



## IN THIS ISSUE

- 🕒 2021 IN NUMBERS
- 👩 NEW GOLD WOMEN IN TRADES RESOURCE CENTRE
- 🏆 TOWARDS SUSTAINBLE MINING
- 🏆 INCLUSIVE LEADERSHIP AWARD
- 🏆 SURPASSING ENERGY TARGETS
- 👩 FIRE & MINE RESCUE TEAM RECRUITMENT
- 🏆 COLLABORATIVE TRAINING AWARD
- 🤝 SSN COOPERATION AGREEMENT

## A NOTE FROM OUR GENERAL MANAGER



As we close off a very challenging 2021, one thing that stands out is our team's resilience.

The dictionary defines resilience as the capacity to recover quickly from difficulties: toughness.

First and foremost, we lost a fellow team member, Raymond Rosenberg, on Feb 2, 2021. This loss was felt by every employee across all departments.

As everyone knows, the safety and wellbeing of our workers is our top priority. We saw our safety metrics trend in the right direction throughout the year and we continually adjust so we can keep the momentum going into 2022.

New Afton's site also felt the same challenges that were seen throughout British Columbia: COVID-19 (variants), the summer heat dome, wildfires, floods and then back to COVID (Omicron) again! Yet in New Afton fashion, through the strength and culture of our values, we pulled

through together! I want to thank everyone for their commitment throughout the year.

Through these challenges, we advanced our B3 and C-Zone projects, bringing us an additional eight years of potential mine life to New Afton. Our Capital Projects team is closing-off on the Thickened and Amended Tailings Project. We completed the New Afton Tailings Storage Facility. The Mill was rock solid, bringing our ore to valued concentrate and out to market. The Maintenance team provided quality work at the right time for the right reasons. Our entire Support team is integral to the site success! Our First Nations partnerships, vendors, stakeholders, and the acknowledgement goes on and on!

A great thank you to all!

**John Ritter**  
General Manager

### SAFETY STATISTICS

REPORTABLE INJURIES	2021	2020	2019
Lost Time Injury	6	0	0
Medical Treatment Injury	8	3	2
Restricted Duty Injury	6	1	5

### FINANCIAL REPORT - TOTAL SPEND

Taxes	2021	2020
BC Mineral Taxes	\$3,528,000	\$2,991,000
BY GEOGRAPHICAL AREA (CAD)	2021	2020
Local (Kamloops area)	\$150,432,429	\$96,198,794
Regional (BC)	\$106,526,577	\$91,888,518
National (excluding BC)	\$79,995,914	\$79,145,391
International	\$29,253,457	\$21,080,174
BY DISTRIBUTION CATEGORY (CAD)	2021	2020
Supplier	\$293,207,101	\$205,212,114
Insurance - Wage	\$3,074,629	\$3,023,318
Insurance - Commercial	\$3,625,381	\$2,385,236
Wages and Salaries	\$60,519,029	\$55,416,392
Change in Inventory	\$5,782,237	(\$4,863,676)
Sponsorship and Donations	\$207,368	\$403,529

### PRODUCTION PERFORMANCE

OUTPUTS	2021	2020
Ore Processed (thousand tonnes)	4,886	5,532
Tailings Produced (thousand tonnes)	4,791	5,411
Average gold grade of ore (g/tonne)	0.41	0.45
Average copper grade of ore (%)	0.70	0.72
Copper Produced (million pounds)	61.7	72.1
Gold Produced (ounces)	52,452	64,220



## MATERIAL TOPICS

A material topic is one of significant concern to a stakeholder or group of stakeholders. New Afton regularly reviews material topics as they relate to our operation, incorporating feedback from communities of interest (COI). In **2021**, our top material topics were:

- Water
- First Nations relations and engagement
- Tailings storage
- Processing of ore and unrefined products
- Health and Safety
- Regulatory commitments
- Permitting
- Air quality and dust
- Public reporting and communication
- Community impacts

Are there other material topics that are important to you? To provide feedback, call (250) 377-2100 or email [info.newafton@newgold.com](mailto:info.newafton@newgold.com).

