3) prices for diesel, natural gas, fuel oil, electricity and other key supplies being approximately consistent with current levels; (4) arrangements with First Nations and other Indigenous groups in respect of the New Afton Mine being consistent with New Gold's current expectations; (5) all required permits, licenses and authorizations being obtained from the relevant governments and other relevant stakeholders within the expected timelines; and (6) there being no material disruption to the Company's supply chains and workforce that would interfere with the Company's anticipated course of action at the New Afton Mine.

Forward-looking statements are necessarily based on estimates and assumptions that are inherently subject to known and unknown risks, uncertainties and other factors that may cause actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking statements, including the "Risk Factors" included in New Gold's most recent AIF, MD&A and other disclosure documents filed on and available on SEDAR at [www.sedar.com](http://www.sedar.com) and on EDGAR at [www.sec.gov](http://www.sec.gov). Forward looking statements are not guarantees of future performance, and actual results and future events could materially differ from those anticipated in such statements. All forward-looking statements contained in this newsletter are qualified by these cautionary statements. New Gold expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, events or otherwise, except in accordance with applicable securities laws.