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

newafton.newgold.com

TURNING POINTS

JEFF LAMARSH - GENERAL MANAGER



2023 marked the turning point on our path towards the next phase at New Afton—safely, sustainably, and successfully executing the C-Zone project.

From peaking in the number of onsite contributors, employees, and contractors, to blasting our first draw bell in C-Zone, materially completing stabilization installation at the New Afton Tailings Storage Facility, achieving an incredibly low reportable injury frequency of 0.76 and achieving our guidance consistently throughout the year, we have a lot to be proud of. Hats off to each member of our collective team for an outstanding 2023.

Specifically, we should be proud of our creativity focused on continuous improvement, excellence in all that we do, and commitment to our future success onsite as a team. While past performance is important to celebrate, true power lies in leveraging that knowledge and experience into action which improves the future for all stakeholders.

This means challenging the status quo and asking yourself “why?” to improve your understanding and ability to make informed decisions. It also means not being complacent;

“That’s the way we have always done it” is a phrase all too familiar and a mindset that needs to be challenged by asking “Why?”.

The C-Zone gyratory ore bin rehabilitation is a perfect example of this where the team challenged the normal industry method and developed a safer, higher quality, faster, and lower cost option which met all the required objectives and standards.

Another fantastic example that showcases this mindset with a sustainability lens is the overwhelmingly successful implementation of in-pit thickened tailings deposition over the past two years. While backfilling an old open pit isn’t revolutionary, thickening and strengthening tailings to a quality that has had no material impact on underground workings is unique and leading-edge in our industry. Coupled with the enormous reduction in offsite water requirements this is a significant win both from a reclamation and water conservation standpoint.

Our people are the key to our success and truly what makes New Afton a unique, high-functioning, fun, progressive, and proud place to work. With the team we have, I feel very confident of our continued success in 2024.



SAFETY STATISTICS

Reportable injuries	2023	2022	2021
Lost-time injury	1	1	6
Restricted duty injury	1	1	6
Medical treatment injury	5	6	8

ENVIRONMENTAL SCORECARD

Incidents	2023	2022	2021
Environmental non-compliances	2	0	1
Externally reported spills	4	6	4
Number of fines incurred	0	0	0



HUMAN RESOURCES

Employee Composition (12 months ended Dec. 31, 2023)	2023	
Total number of employees on payroll	687	
Employees from BC	636	93%
Employees from the Kamloops region	547	80%
Employees from BC, outside of Kamloops	88	13%
Employees from outside BC	51	7%
Indigenous employees	166	24%
Tk'emlúps te Secwépemc and Skeetchestn employees	40	6%
Female employees	117	17%
Male employees	569	83%
Non-binary Employees	1	0.15%
Average age	40	



PERFORMANCE BY THE NUMBERS

OUTPUTS	2023	2022
Ore Processed (thousand tonnes)	3,065	3,323
Tailings Produced (thousand tonnes)	2,971	3,260
Average gold grade of ore (g/tonne)	0.72	0.47
Average copper grade of ore (%)	0.78	0.51
Copper Produced (million pounds)	47.4	31.1
Gold Produced (ounces)	62,637	41,551

*2022 data is inclusive of gold ounces from ore purchase agreements for New Afton. The New Afton Mine purchases small amounts of ore from local operations, subject to certain grade and other criteria. 2023 grades and production are exclusive of ore purchase agreements. 2023 Ore Processed and Tailings include the tonnes associated with these agreements.

FINANCIAL REPORT - TOTAL SPEND

BY GEOGRAPHICAL AREA (CAD)	2023	2022
Local (Kamloops area)	\$86,900,000	\$94,400,000
Regional (BC)	\$101,500,000	\$92,700,000
National (excluding BC)	\$139,600,000	\$99,700,000
International	\$21,300,000	\$20,000,000

BY DISTRIBUTION CATEGORY (CAD)	2023	2022
Wages and Salaries	\$98,700,000	\$76,000,000
Community Investment	\$352,000	\$292,000



CELEBRATING OUR SSN EMPLOYEES



STK'EMLUPSEMC TE SECWEPENC NATION (SSN) APPRENTICESHIPS

In 2023, New Gold in partnership with the Stk'emlupsemc te Secwépenc Nation (SSN) offered SSN employees the opportunity to advance their career through the SSN Sponsored Apprenticeship. Apprenticeships are mutually beneficial, as the employee gains invaluable experience, knowledge and abilities to succeed in their chosen field, university-level qualifications, and the prospects of higher earning potential, while New Gold gains the opportunity to develop and retain a highly- skilled employee. The apprenticeship application is a competitive 4-stage process where applicants must pass each stage before progressing. All candidates invited to the Stage 4 interview process are provided with feedback, regardless of the outcome. SSN candidates are connected with SSN mentorship, who provide supports and participate in the final candidate interviews. This year's apprenticeship in Heavy Duty Mechanical was awarded to Wyatt Ruttan, a member of the Skeetchestn Indian Band. The apprenticeship sponsorship covers the costs of tuition, textbooks, and any other expenses related to school. Throughout his apprenticeship, Wyatt will work alongside a New Gold journeyman and be primarily responsible for maintenance tasks in many areas of the mine.