## ENVIRONMENTAL PERFORMANCE

INCIDENTS	2021	2020	2019
Environmental Non-Compliances	1	1	1
Externally Reportable Spills*	2	3	1
Number of Fines Incurred	0	0	0
External Complaints	0	1	0

\*Externally reportable as per the BC Spill Reporting Regulation, exclusive of voluntarily reported spills



## TSM VERIFICATION 2021 TOWARDS SUSTAINABLE MINING

In 2021, New Afton Mine completed an external verification with the Mining Association of Canada's (MAC) Towards Sustainable Mining (TSM) protocols.

New Afton Mine received the highest rating achievable (AAA) on their Energy and GHG Management and Tailings Management. They received AAA on four out of five indicators for Safety and Health with a AA rating on Safety Performance. Biodiversity and Conservation Management received AAA on two out of three indicators with an area for improvement on the Biodiversity Conservation Reporting (A). Indigenous and Community Relationships received a AA rating for each indicator. Water Stewardship received a AA in watershed-scale planning and an A on three other indicators.

Now that this verification is complete, New Afton was able to identify areas of improvement for each of the protocols. Each department will work to improve their rating, where applicable, in 2022.

## HUMAN RESOURCES

EMPLOYEE COMPOSITION (12 months ended December 2021)	2021	
Total # of Employees on Payroll	643	100%
Employees from BC	588	91%
Employees hired from Kamloops region	517	80%
Employees hired from BC, outside Kamloops	71	11%
Employees from outside BC	61	9%
Indigenous Employees	136	21%
Indigenous Employees from Tk'emlúps te Secwépemc and Skeetchestn	37	6%
Female Employees	95	15%
Male Employees	548	85%
Average Age	40	

For information on current career opportunities, visit [www.newgold.com/careers](http://www.newgold.com/careers)



## NEW GOLD WOMEN IN TRADES & TECHNOLOGY RESOURCE CENTRE

In December, New Gold announced a donation of \$150,000 to Thompson Rivers University (TRU) in support of enhanced programming and opportunities for women seeking careers in trades. \$100,000 was for an extensive renovation to create the New Gold Women in Trades & Technology Resource Centre and \$50,000 was endowed for an annual bursary for women seeking training in electrical, welding, heavy mechanical and millwright foundation programs.

“At New Gold, one of our core values is People and Communities and we strengthen our team by embracing diversity and inclusiveness. Our partnership with TRU and the donation to the TRU Women in Trades Training program are aligned with our vision to strengthen our team with a diverse, inclusive and empowered workforce,” said John Ritter, General Manager at New Gold’s New Afton Mine.

New Gold hopes that this investment will enhance the success of

women in the program in addition to encouraging more women to explore the possibility of a career in trades.

“We’ve seen firsthand the benefits of having a diverse workforce,” Ritter said. “By providing opportunities to groups that are historically under-represented in our industry, our workforce is more open-minded and respectful of people’s differences. New Gold’s efforts to embrace inclusiveness has led to more ideas being shared from across our operation on how we can remove barriers, provide opportunities and support our communities. We want to invest in the education of women in trades because we know this will benefit our industry in the years to come.”

New Gold representatives kicked-off the demolition of the classroom space at the media event. The New Gold Women in Trades & Technology Resource Centre is set to open at TRU in the spring of 2022.



Lisa Newman and John Ritter kick-off the demolition.



The Kamloops Food Bank Society, the Kamloops Hospice Association and the Kamloops Brain Injury Association



## GIVING BACK TO OUR COMMUNITY

New Afton’s employees were able to support three local charities with our annual holiday raffle. Thanks to the incredible generosity of our vendors and our employees’ support, we raised an unprecedented \$64,084!

## NEW GOLD AND SSN SIGN COOPERATION AGREEMENT

Stk'emlúpsenc te Secwépemc Nation (SSN) and New Gold's New Afton Mine signed the Cooperation Agreement (CA) on October 28, 2021.

