

The Year of Resilience

2021 Sustainability Report



newgold™



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* All dollar amounts stated in Canadian dollars, unless otherwise noted.

The Year of Resilience

In 2021, New Gold’s people, operations and the Indigenous communities we partner with, faced significant challenges. We were tried and tested, but together we weathered the storms, coming out more resilient and connected.

By building resilient teams, we address vulnerabilities and mitigate risks so that we are better prepared for the future—a critical step in our sustainability journey.

The theme of this report is resilience. Throughout the report we’ve highlighted moments of resilience from 2021, the obstacles we overcame and the work that remains to further sustainability at New Gold.

Our Sustainability Icon

The three Anchors of New Gold’s Sustainability Strategy—Environment, Indigenous Rights and Community Engagement—are represented by four symbols in our Sustainability Icon. The leaf represents our commitment to environmental stewardship, and the feather, our promise to honour Indigenous culture and traditions. The globe represents our accountability to the local and global communities, and the arrow represents New Gold’s dedication to progress.

Together, these elements represent our holistic approach to sustainability as a means to achieve our Mission and express our Core Values.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

New Gold Inc.'s ("New Gold" or the "Company") 2021 Sustainability Report has been finalized as of May 13, 2022 and certain information contained in this report, including any information relating to New Gold's future financial or operating performance are "forward looking". All statements in this report, 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 report include, among others, statements with respect to: the Company's intended focus on operational excellence and optimization and its ability to execute on its strategy; expectations regarding production, costs, capital investments and expenses on a consolidated and mine-by-mine basis, and the factors contributing to those expected results; planned activities, undertakings and areas of focus at the Rainy River Mine and New Afton Mine and expectations of timing and costs associated therewith; expectations regarding production timing; advancement of the development of the C-Zone at New Afton; the potential to extend the commercial life of the Rainy River Mine; the anticipated LOM Plan for Rainy River and New Afton, as well as the intended mining approach and mining focus areas during such time; the Company's approach to sustainability, including oversight and reporting; proposed strategic goals for the Company out to 2030 and the progress thereof; the Company's continued progress and intended alignment with standards, regulations, frameworks, sustainable development goals and expectations as it relates to sustainability and ESG; continued improvement and implementation of practices, workforce engagement and training relating to health and safety; the following of federal Public Health's guidance and complying with provincial restrictions and regulations as it relates to COVID-19; the Company's commitment to the environment and associated initiatives and undertakings; the steps the Company is taking to address climate change (including GHG emissions) and the risks thereof; the Company's strategy, initiatives and targets relating to the environment, climate change, biodiversity and land,

tailings and water; tailings management practices; enhancing water stewardship across all operations; intended timing for the operation of the TAT Plant; the Company's commitment to establishing meaningful relationships with Indigenous and local communities and other stakeholders, and its proposed approach to engagement; the Company's community investment strategy; the intended review of procurement practices and standards and the continued reporting thereof; planned sustainability-related projects and undertakings, and the timing associated therewith; the Company's objectives and goals relating to its Indigenous partners and its intended approach to community and Indigenous relations; the DE&I strategy of the Company, and the future plans for the DE&I Committee; the Company's commitment to employee engagement and associated initiatives and undertakings; New Gold's approach to occupational health and safety and its prioritization of the health, safety and well-being of its employees, contractors and surrounding communities; health and safety training and wellness initiatives and undertakings; compliance with all rules, regulations and standards across the Company; permissible activities and anticipated benefits of the amended permits at New Afton; and those statements under the section heading "Beyond the Mine".

All forward-looking statements in this report are based on the opinions and estimates of management as of the date such statements are made and are 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 report, New Gold's most recent annual information form, annual and quarterly management's discussion and analysis and its technical reports filed on SEDAR (www.sedar.com) and EDGAR (www.sec.gov). In addition to assumptions discussed in more detail elsewhere, the forward-looking statements in this report are also subject to the following assumptions: (1) there being no significant disruptions affecting New Gold's operations; (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, 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 2022 guidance and otherwise;

(5) prices for diesel, natural gas, fuel oil, electricity and other key supplies being approximately consistent with current levels; (6) equipment, labour and material costs increasing on a basis consistent with New Gold's current expectations; (7) arrangements with First Nations and other Indigenous groups in respect of the Rainy River Mine and New Afton Mine being consistent with New Gold's current expectations; (8) all required permits, licenses and authorizations being obtained from the relevant governments and other relevant stakeholders within the expected timelines and the absence of material negative comments or obstacles during any applicable regulatory processes; (9) the results of the life of mine plans for the Rainy River Mine and the New Afton Mine described herein being realized; (10) there being no significant disruptions to the Company's workforce at either the Rainy River Mine or New Afton Mine due to cases of COVID-19 (including any required self-isolation due to cross-border travel, exposure to a case of COVID-19 or any other reason) or otherwise; (11) 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 and Rainy River Mine; and (12) the long-term economic effects of the COVID-19 outbreak not having a material adverse impact on the Company's operations or liquidity position.

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. Such factors include, without limitation: price volatility in the spot and forward markets for metals and other commodities; discrepancies between actual and estimated production, between actual and estimated costs, between actual and estimated Mineral Reserves and Mineral Resources and between actual and estimated metallurgical recoveries; equipment malfunction, failure or unavailability; accidents; risks related to early production at the Rainy River Mine, including failure of equipment, machinery, the process circuit or other processes to perform as designed or intended; the speculative nature of mineral exploration and development, including the risks of obtaining and maintaining the validity and enforceability of the necessary licenses and permits and complying with the permitting requirements of each jurisdiction in which New Gold operates, including, but not limited to:

obtaining the necessary permits for the New Afton C-Zone; uncertainties and unanticipated delays associated with obtaining and maintaining necessary licenses, permits and authorizations and complying with permitting requirements, including those associated with the C-Zone permitting process; changes in project parameters as plans continue to be refined; changing costs, timelines and development schedules as it relates to construction; the Company not being able to complete its construction projects at the Rainy River Mine or the New Afton Mine on the anticipated timeline or at all; volatility in the market price of the Company's securities; changes in national and local government legislation in the countries in which New Gold does or may in the future carry on business; controls, regulations and political or economic developments in the countries in which New Gold does or may in the future carry on business; the Company's dependence on the Rainy River Mine and New Afton Mine; the Company not being able to complete its exploration drilling programs on the anticipated timeline or at all; disruptions to the Company's workforce at either the Rainy River Mine or the New Afton Mine, or both, due to cases of COVID-19 or any required self-isolation (due to cross-border travel, exposure to a case of COVID-19 or otherwise); the responses of the relevant governments to the COVID-19 outbreak not being sufficient to contain the impact of the COVID-19 outbreak; disruptions to the Company's supply chain and workforce due to the COVID-19 outbreak; an economic recession or downturn as a result of the COVID-19 outbreak that materially adversely affects the Company's operations or liquidity position; there being further shutdowns at the Rainy River Mine or New Afton Mine; significant capital requirements and the availability and management of capital resources; additional funding requirements; diminishing quantities or grades of Mineral Reserves and Mineral Resources; actual results of current exploration or reclamation activities; uncertainties inherent to mining economic studies including the Technical Reports for the Rainy River Mine and New Afton Mine; impairment; unexpected delays and costs inherent to consulting and accommodating rights of First Nations and other Indigenous groups; climate change, environmental risks and hazards and the Company's response thereto; tailings dam and structure failures; actual results of current exploration or reclamation activities; fluctuations in the international currency markets and in the rates of exchange of the currencies of Canada, the United States and, to a lesser extent, Mexico; global economic and financial conditions and any global or local natural events that may impede the economy or New Gold's ability to carry on business in the