GAINING WORK EXPERIENCE THROUGH NEW AFTON'S CO-OP PROGRAM

Stacey French, a member of Tk'emlúps te Secwepenc, was successful in her application for the Supply Chain Cooperative Education student placement at New Gold. Stacey is currently pursuing a Bachelor of Business Administration, majoring in Supply Chain Management at Thompson Rivers University.

Co-op student work terms at the New Afton Mine are eight to twelve months in length and provide students with practical work experience, paid employment opportunities, skill development and enhanced employability. Having co-op experience on a resume can demonstrate initiative and a strong work ethic.

"New Gold goes above and beyond in cultivating a high-spirited workplace, and creates an environment where employees strive for personal and professional growth," said Stacey, reflecting on her experience at New Gold.

MAKING AN IMPACT



2023 COMMUNITY INVESTMENT SUMMARY

We are pleased to share the impact of our Community Investment Program in 2023. At New Afton, we recognize the expertise of local organizations in addressing the challenges faced by communities. It is our privilege to collaborate with them, supporting their initiatives and contributing to the achievement of shared goals. Throughout the year, New Afton proudly donated a total of \$252,000 CAD to 28 unique charitable and non-profit organizations, highlighting our commitment to creating sustainable benefits for the communities we operate in.

Our Community Investment Program, guided by the values of doing what is right, leveraging collective skills, and delivering on promises, exemplifies the dedication of our team to making a meaningful and continuous impact in our host communities. Funding amounts ranged from approx. \$1,700 to \$63,000, totaling \$179,000. In addition to financial contributions, New Afton proudly sponsored 17 community events in 2023 with a total investment of \$73,000. These sponsorships helped to bring educational and recreational opportunities to people of all ages and interests. For a full list of organizations receiving funding from New Afton's CIP, please scan QR code:



NEW AFTON TEAM SUPPORTS KAMLOOPS COMMUNITY

TEAM DONATES \$87,000 TO 10 LOCAL ORGANIZATIONS

 *People & Communities*

In 2023, the New Afton team doubled down on our value of People and Communities in fundraising and donations for local charitable and non-profit organizations, raising nearly \$87,000 for ten community groups.

New Gold's Charitable Donations Matching Program enables employees to donate to eligible charities and non-profits of their choice through payroll deductions, which the company then matches up to a predetermined maximum. This past year, New Afton employees increased individual contributions by 12% over 2022, resulting in over ten thousand dollars being donated to seven employee-selected local organizations.

The annual fundraising campaign as part of our holiday parties was another success, with employees raising over \$75,000 through raffle prizes, a 50/50 draw and seat reservations – a 9% increase in funds raised from 2022. The raffle prizes were generously donated by over 45 of our vendors and over 60% of the New Afton workforce participated in the fundraising. The funds were split equally three ways, resulting in donations of over \$25,000 each to the Kamloops Boys and Girls Club, Mamas for Mamas and KidSport.



SKI CLUB TRAIL WIDENING PROJECT IN PARTNERSHIP WITH THE CAT RENTAL STORE

 *Integrity*

Last fall, employees of the New Afton Mine, members from the Overlander Ski Club, and staff from the CAT Rental store collaborated to widen the trails of the Stake Lake Nordic Ski Facility. The Club faced a significant challenge when their new, larger Snowcat required wider paths to adequately groom the trails, so Ski Club organizer Tim Cole approached New Gold for assistance.

Carson Fraser, Laura Connell, Al Long and Logan Reese from New Afton's Training Department, New Afton's Batch Plant Supervisor Ron Hart, Overlander Ski Club members Peter Prochotsky and Tim Cole, and Dale Cullen from The CAT Rental Store all played a part in the project.



After delays due to the wildfires, equipment was mobilized on October 23rd and ground preparation commenced. The team worked tirelessly for seven days to remove many rocks and push berms back to create a wider trail. The partnership benefitted from Hart's previous experience with logging and road building, underlining the significance of collective skills in achieving project success. Reese's assistance in coordinating fuel supply during the weekend and ensuring the site training remained uninterrupted was crucial in keeping up the project's momentum. New Afton Safety Advisor Carson Fraser's contribution in devising a safety plan ensured that the project was executed without any injuries or damage, emphasizing the team's commitment to safety and responsibility.

With over 1,600 members, including New Afton employees, supporting Overlander Ski Club exemplifies New Gold's commitment to creating sustainable benefits for the communities we're part of.