Together, New Gold and SSN worked collaboratively to build on an agreement that has been in place since 2008, and amended in 2011, which was formerly the Participation Agreement. The new CA modernizes their relationship, sets out improved engagement processes and provides both parties with legal certainty.

The objective of the CA is to establish a cooperative and mutually beneficial working relationship that fosters an understanding and awareness of the parties' respective interest.

The agreement includes a consent-based decision-making process, based on Secwépemc law and legal standards, that encourages the parties to work together to secure and maintain SSN's consent to the Project.

Other highlights of the agreement are the inclusion of SSN legal orders, expanding the scope and rigor of environmental regulation, maximizing contract opportunities and measures for socio-cultural investments.

"We are proud of this historic achievement for our Nation and the mining industry. We know it silences critics who say you cannot move from consultation to consent and create greater legal

certainty. We have and it is based on a decade of trust," Kukpi7(Chief) Rosanne Casimir said in a press release following the signing.

"New Gold is committed to continuing to improve and build authentic relationships with Indigenous partners across all our operations, and we are proud of the work the New Afton team and SSN were able to do together to build this agreement." Renaud Adams, New Gold President and CEO.



*Candace Camille Photography*

## NEW AFTON RECEIVES INCLUSIVE LEADERSHIP AWARD

### KAMLOOPS CHAMBER BUSINESS EXCELLENCE AWARDS



*Kathleen Fisher Photography*

In fall of 2021, New Gold received the Inclusive Leadership Award at the Kamloops Chamber's Business Excellence Awards.

New Gold was nominated by a community member and was given the opportunity to share how our work in diversity and inclusion at site is creating a positive working environment.

New Gold shared examples of partnerships, training opportunities and local hiring practices, and looks forward to continuing to provide opportunities to groups that are historically under-represented in the mining industry.

## NEW AFTON SURPASSES ENERGY TARGETS 2021 AUDIT RESULTS



Despite the challenges nature threw at us in 2021, it was another successful year in terms of Energy and Greenhouse Gas (GHG) Management at New Afton.

Firstly, ISO 50001 is our system to ensure we continually improve our energy and GHG performance. In December 2021, we passed our ISO 50001 Surveillance Audit. In addition, New Afton received a AAA rating, the highest rating possible, during an external verification of our compliance with the Mining Association of Canada's (MAC) Toward Sustainable Mining (TSM) Energy and GHG Emissions Management Protocol. Being certified and achieving such high ratings year-after-year is no mean feat and requires a true team effort. A big thank-you to all those who played a part in these successes.

In 2021, to align with our journey to a lower carbon future, New Afton set a GHG reduction objective, in addition to an energy objective. We exceeded our GHG reduction objective by 107% and our energy objective by an amazing 273%. This is the eighth consecutive year that New Afton exceeded its energy objective. Furthermore, two of these projects were initiated by employee suggestions.

### Projects that helped us to exceed our objectives:

- Insulation of the mill coverall building
- Battery electric loader in the B3 mining level
- Reduction in diesel consumption due to completion of tailings dam construction
- Electric heater to replace a diesel heater for the core shack water tank
- Crowders in the rougher flotation cells to reduce blower air use



In 2022, New Afton will be recertifying to ISO 50001, transitioning to the new MAC TSM Climate Change protocol and has, once again, set both an energy and a GHG objective. Projects to help us achieve these objectives:

- Battery electric haul trucks for Mine Operations
- Reduction of vent fan energy by ramping down surface ventilation fans during shift change
- Reduction in pumping energy due to the freshwater system upgrade
- Warehouse lighting upgrade to LED lights

It is going to be an exciting year. Let us knock it out the park in 2022 and show, as we did in 2021, that **Energy Matters** at New Afton.