normal course; compliance with debt obligations and maintaining sufficient liquidity; taxation; fluctuation in treatment and refining charges; transportation and processing of unrefined products; rising costs or availability of labour, supplies, fuel and equipment; adequate infrastructure; relationships with communities, governments and other stakeholders; geotechnical instability and conditions; labour disputes; the uncertainties inherent in current and future legal challenges to which New Gold is or may become a party; defective title to mineral claims or property or contests over claims to mineral properties; competition; loss of, or inability to attract, key employees; use of derivative products and hedging transactions; counterparty risk and the performance of third party service providers; investment risks and uncertainty relating to the value of equity investments in public companies held by the Company from time to time; the adequacy of internal and disclosure controls; conflicts of interest; the lack of certainty with respect to foreign operations and legal systems, which may not be immune from the influence of political pressure, corruption or other factors that are inconsistent with the rule of law; the successful acquisitions and integration of business arrangements and realizing the intended benefits therefrom; and information systems security threats. In addition, there are risks and hazards associated with the business of mineral exploration, development, construction, operation and mining, including environmental events and hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding or drought and gold bullion losses (and, in each case, the risk of inadequate insurance or inability to obtain insurance to cover these risks) as well as "Risk Factors" included in New Gold's most recent annual information form. 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 of the forward-looking statements contained in this report 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.

USING THIS REPORT

The screenshot shows a page from the 2021 Sustainability Report. At the top, there is a navigation bar with the company name and report title on the left, a menu icon, and a series of colored tabs for 'Introduction', 'Overview', 'Environment', 'Social', 'Governance', and 'Beyond the Mine'. The 'Overview' tab is currently selected. On the right side of the navigation bar, there is a page indicator '< 11 >' and a left-pointing arrow.

The main content area is divided into several sections:

- Analysts Corner:** Located on the left side, it features a title and a list of GRI and SASB tags: 'GRI 102-18, 102-19, 102-20, 102-21, 102-22, 102-26, 102-28, 102-29, 102-31, 102-32, 102-33, 103-1, 103-2, 103-3'.
- OUR APPROACH TO SUSTAINABILITY CONTINUED:** A sub-header for the main content.
- Sustainability Oversight:** A section describing the oversight structure, including a list of roles:
 - General Managers and Department Managers:** responsible for site-based activities (including Health and Safety, HR, Finance, etc.) and regulatory requirements.
 - Site-based teams:** responsible for implementing management plans.
 - Board of Directors:** New Gold's Board of Directors (the Board) promotes a culture of integrity, ethical leadership, diversity, inclusion and sustainability within the Company. The Board oversees New Gold's Corporate Strategy which includes the Sustainability Strategy. The Board is responsible for the overall stewardship and conduct of New Gold's business, as well as oversight of management activities. The Board discharges this responsibility both directly and by the delegation of certain authority to committees of the Board and to management of the Company. Our current nine-member Board consists of six men and three women.
 - Technical and Sustainability Committee of the Board:** oversees sustainability strategy and objectives, and monitors performance and risks.
 - President and CEO:** accountable for sustainability performance and priorities.
 - Chief Operating Officer:** responsible for the implementation and operationalization of the climate strategy and chairs the Climate Steering Committee.
 - VP, Sustainability and Corporate Sustainability Team:** responsible for sustainability strategy development, supporting sites with its implementation, and ESG reporting.
- Setting the Stage for Resilience:** A section discussing the Board's role in creating an environment conducive to resilience. It includes a quote from Gillian Davidson, Director and Chair of the Technical and Sustainability Committee: "In these times of change, our capacity to endure and adapt is critical. Building resilience into our business, prepares us for future unknowns. Supporting resilience and sustainability for our employees, communities and the environment enhances our impact and sets us up for growth."

There are also several interactive elements: a 'Read our TCFD Report >' link, a 'Learn more about our Board >' link, and a circular portrait of Gillian Davidson.

Analysts Corner
Featured on the left side of the page, the Analysts Corner highlights content pertaining to GRI and SASB requirements and alignment with our Sustainability Anchors and the United Nations' Sustainable Development Goals (UN SDGs).

Navigation

- Go to table of contents**
- Return to previous view**
- < 26 >** **Go to previous/next page**
- Go directly to a section**

Interactive Links
For expanded content click:

- Internal link >**
- External link >**
- Video link >**

Analysts Corner

Disclosures and Indices Tags

GRI 102-14

MESSAGE FROM THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

New Gold experienced great challenges and great opportunities in 2021. As a result of the hard work and determination of our team during the year, we are now entering 2022 with a focus on operational excellence and optimization and the financial strength to execute on our strategy.

In February, the death of a colleague at New Afton was felt across the entire organization. As we sit here one year later, the incident remains at the forefront of our minds. We continue to reflect on the loss of our colleague and how, as a company, we can pursue our belief in zero harm.

As the year progressed, Canada experienced several significant events, including the initial discovery of 215 bodies at the former site of the Kamloops Residential School. The discovery directly affected our employees at New Afton who attended or had family members that attended the school. This event led to an awakening across Canada as people and companies became aware of the atrocities that took place in the residential school system.

New Gold raised awareness internally by encouraging employees and contractors to learn about the history of Indigenous peoples in Canada. For the inaugural National Day of Truth and Reconciliation on September 30, employees across the Company wore orange shirts and pins in recognition of the lives taken and impacted by the residential school system. Our teams provided training opportunities and resources that all employees could access to learn about the history, traditions and cultures of the communities where we operate.

Throughout the summer of 2021, British Columbia was ravaged by one of the worst fire seasons the province had experienced in decades. Over 1,600 fires across 8,700 square kilometres burned during the 2021 wildfire season, straining the provincial emergency response system. As a result, New Afton's Fire & Mine Rescue Team assisted and deployed members to support firefighting efforts, including working closely with local emergency response teams on fire management and evacuation.

Like many companies, we continued to navigate the COVID-19 pandemic and evolving restrictions. Our employees, surrounding communities and the country deeply felt the impacts that COVID-19 carries. Throughout the pandemic, we worked extremely hard to fill gaps, attract new talent, and develop a culture of teamwork and commitment in line with our core values.

Throughout the year, we saw improvements in our health and safety stats, with both sites achieving triple zeros across the board in the last quarter of 2021. We began 2022 with a joint health and safety workshop that allowed members from all sites and the corporate head office to set the stage for a safe year ahead.

In 2021, the unexpected became our reality and our teams faced challenges head on, while continuing to show up, shift after shift. I am extremely proud of the resilience our teams demonstrated throughout the year. As we look to 2022, we enter the year with hope and positivity for a bright future ahead.