"I just wanted to thank you for all your work on the Overlander Ski Club dog trails," said Cole. "It looks great and will be a big improvement for our operations on that trail."

This successful collaboration could not have been achieved without the tireless work and dedication of all involved. Their dedication to fostering a better environment for both the ski club and the community stands as an exemplary demonstration of New Gold's values in action.



COMMITMENT TO RESPONSIBLE MINING

COMPLETING THE ISO 14001 RECERTIFICATION AUDIT



In January 2024 New Afton completed the ISO 14001 recertification audit, marking eleven years of successful implementation and external third-party certification of the Environmental Management System (EMS). An EMS is a standardized set of processes that enable an organization to reduce its environmental impacts while working to increase operating efficiency. One of the most significant benefits of the ISO 14001 certification is environmental risk reduction and increased stakeholder confidence.

The audit was conducted to evaluate compliance with legal requirements, environmental practices, pollution prevention and continual improvement. It involved various methods, such as documentation review, interviews, and site inspections.

All aspects of the mine site within its control were audited, such as underground mining, mill processing, tailings storage and management, laboratory test work, chemical storage, maintenance, waste management, reclamation, exploration, and surface infrastructure within the mining boundary.

Furthermore, the audit evaluated activities and processes to determine if operational controls are operating according to policies and procedures, as well as the effectiveness of preventive and corrective actions. A leadership meeting also discussed the examination of critical objectives and targets.

The EMS is crucial for New Afton to ensure continual improvement towards reducing the mine's environmental footprint. We would like to thank everyone on site for their efforts in achieving this important goal.



COMMUNITY INVESTMENT PROGRAM

SUPPORTING KAMLOOPS SEARCH AND RESCUE



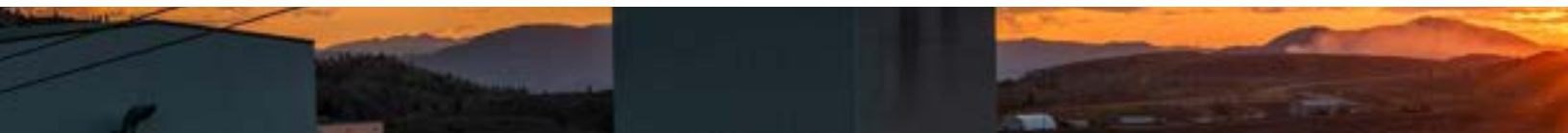
Kamloops Search and Rescue (KSAR) is a volunteer search and rescue team, offering lifesaving service to the Kamloops community and beyond. KSAR is called out to assist the RCMP, BC Ambulance Service, BC Coroner's Office, and Kamloops Fire Rescue and provides assistance during extreme weather emergencies and events such as wildfires and floods. With specialty teams trained in swift water rescue, rope rescue, and snowmobile rescue, this volunteer group provides mutual aid support to other search and rescue groups throughout the BC Interior. In 2022 alone, KSAR responded to 56 events, with volunteers contributing 2,595 hours of service.



David Potter, Volunteer Rope Discipline Lead for KSAR, applied to New Gold's Community Investment Program seeking funds to replace used and worn-out rescue ropes. When asked about this donation, David explained that it helps support their organizational goal of keeping staff and the community safe. "I want to make sure our rope team is well trained and has the newest and safest gear to make sure they are safe, as well as the subject they are rescuing. Receiving a donation from New Gold (New Afton Mine) to buy new equipment will help us reach this goal of keeping our team and community safer."

Keeping the community safe is something that New Afton Mobile Maintenance Mechanic and KSAR volunteer, Ashton Babuin, practices on-site and beyond. "I feel honored and proud to be a part of an organization that cares about the community in such a capacity that it is willing to make such a generous donation," said Babuin. "It goes a long way in increasing KSAR's capacity for rescues and decreasing the financial burden on an organization primarily funded by donations and managed by volunteers."

New Gold is dedicated to creating sustainable benefits for our host communities and is proud to support Kamloops Search and Rescue (KSAR) with funding to purchase new equipment, helping to ensure they can continue providing life-saving service in the Kamloops region. To learn more about the Community Investment Program, please visit our website.



ENERGY UPDATE



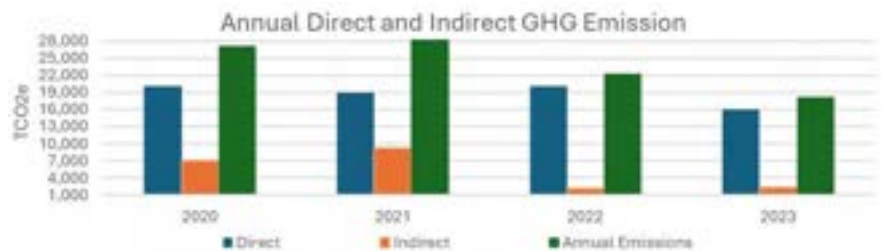
NEW AFTON EXCEEDS 2023 ENERGY TARGETS

In November 2023, New Afton completed a self-assessment of Toward Sustainable Mining's (TSM) Climate Change Protocol, achieving a AAA rating for the Facility Climate Change Management indicators of the Climate Change Protocol. This result speaks to the tireless work done by our energy team in energy and emissions management.