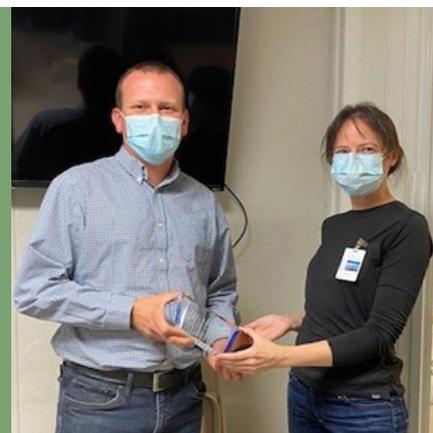
## NEW AFTON RECOGNIZED WITH CTEM AWARD

The B.C. Centre of Training Excellence in Mining (CTEM) has recognized New Gold for being an innovative leader in training the workforce for today and tomorrow.

The provincial recognition is the result of New Afton collaborating with partners across Canada to design and test provincial underground miner training. This training is specific to site needs and

aligns with the National Occupational Standards.

Participants of the program at New Afton received a blend of classroom theory and hands-on experience. The training was validated through Mining Industry Human Resource Council's Canadian Mining Certification Program and was a collaborative delivery effort between New Afton and Thompson Rivers University.



## FIRE & MINE RESCUE TEAM RECRUITS DIVERSE SKILLS

### 2021 INTAKE WELCOMES MORE DEPARTMENTS

Carrying 25 kilograms of folded hose for 500 metres, dragging 140 pounds of deadweight or wearing a mask while carrying a pack up five flights of stairs is not something that everyone would willingly sign up for, but 10 new recruits found themselves completing those tasks and several others during the recent physical test for the New Afton Fire and Mine Rescue Team.

Twenty-eight hopefuls applied to join the team, but only 10 spots were available bringing the total number of active Fire and Mine Rescue Team members to 45. This number enables the team to have 24-hour coverage seven days a week.

Traditionally, the New Afton Fire and Mine Rescue Team has been made up of mainly Underground Miners, but New Afton wanted to shift focus this round to better serve site.

“My goal with this last intake was to diversify the teams and have more expertise from different areas in order to respond to all areas of site more effectively,” said Andrew Horton, New Afton’s Emergency Response Coordinator.

Two of the new recruits are the only two females on the Fire and Mine Rescue Team. There have previously been female team members, but not for several years.

“I have always been very interested in first response. Ever since I was a teenager, I wanted to be involved in high-pressure situations,” said

Lisa Newman, electrician and instrumentation technician. “The New Afton Fire and Mine Rescue Team is a really great group that has each other’s backs.”

Newman has worked at New Afton for 11 years, but the timing to join has not worked until now. She had to balance raising her family, obtaining her Red Seal certification and focusing on her career development.

Tyne Roberts, a junior environmental scientist, has experience as a volunteer firefighter and applied because she likes the comradery that comes with being part of an emergency response team.

“I really appreciate the guys on the platoon,” Roberts said. “They’re all very supportive.”

This intake also saw a member from Exploration and an Industrial Hygienist join the team.

“Fire and Mine Rescue is a lot more complex than one might think,” Horton said. “A lot of factors come into play during an emergency and we really have to be 100 per cent certain. The team is a calculated, switched-on group.”

New Afton’s Fire and Mine Rescue Team also offers support to the surrounding areas such as Skeetchestn and Cherry Creek. New Afton and Kamloops Fire Rescue share a mutual aid agreement.



## WE WELCOME YOUR FEEDBACK

Call us at (250) 377-2100 or email [krystal.kehoe@newgold.com](mailto:krystal.kehoe@newgold.com). If you wish to receive ongoing communication, about the activities of New Afton Mine, please clearly state this in your message along with your name, phone number and email address.

For a chance to win a private tour underground, simply get in touch and provide responses to the following questions:

1. Was the report clear and understandable?
2. Did the report provide enough detail?
3. What issues related to our operation or mining are you most interested in? Did the report address them to your satisfaction? If not, what could have improved the report?
4. Are there any communities, interest groups or stakeholders, including those whose interests may be issues-based or indirect, you think should be included in our communications?
5. Are there more effective methods of communicating with the general public that you would prefer to this newsletter?

## ADDITIONAL INFORMATION

 @NewAfton

If you have any comments on this report or would like further information on the New Afton Mine, 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.