Renaud Adams
President and Chief Executive Officer

Messages From the Management



See video message from Beth Borody, Vice President, Sustainability >



See video message from John Ritter, General Manager, New Afton >



See video message from Suresh Kalathil, General Manager, Rainy River >

Overview

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2021 Materiality Assessment

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COVID-19 Response



Analysts Corner

Disclosures and Indices Tags

GRI 102-1, 102-2, 102-3, 102-4, 102-7, 102-16, 413-2

ABOUT NEW GOLD

New Gold Inc. is a Canadian-focused intermediate gold mining company committed to responsible mining. New Gold has a portfolio of two core producing assets in Canada—the Rainy River gold mine and the New Afton copper-gold mine—as well as one site in reclamation, the Cerro San Pedro Mine in Mexico.

Our Core Values

We are driven by our Core Values:



Integrity

We do what is right.



Creativity

We lead with innovation.



People and Communities

We are committed to development.



Teamwork

We collaborate to achieve success.



Commitment

We deliver on promises.



Our Mission

Our Mission is to be the leading intermediate gold producer, driving responsible and profitable mining in a way that creates sustainable and enduring value for our shareholders, our stakeholders and our environment.

We are

- **Canadian-focused:** We are not exclusively Canadian, but Canadian first.
- **Diversified:** We operate multiple mines using multiple mining methods, producing gold, silver and copper.
- **Values-driven:** We live our New Gold Values every day.

We seek

- **Premium valuation:** We design and execute against a free cash flow objective.
- **Strong Indigenous partnerships:** We respect and acknowledge that, because of our partnerships with Indigenous nations, we have the license to operate on sacred lands.

Our Locations

New Afton

New Gold's New Afton Mine is located approximately 10 kilometres (km) west of Kamloops, British Columbia (BC). New Afton began production in June 2012, with commercial production following in July of that year. The mine has a current projected life extending to 2030 based on the February 2020 Life of Mine (LOM) Plan and the current Mineral Reserves. Lower production is expected for the period of 2021 to 2024, until the C-Zone begins production. The development of the C-Zone will continue to advance, with first ore expected in the second half of 2023.

Rainy River

New Gold's Rainy River Mine is located approximately 50 km northwest of Fort Frances, Ontario. Rainy River began in September 2017, with commercial production following in October of that year. The LOM Plan, announced on March 31, 2022, projects the life of the Rainy River open pit mine to be completed in 2025 with a continuation of the underground mine until 2031 based on the current Mineral Reserves. New Gold is undertaking exploration efforts focusing on potentially extending the mine life. Currently operating as an open pit, development of the underground was re-initiated in 2020 with the Intrepid zone. Development of the underground main zones below the pit will begin in the later part of 2023.

Cerro San Pedro

New Gold's Cerro San Pedro (CSP) Mine is located approximately 20 km northeast of San Luis Potosi, Mexico. CSP concluded active mining in 2016 and transitioned to reclamation in December 2018.

 [Learn more about our sites >](#)



New Afton Mine



Rainy River Mine



Cerro San Pedro Mine



OUR APPROACH TO SUSTAINABILITY

New Gold’s Core Values and Strategic Pillars guide us as we strive to fulfill our Mission. In 2020, we shared our four Strategic Pillars—Sustainability, Operational Excellence, People and Growth—that guide our decisions and drive value for all New Gold stakeholders. This year, we embedded these Pillars into our company culture.

As the mining industry continues to evolve, we know it is important to be responsible neighbours, to create long-term value for community partners and to care for the environment we work in.

We act and operate in ways that deliberately and consciously build a better future for our employees, stakeholders and shareholders. Together, these actions enhance our bottom line, and also strengthen our resiliency, preparing us for the risks and opportunities of the future and allowing us to better serve the people and places of New Gold.

Our approach to sustainability extends beyond environment and community needs. To us, sustainability is about the health, safety, and well-being of our people and communities, diversity, equity and inclusivity in the workplace, and the continued success of our operations. Our practices and reporting cover all areas of the Company, specifically as they relate to our Sustainability Anchors, as described in this report.

Our Sustainability Strategy

In 2021, we launched our Sustainability Strategy, which is rooted in New Gold’s Mission, Core Values and Sustainability Pillar.

Our Sustainability Strategy is expressed through three Anchor areas: Environment, Indigenous Rights and Community Engagement. The Anchors represent our priorities and provide insights into our approach to sustainable business. We see sustainability performance as a key value driver for all New Gold stakeholders. Under each Anchor, we identified three Focus Areas to support performance and accountability. Our Anchors and their Focus Areas build the foundation of our Sustainability Strategy.



[Learn more about our Sustainability Strategy >](#)

Our Sustainability Strategy outlines the goals out to 2030 to support our commitments, as described below. Each year, we develop work plans to guide and support progress toward each goal. We are pleased to share that we achieved all of our 2021 goals.

2021-2022 GOALS	STATUS
General	
Release the first annual Sustainability Report that builds on this new Sustainability Strategy	Complete
Environment	
Develop a Climate Action Strategy	Complete
Achieve compliance with Mining Association of Canada (MAC) and Canadian Dam Association (CDA) for all tailings management plans	Complete
Community Engagement	
Develop a Community Investment Strategy and metrics based on specific community needs at each operation	Complete
Indigenous Rights	
Set targets to increase Indigenous employment and procurement in line with our Local Economic Development and Diverse Supplier strategies	Complete

OUR APPROACH TO SUSTAINABILITY CONTINUED

2022-2023 GOALS	STATUS
Environment	
Implement greenhouse gas (GHG) reduction strategies	In progress
Implement strong and transparent water management and stewardship program, allocating responsibilities at all levels of the Company	In progress
Publicly report on water performance and tailings management, including, material risks, opportunities and management approach	In progress
Community Engagement	
Develop a Social Management System at each operation	In progress
Complete social closure plans that identify value we want to create in 2030	In progress
Indigenous Rights	
Raise recruitment and retention rates for Indigenous employees from 2020 baseline	In progress
Raise Indigenous spending and business development from 2020 baseline	In progress

2025 AND 2030 GOALS	YEAR
General	
Continually improve Environment, Social and Governance (ESG) ratings compared to our peer group and achieve full compliance with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations	2025
Establish strategic partnerships to support greater research and development for strategic areas	2025
Be a recognized partner in external research and innovation findings	2030
Environment	
Review energy-reduction strategies and look for greater opportunities to use green energy and electrification	2025
Identify technology to support goal of 100 percent recycled water use by 2030	2025
Reduce GHG emissions by 30 percent from 2020 baseline numbers	2030
Strive for 100 percent recycled water use at all operating sites	2030
Community Engagement	
Implement social closure activities that provide value to communities	2030
Indigenous Rights	
Improve skill training for Indigenous employees to help provide for future employment and advancement	2030
Support the development of more Indigenous-owned businesses in local areas	2030

See our Sustainability Strategy to learn more >

Analysts Corner

Disclosures and Indices Tags

GRI 102-18, 102-19, 102-20, 102-21, 102-22, 102-26, 102-28, 102-29, 102-31, 102-32, 102-33, 103-1, 103-2, 103-3

OUR APPROACH TO SUSTAINABILITY CONTINUED

Sustainability Oversight

Primary oversight of ESG reporting and sustainability performance lies with New Gold's Sustainability Team, led by New Gold's Vice President (VP) of Sustainability. The Sustainability Team is responsible for setting the sustainability strategy, working across functions to support the implementation of such strategy, and reporting on the progress of the strategy.