Over the past 10 years, New Afton utilized ISO 50001 as its primary tool for the integration of Strategic Energy Management into the systems and culture at the Mine. Moving forward into 2024, New Afton will maintain internal compliance with our established ISO 50001 - based standard operating procedures but no longer certify externally, instead refocusing on TSM's Climate Change Protocol which is a more holistic and diverse approach in environmental stewardship.

In 2023, New Afton set objectives of reducing both energy consumption by 1,650 MWh and Greenhouse Gas (GHG) Emissions by 810 TCO₂, but exceeded these targets by 77%, and by 495%, respectively. Battery Electric Vehicle (BEV) haul trucks were the largest contributor to achieving those targets, followed by the Thickened and Amended Tailings process and various small energy conservation projects (5%).

New Afton utilized four Sandvik Z50 BEVs for underground ore haulage, representing 25% of the total underground fleet. As per previous study BEV haul trucks consume one fourth of the energy as compared to their diesel counterparts, and as zero-emission vehicles powered by green-grid electricity, the BEVs were the leading contributor for New Afton's Energy and GHG reduction. Also in 2023, major energy campaigns on site engaged large numbers of employees who participated in 'Car Pool', 'Bike to Work', and 'Identifying Compressed Air Leaks,' showing our employees' awareness of Energy Management at New Gold.



INNOVATION AND TECHNOLOGY UPDATE



EXPANDING OUR AUTOMATED EQUIPMENT FLEET

In 2023, New Afton increased its fleet of automated scoops by 40%, adding two new Sandvik LH410 scoops to our mine equipment. This delivery preceded the opening of the new Integrated Operations Centre building, which increases New Afton's capacity to house our expanding automation function on site. As well as scoops, new automation chairs and servers for our upcoming AutoMine fleet upgrade arrived. Automated scoop operators are undergoing training for this AutoMine Fleet upgrade in anticipation of this upgrade to come on-board in Spring 2024.

Leading with innovation is a key component of New Gold's value of Creativity. Our adoption of automated equipment enables efficiency gains, as operators do not have to commute to and from underground to begin operating the equipment, and with the Auto Mine functionality, operators can control more than one piece of equipment at a time. This remote surface automation removes employees from potential hazards within the underground mine environment, and ergonomic and industrial hygiene factors for operators are improved in a stable chair within a temperature-controlled environment. As well, automation enables operation of the equipment in high-risk environments, enabling New Afton to mine areas we otherwise wouldn't be able to. The new LH410s also produce less emissions and heat than the equipment previously used, decreasing overall emissions, diesel particulate matter and heat-related health risks for underground workers at the same time.

For C-Zone, New Afton has plans for a mixed diesel and BEV fleet of automated equipment, both in scoops and rock breakers. We welcome the new equipment onto site and congratulate the Mining and Maintenance departments for all the work they are putting into expanding our automated capabilities.



SHARE YOUR THOUGHTS

WE WELCOME YOUR FEEDBACK

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

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Career Opportunities

To learn about New Afton's current career opportunities please visit: www.newgold.com/careers.

Community Investment Program

To submit an application, visit communityinvestment.newgold.com. If you have questions, email info.newafton@newgold.com.

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

ADDITIONAL INFORMATION

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 Company's goals and priorities and the expected resulting benefits; intended focus areas, projects and initiatives for the site and anticipated timing thereof; projections relating to the Company and site's mining operations and future successes; and expectations regarding production, expenses, investments and expenditures, and the factors contributing to those expected results.

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 Rainy River Mine filed on SEDAR at www.sedar.com and on EDGAR at 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) the accuracy of New Gold's current mineral reserve and mineral resource estimates and the grade of gold, silver and copper expected to be mined and the grade of gold, copper and silver expected to be mined; (4) the exchange rate between the Canadian dollar and U.S. dollar, and to a lesser extent, the Mexican Peso, and commodity prices being approximately consistent with current levels and expectations for the purposes of guidance and otherwise; (5) prices for diesel, natural gas, fuel oil, electricity and other key supplies being approximately consistent with current levels; (6) arrangements with First Nations and other Indigenous groups in respect of the New Afton Mine being consistent with New Gold's current expectations; and (7) 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.sedarplus.com and on EDGAR at 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.