Sustainability considerations are embedded across the Company, with departments including Sustainability, Human Resources (HR), Health and Safety, Finance, Legal, Procurement, and Operations playing key roles in implementing our strategy. New Gold will continue to integrate sustainability principles into key Company departments based on material priorities and market trends in the months and years to come. The following roles also support New Gold's sustainability efforts:

- **Technical and Sustainability Committee of the Board**
– oversees sustainability strategy and objectives, and monitors performance and risks
- **President and CEO**
– accountable for sustainability performance and priorities
- **Chief Operating Officer**
– responsible for the implementation and operationalization of the climate strategy and chairs the Climate Steering Committee
- **VP, Sustainability and Corporate Sustainability Team**
– responsible for sustainability strategy development, supporting sites with its implementation, and ESG reporting

- **General Managers and Department Managers**
– responsible for site-based activities (including Health and Safety, HR, Finance, etc.) and regulatory requirements
- **Site-based teams**
– responsible for implementing management plans

Board of Directors

New Gold's Board of Directors (the Board) promotes a culture of integrity, ethical leadership, diversity, inclusion and sustainability within the Company. The Board oversees New Gold's Corporate Strategy which includes the Sustainability Strategy. The Board is responsible for the overall stewardship and conduct of New Gold's business, as well as oversight of management activities. The Board discharges this responsibility both directly and by the delegation of certain authority to committees of the Board and to management of the Company. Our current nine-member Board consists of six men and three women.



[Learn more about our Board >](#)

Our Technical and Sustainability Committee oversees our Sustainability Strategy and objectives including health and safety, the environment, and relations with communities and Indigenous peoples. The Technical and Sustainability Committee also assists the Board in overseeing major technical and operational matters.

The Board reviews sustainability materials every quarter for updates, material risks and progress. New Gold's internal Disclosure Committee, made up of executive team members, reviews all public ESG disclosure, as do all members of the Board.

Our sites conduct social and environmental impact assessments and have dedicated community relations teams that interface with local communities to identify impacts, risks and opportunities for members. Material results from these assessments are shared with the Technical and Sustainability Committee as appropriate.



[Read our TCFD Report >](#)

Setting the Stage for Resilience

The Board also plays a key role in creating an environment conducive to resilience. In turn, our people are better prepared to tackle challenges and advance sustainability efforts across the Company.

"Several things have to be acted upon to create resilience," says Ian Pearce, Chair of the Board.

"First, one needs to have a clear purpose, the right leadership and a well-communicated value set that underpins the strategy for the business.

Second, one needs clear accountabilities that set the organization up to operate efficiently. Communications also need to happen in a very open way and should not be controlled through organizational hierarchy.

Lastly, one needs an exciting resource base and a balance sheet that enables the Company to execute its strategy."



"In these times of change, our capacity to endure and adapt is critical. Building resilience into our business, prepares us for future unknowns. Supporting resilience and sustainability for our employees, communities and the environment enhances our impact and sets us up for growth."

Gillian Davidson

Director and Chair of the Technical and Sustainability Committee

Analysts Corner

Disclosures and Indices Tags

GRI 102-48, 102-49, 102-50, 102-52,
102-53, 102-54, 102-56

OUR APPROACH TO SUSTAINABILITY CONTINUED

Our Sustainability Report

Continuous Improvement

At New Gold, we continually improve how we report on topics that matter to our stakeholders. As the ESG landscape evolves, we want to ensure our annual reports are aligned to global reporting frameworks and who we are as an organization. This means providing the right data for our chosen reporting frameworks while also addressing the challenges and successes we face throughout the year.

As the world continues to adapt to health crises, social injustices and a rapidly changing climate, our reporting has become more important than ever to create greater transparency and authenticity for all our stakeholders. While we are a Canadian-focused company, we are committed to reporting on issues in a global context as they relate to ESG.

Overview of Standards and Disclosures

This report was prepared in accordance with the Global Reporting Initiative (GRI) Standards (Core option) and the G4 Mining and Metals Sector Disclosures, the Sustainability Accounting Standards Board (SASB) Metals and Mining Standards, and Mining Local Procurement Reporting Mechanism (LPRM). Consistent with prior years, our Sustainability Report represents a January to December calendar year. The boundary of all topics is limited to the jurisdictions of New Gold's mining operations, unless otherwise stated.

Our approach to ESG reporting will continue to evolve as new and relevant standards, frameworks and expectations become applicable. In 2021, we progressed our alignment with the TCFD recommendations on climate-related financial disclosures and developed our first TCFD Report.

In 2021, we aligned our reporting more closely with the topics most important to our business.

Review

This Sustainability Report is subject to internal review and not externally assured at this time. The report was reviewed by our Board.

Over the past year, we assessed our GRI and SASB data for assurance readiness by analyzing gaps in reporting against standards, governance and controls around data. This exercise was an important step toward external assurance, a process we are considering in future reports as we develop more robust disclosure.

Through the data in this report and in other annual publications, we strive to demonstrate our efforts to deliver on the expectations we hold for ourselves and that our stakeholders hold for us. For questions regarding this report, contact us at sustainability@newgold.com.



In 2021, we continued to progress our alignment with the TCFD recommendations and are pleased to present our inaugural TCFD Report.



[Read our TCFD Report >](#)

OUR APPROACH TO SUSTAINABILITY CONTINUED

United Nations' Sustainable Development Goals

Overview

As a Canadian-focused gold mining company and participant in the UN Global Compact, we actively look for opportunities to better support the UN SDGs.

While our current operations are in Canada, where the risk of certain UN SDGs may be lower than other areas of the world, we understand that we play an important role in supporting the UN SDGs call to action.

Alignment

In 2020, we identified 12 UN SDGs that New Gold currently contributes to through our business. In 2021, we refined this list by looking for opportunities to better align with the goals in ways that are most relevant and material to our operations.

This involved an assessment of our sustainability and business strategies to identify areas of operations with the greatest impact and look for ways to drive meaningful change. Throughout this process, we refined our list to eight SDGs and 11 supporting targets.

New Gold intends to continue to demonstrate progress and create measurable impact toward each goal as we further refine this process. The following goals and targets are mapped to the ESG topics throughout this report and specifically identified in the Analysts Corner.

[Read more about our material ESG topics >](#)

[Learn more about the UN SDGs and targets >](#)

SDG		TARGET		
3		Ensure healthy lives and promote well-being for all at all ages	3.4	By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being
			3.9	By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination
5		Achieve gender equality and empower all women and girls	5.1	End all forms of discrimination against all women and girls everywhere
			5.5	Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic and public life
6		Ensure availability and sustainable management of water and sanitation for all	6.3	By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally
8		Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	8.5	By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value
11		Make cities and human settlements inclusive, safe, resilient and sustainable	11.4	Strengthen efforts to protect and safeguard the world's cultural and natural heritage
12		Ensure sustainable consumption and production patterns	12.2	By 2030, achieve the sustainable management and efficient use of natural resources
13		Take urgent action to combat climate change and its impacts	13.1	Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries
15		Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	15.1	By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements
			15.5	Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species

Analysts Corner

Disclosures and Indices Tags

GRI 102-40, 102-42, 102-43, 102-44, 102-46, 102-47

2021 MATERIALITY ASSESSMENT

Assessing Materiality Through Stakeholder Engagement

Engaging with a range of stakeholder groups helps us enhance our mutual interests, ambitions, risks and opportunities as a Canadian-focused mining company.

We undertake an extensive process of identifying stakeholders who are or may be affected by our operations, with a particular focus on vulnerable or underrepresented groups, and encourage our stakeholders to identify others with whom we should engage.

We adapt our engagement approach, such as frequency and depth, to suit the varying desires of our stakeholders. In 2020, we conducted an in-depth materiality assessment to better understand which topics and issues are most important to our stakeholders.

Our stakeholder engagement process identifies the material topics we focus on. We list examples of our engagement mechanisms with various stakeholder groups in the accompanying table.

Materiality

Given the evolving ESG landscape, we completed a refresh of our material topics in 2021 to make sure we keep track of emerging trends and topics of interest.

Through benchmarking of peers, industry standards and initiatives, reporting frameworks, and considering global and industry trends, we identified a list of ESG topics applicable to our business.

We further refined this list through validation with internal stakeholders, New Gold’s senior leaders and Board members. This process revealed the 12 most important ESG topics that support our Sustainability Strategy and public disclosure moving forward.

Our material topics are:

- Climate change
- Biodiversity and land
- Tailings
- Water
- Community engagement
- Indigenous rights
- Diversity, equity and inclusion
- Employee engagement
- Occupational health and safety
- Employee well-being
- Environment and social compliance
- Closure

IDENTIFIED STAKEHOLDERS	EXAMPLE ENGAGEMENT MECHANISMS
Employees	Surveys, bulletins, annual reporting, town halls, training and development programs, feedback mechanisms, performance reviews, committees, team communication channels (e.g., meetings, website, intranet), employee resource groups
Indigenous and non-Indigenous communities	Newsletters, open houses, Boards (e.g. Environmental Monitoring Boards), grievance mechanisms, materiality assessments, Impact Benefit Agreements/Cooperation Agreement, Community Relations Teams, Joint Implementation Committees, Mine Management Board
Industry associations	Mining Association of Canada, Ontario Mining Association, Mining Association of BC, First Nations Major Project Coalition, Canadian Mining Innovation Council, Canadian Dam Association, International Network for Acid Prevention, Canadian Industry Partnership for Energy Conservation
Shareholders and investors	Roundtable discussions, investor days, roadshows, one-on-one in-person or telephone meetings, virtual meetings, annual reporting, other forums
Contractors, suppliers, customers	Indigenous and community partnerships, meetings, feedback, evaluations, Supplier Code of Conduct, contracts and agreements, annual reporting



MOMENTS OF RESILIENCE AT-A-GLANCE









In 2021, we were met with many challenges to our people, operations and the communities we partner with. In step with our theme, we reflected on the past year and identified the most significant moments that demonstrate our resilience.

Throughout the report you'll find this badge to signify Moments of Resilience. These moments represent significant events that challenged us as a company and as individuals.



Looking Ahead

As a company and as community members, we experienced challenges but showed that we are resilient and adaptable. We are now stronger and more connected than ever. Together, we took action to establish the right processes and foundations so that in 2022 we can focus on implementation and target setting for long-term success.

2021 TIMELINE	KEY PEOPLE	
February Fatality at New Afton	 Renaud Adams Director, President and Chief Executive Officer	"As we sit here one year later, the incident remains at the forefront of our minds and we continue to reflect on the loss of our colleague and how, as a company, we can pursue our goal of zero harm."
	 John Ritter General Manager, New Afton	"2021 began with a tragic accident whereby we lost Raymond Rosenberg—a teammate, friend, acquaintance. Our team and community were deeply impacted by this accident."
	 Kevin Mihalicz Corporate Manager, Health and Safety	"A tragic accident claimed the life of 35-year-old husband, father, son, family member and colleague, Raymond Rosenberg. In response, we reviewed our Health and Safety Management System, identified areas for improvements, and created action plans focused on workforce engagement, training and crisis management."
June Discovery of the first 215 children	 Korah De Walt Indigenous Relations and Community Superintendent, New Afton	"The discovery of the remains of 215 children at the Kamloops Residential School significantly impacted our Indigenous partners, Tk'emlúps te Secwépemc and Skeetchestn Indian Band, and our employees—some of whom attended or had family who attended the school. It was a difficult time as members of the community navigated the mental and emotional impacts of the discovery."
July Forest fires in British Columbia	 Luke Holdstock Acting Manager, Environment, Lands and Permitting, New Afton	"BC was scorched by drought, extreme temperatures and wildfire. Through this time of both personal and professional challenge, I learned what resilience really is. From top to bottom, people came to work, maintained focus and delivered outstanding results."
	 Justin Clark Health and Safety Superintendent, New Afton	"Holding true to New Gold's values, integrity guided us to "do what is right," by demonstrating environmental and community stewardship during the wildfires in BC. From employing best practices in fire prevention to providing direct aid for Indigenous and community partners, we stepped into action immediately and without hesitation."
October Flooding in British Columbia	 Krystal Kehoe Community Relations Coordinator, New Afton	"The floods in BC were another significant moment of 2021. Everyone was already dealing with so much and then the province was hit with another stressful event that was out of our control."
All Year COVID-19 restrictions	 Kevin Mihalicz Corporate Manager, Health and Safety	"New Gold was successful in managing the transmission and outbreaks of COVID-19 throughout 2021 thanks to early implementation, continuous monitoring and adaptation to various controls. Throughout the pandemic we've worked as a team to overcome obstacles. We're now stronger and better equipped to face challenges in the future."

2021 AT-A-GLANCE CONTINUED

Performance

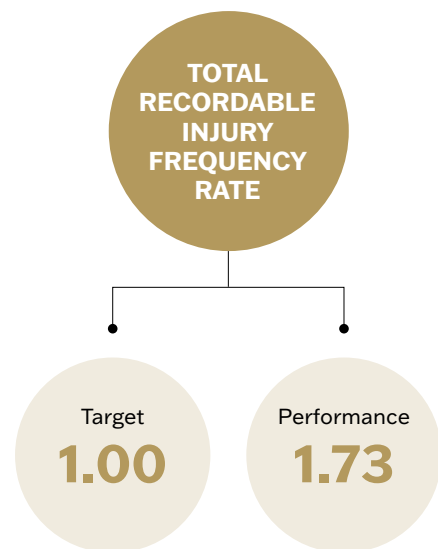
Each year, our Board approves a Company Scorecard of performance factors to assess performance in health, safety and sustainability, capital management and execution, operational excellence, and financial objectives.

See more on the Company Scorecard >

The following presents our health, safety and sustainability performance from the 2021 reporting year.

Health and Safety

Our health and safety performance is based on total recordable injury frequency rate (TRIFR). In 2021, our health and safety performance goal was 1.00; our performance was 1.73. We are deeply saddened by the fatality of one of our contractors at the New Afton Mine in early 2021. The health and safety of everyone who works at New Gold is of the utmost importance and we continue to improve our practices, workforce engagement



and training in support of this commitment. While we experienced an increase in injuries in the first quarter of the year, performance improved throughout the year with several months achieving no reportable injuries recorded.

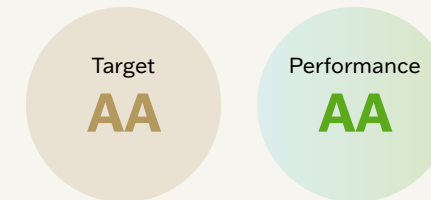
Sustainability

Our sustainability performance is based on our Energy Use and GHG Emissions Management, Water Stewardship, Tailings Management, Indigenous and Community Relationships scores under the Mining Association of Canada's (MAC) Towards Sustainable Mining (TSM) Protocols.

In 2021, New Afton completed an external verification and Rainy River conducted a self-assessment of the TSM Protocols. We achieved our targets on each Protocol,¹ achieving AAA on Tailings Management and New Afton achieving our stretch goal of AAA and 1,000 tCO₂e GHG emission reduction on Energy Use and GHG Emissions Management.

TSM PROTOCOLS CORPORATE SCORECARD

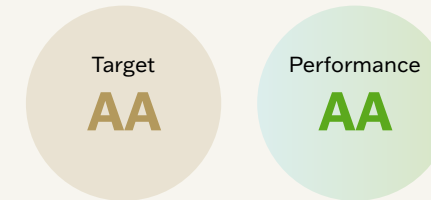
Water Stewardship



Tailings Management



Indigenous and Community Relationships



Energy Use and GHG Emissions Management



¹ Based on achieving target score on at least one indicator.

Analysts Corner

Disclosures and Indices Tags

GRI 403-103, 403-6

COVID-19 RESPONSE

At New Gold, the safety, health and wellness of our employees and communities is our highest priority.


At the onset of the COVID-19 pandemic, we established a company-wide Pandemic Response and Business Plan Committee to assess risks and develop contingency plans that address risks to our employees, contractors and communities. Across New Gold, we continue to identify and implement measures to protect our workforce and communities to the best of our ability.

We use our COVID-19 Communication Plan to keep our employees and communities up to date on our activities at site, regionally and at the corporate level. To reduce the risk of exposure to COVID-19 among our workforce, each of our locations implements plans consistent with our safety standards and issues communications relevant to each office and location—the key priority being the health and well-being of everyone working at New Gold.

Both Rainy River and New Afton have implemented several preventative measures for sites, camps, transportation, and employee and family

support. New Gold was the first organization to bring private testing to the Rainy River area and worked with the Northwestern Health Unit in its implementation. We hosted two vaccination clinics at Rainy River and effectively managed risk of on-site transmission by early implementation of controls, including testing and contact tracing. In 2021, New Afton transitioned from a COVID-19 Safety Plan to a Communicable Disease Prevention Plan in accordance with phase three of the provincial reopening plan. CSP implements COVID-19 health and safety protocols based on the Technical Guidelines for Health and Safety in the Work Environment of the Ministry of Health of the Government of Mexico.

As COVID-19 continues to present new variants, New Gold follows the guidance of federal Public Health and complies with all BC and Ontario restrictions and regulations.

 [Learn more about our COVID-19 response >](#)



Dru Warden, Underground Miner at New Afton

Supporting UNICEF's COVID-19 Campaign

As part of our ongoing efforts to strengthen domestic and international COVID-19 relief, New Gold participated in UNICEF's #Sharethehealth initiative. We supported the distribution of COVID-19 vaccines to the most vulnerable people in Canada and abroad through a donation of US\$100,000.

US\$100K



“While the pandemic has been challenging to our employees and stakeholders, we learned that it takes teamwork, optimism and hard work to navigate difficult situations. In turn, these challenges build strength within our teams, so they’re better prepared to face and overcome adversity in the future.”

Kevin Mihalicz
Corporate Manager, Health and Safety



Environment

IN THIS SECTION

Climate Change

Biodiversity and Land

Tailings

Water

According to the [World Economic Forum Global Risks Report 2022](#), climate action failure, extreme weather, biodiversity loss, natural resource crises and human environmental damage are the top five risks that will become a critical threat to the world over the next five to 10 years.

As members of a responsible mining community, we are committed to reducing our impact on the environment and returning it to conditions that are the same as or better than they were when we began operations. This includes preserving water quality, biodiversity and air quality as well as limiting our impacts on climate change through our GHG emissions and energy use during the Life of Mine.



“The greatest environmental challenge in mining is reducing emissions and accounting for climate change throughout the life of the mine. It’s also an opportunity. Through teamwork and resourcefulness, New Gold can influence climate action by thinking outside the box and leading the industry.”

Carolyn Winik
Senior Environmental Specialist, Rainy River

Analysts Corner

Disclosures and Indices Tags

GRI 302-103, 302-1, 302-3, 302-4, 305-103, 305-1, 305-2, 305-4, 305-5, EM-MM-110a.1, EM-MM-110a.2, EM-MM-130a.1

Sustainability Anchors

Environment



UN SDGs

Goal 13



Targets: 13.1

CLIMATE CHANGE

We know that climate change is one of the greatest challenges of our time and we are preparing our operations by developing adaptation and mitigation strategies and committing to climate-specific targets. There is no quick fix, and we are taking intentional steps to do our part and protect our people and operations against climate-related risks.

In 2021, we announced our commitment to reducing GHG emissions by 30 percent by 2030 (from 2020 baseline) through greater electrification and energy-reduction strategies. We are proud to publish our first TCFD Report, which provides the first public and detailed account of the way we manage climate change.

[Read our TCFD Report >](#)

Management

Overview

Through our materiality assessment, climate change was identified as one of the most important issues for our stakeholders, operations and industry. Discussions emphasized the importance of understanding and reducing New Gold's Scope 1 and 2 GHG emissions and progress on Scope 3. In addition, our scenario analysis identified climate-related risks to our operations. See our TCFD Report for more details on our climate change risks and opportunities.

Management Systems and Protocol

Both our operating sites are members of the Canadian Industry Partnership for Energy Conservation (CIPEC), committing to supporting the Government of Canada's goal of reducing emissions through energy efficiency. Rainy River and New Afton have energy and GHG management systems in place to ensure regular tracking and assessment of energy consumption and GHG emissions. Our performance monitoring identifies opportunities to improve energy performance, reduce GHG emissions and operating costs, comply with regulatory requirements, and promote awareness of energy conservation.

New Afton and Rainy River each maintain an Energy Management Policy. New Afton was the first mine in North America to be certified to the ISO 50001 Energy Management Standard and continues to maintain this certification and Rainy River's system is under development in line with ISO 50001 targets. Together, our policies and systems provide the foundation needed to integrate energy and GHG management practices into day-to-day operations, monitor and improve performance, manage compliance, and support continual improvement.

Rainy River and New Afton adhere to the MAC TSM Energy Use and GHG Emissions Management Protocol. New Afton achieved AAA scores on all indicators in 2021 and Rainy River reported at least level A for all indicators in its 2020 self-assessment.

[Learn more about the TSM Energy Use and GHG Emissions Management Protocol >](#)

Looking Ahead

To date, New Gold has focused on calculating, reporting and reducing emissions under our direct operational control and from the purchase of electricity. In early 2022, we identified and mapped Scope 3 emissions sources for our corporate office and plan to map the remainder of our value chain through the rest of the year. Our Scope 3 mapping is an important exercise toward meeting our climate goal of 30% reduction by 2030. We are conducting this exercise in alignment with Science Based Targets initiative and GHG Protocols technical guidance. This initiative presents an opportunity to identify further GHG reduction opportunities, partner with suppliers and contractors with similar sustainability standards and goals, and improve overall transparency.

Our Performance

Energy Reduction Initiatives

To support ongoing reduction efforts, both operating sites implement energy conservation and reduction initiatives.

For example, in December 2020, New Afton installed six Level 2 Battery Electric Vehicle (EV) charging stations. Since then, the site has supplied over 5,300 kWh to eight registered EVs in 350 charging events. This is equivalent to a GHG reduction of over 3,400 kg CO₂e.

The site also purchased a Sandvik LH518B battery electric loader which uses 20 percent of the energy of a diesel-driven equivalent and provides a proof of concept for future electrification of the mine operations fleet. At New Afton, 15,934 GJ of reductions in energy consumption were achieved as a result of conservation and efficiency initiatives.

Rainy River also completed energy saving initiatives. Our leach tank optimization project provides savings of 4,170 MWh, lighting retrofits across the site provide savings of 354 MWh/year, and an underground air compressor reprogram provides savings of 266 MWh/year. As a result, Rainy River reduced its energy consumption by 17,244 GJ from these initiatives. Further, Rainy River entered into the Independent Electricity System Operator's (IESO) Demand Response Program. This initiative supports grid reliability, affordability and sustainability in the Northwestern Ontario Electrical Zone. We continue to explore additional process optimization initiatives.

Reduction of Energy Consumption (GJ) as a Result of Conservation and Efficiency Initiatives



CLIMATE CHANGE CONTINUED

Energy Advocacy From Employees

Employees at New Afton are not just stepping up, they're also speaking up. Stemming from an employee suggestion, New Afton's mill coverall building was insulated and the tube heaters were replaced with high-efficiency alternatives. As a result, energy use decreased and employee comfort levels within the building improved, particularly in the winter. The project originated from an award-winning employee suggestion campaign and received half of its funding from FortisBC. By supporting energy-reduction efforts, our people play a central role in building climate resilience across the Company.

Energy and GHG Emissions Tracking

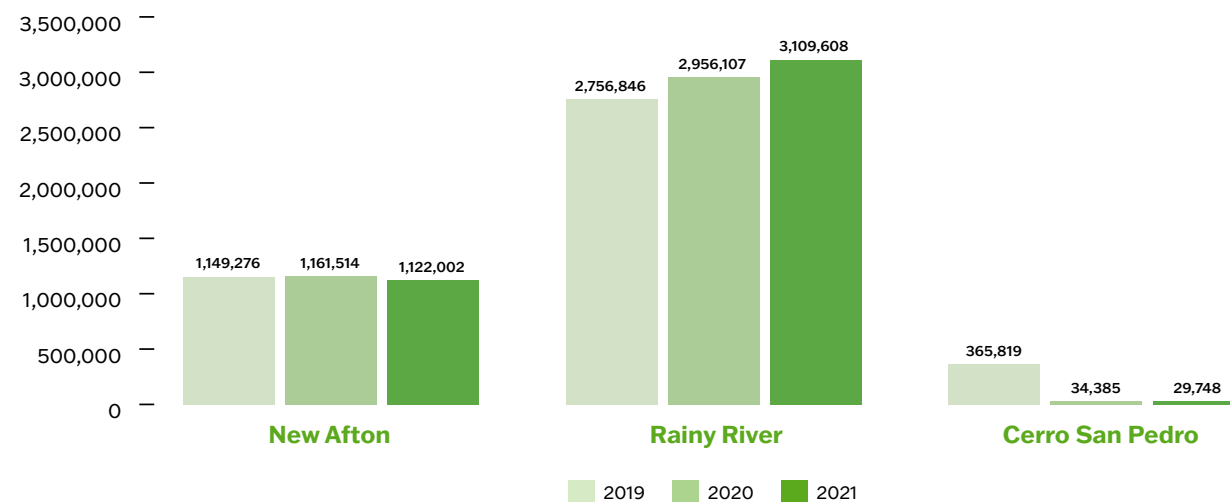
In 2021, New Afton reduced its energy consumption resulting in a reduction in Scope 1 GHG emissions. New Afton's Scope 2 GHG emissions increased due to a higher electricity emissions intensity factor. At New Afton, 73.6 percent of its electricity consumption—accounting for over 70 percent of the site's energy use —

comes from the BC grid, which is considered green energy. Between 2020 and 2021, New Afton's energy intensity increased from 4.5 to 5.2 GJ/Au. Eq. Oz.

Rainy River had an increase in energy consumption, resulting in an increase in Scope 1 and 2 GHG emissions. This increase is due to a rise in the site's ore processing rate—a process that impacts electricity use—due to full recommissioning of operations and expansion of the pit. Between 2020 and 2021, Rainy River's energy intensity increased from 12.9 to 13.3 GJ/Au. Eq. Oz. We continue to explore reduction opportunities through biofuel and electrification options through the remaining open pit activities.

CSP had an increase in Scope 1 GHG emissions, which was driven by higher use of mobile equipment and fuel consumption to support the last phase of heap leach pad reclamation.

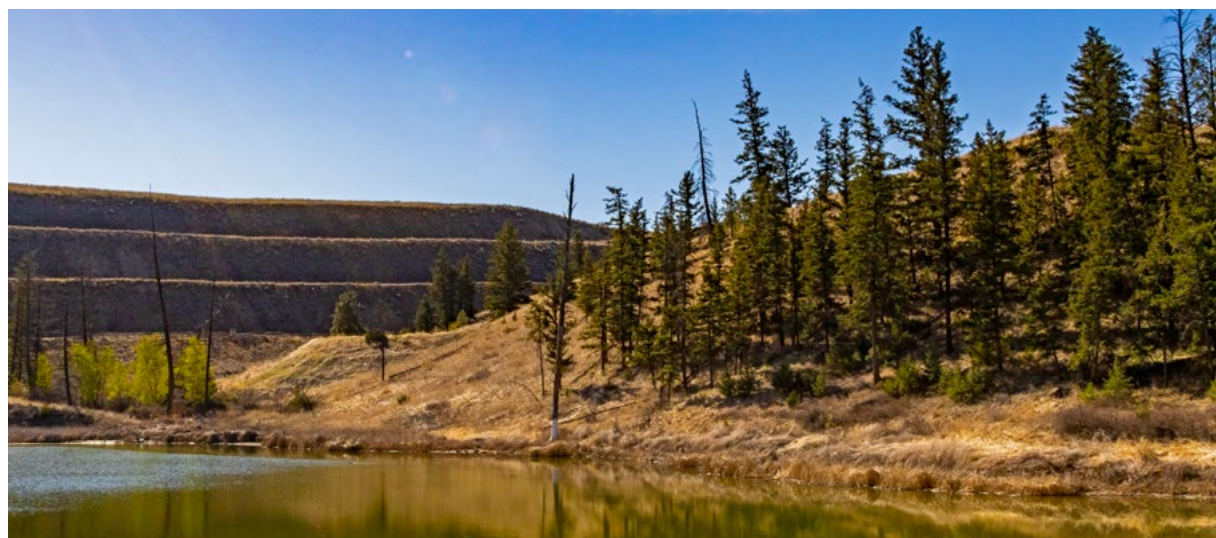
Total Energy Tracking (GJ)



ENERGY TRACKING WITHIN THE ORGANIZATION (GJ)						
	New Afton		Rainy River		Cerro San Pedro	
	2020	2021	2020	2021	2020	2021
Fuels delivered	311,647	296,331	1,979,451	2,047,785	11,851	19,767
Electricity consumption	849,868	825,671	976,656	1,061,823	22,534	9,981

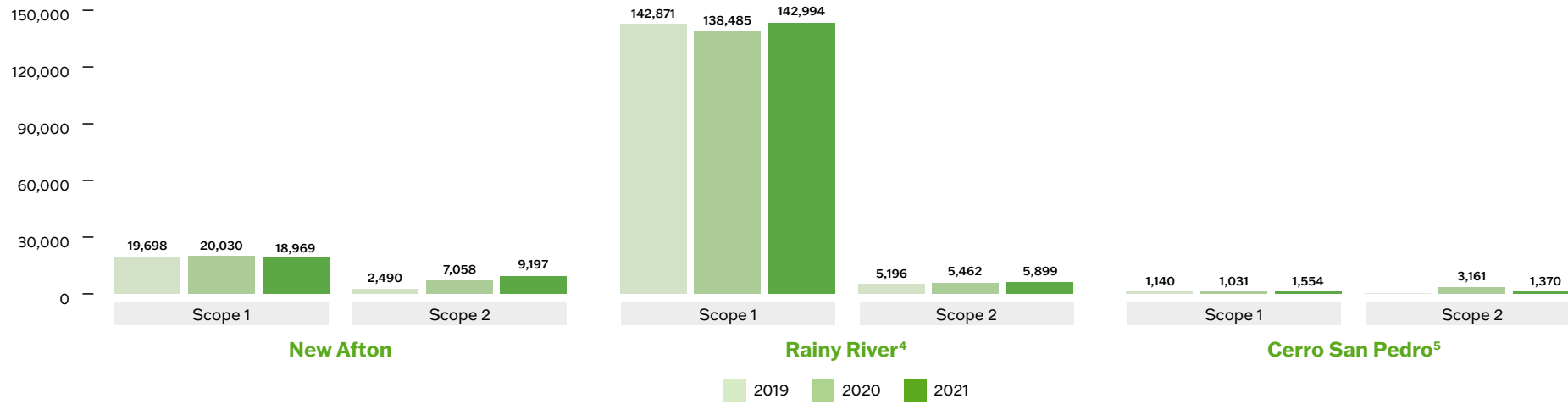
ENERGY INTENSITY RATIO (GJ/thousand tonnes)				
	New Afton		Rainy River	
	2020	2021	2020	2021
Processed ore	209.9	229.6	335.2	336.2
Moved ore and waste*	190.6	231.6	50.5	49.7
Mined ore	190.6	250.9	251.0	214.2

*Currently operating in an open pit, Rainy River requires more tonnes of ore and waste to be moved than New Afton's underground operations.



CLIMATE CHANGE CONTINUED

Scope 1² and 2³ GHG Emissions (tCO₂e)



New Afton has been consistently tracking Scope 1 and 2 GHG emissions. Rainy River began tracking Scope 1 and 2 in 2019, with additions to support more comprehensive tracking in 2020 and 2021, such as including additional process and waste emissions. Our Company reduction target baseline year is 2020 at which time both operating sites were consistently tracking emissions comprehensively.

TOTAL GHG EMISSIONS (tCO₂e)

	New Afton			Rainy River			Cerro San Pedro		
	2019	2020	2021	2019	2020	2021	2019 ⁵	2020	2021
Total (Scope 1 and 2)	22,188	27,088	28,166	148,067	143,947	148,893	1,140	4,192	2,924

² Scope 1 emissions covered under emissions-limited regulations: New Afton (100%), Rainy River (59%), CSP (0%).

³ New Afton's Scope 2 GHG emissions are location-based. Rainy River and CSP are market-based.

⁴ Rainy River began tracking Scope 1 and 2 in 2019, with additions to support more comprehensive tracking in 2020 and 2021, such as including additional process and waste emissions.

⁵ Scope 2 GHG emissions were not tracked at CSP in 2019.

GHG EMISSIONS INTENSITY

	New Afton		Rainy River	
	2020	2021	2020	2021
Mill (kg CO ₂ e/tonne milled)	4.9	5.8	16.3	16.1
Mine (kg CO ₂ e/tonne moved)	4.4	5.8	2.5	2.4



CLIMATE CHANGE CONTINUED

Initiatives and Stories

Energy Management at New Afton

It was another successful year for energy and GHG management at New Afton. In December 2021, we passed our ISO 50001 Surveillance Audit. ISO 50001 is the system used to ensure continuous improvement of our energy and GHG performance. In addition, New Afton received an AAA rating, the highest rating possible, during an external verification of our compliance with the MAC TSM Energy and GHG Emissions Management Protocol.

To align with our journey toward a lower-carbon future, New Afton set a GHG-reduction objective and an energy objective in 2021. We exceeded our 2021 GHG-reduction objective by 107 percent and our energy objective by 273 percent.

The following actions helped us exceed our objectives:

- insulating the mill coverall building
- adding a battery electric loader to the B3 mining level
- reducing diesel consumption due to completion of tailings dam construction
- replacing a diesel heater with an electric heater for the core shack water tank
- reducing blower air use by adding crowders in the rougher flotation cells

In 2022, New Afton will be recertifying to ISO 50001, transitioning to the new MAC TSM Climate Change Protocol, and setting new energy and GHG objectives. Projects to help us achieve these objectives will include electric haul trucks, vent fan energy efficiencies, pumping energy efficiencies and upgrades to warehouse lighting.



Celebrating Earth Day at Rainy River

Throughout the year Rainy River undertook several initiatives to reduce our impact on the environment. From inspiring behavioural shifts through awareness campaigns to reducing electrical intensity of the mill, employees came together to take action and drive change.

In March 2021, we launched an employee-generated slogan and campaign to increase awareness of how our actions impact the environment. Together, the slogan “Digging into a More Efficient Tomorrow” and campaign—“SCREECH” (Stewards to Our Environment, Carbon Reductions, Renewable Rules, Energy Intensity, Efficiencies, Conservation, Health and Safety)—focused on ways to reduce GHG emissions caused by diesel consumption at Rainy River. Rainy River continues to look for opportunities to reduce diesel-based GHG emissions against a baseline of diesel consumption from 2019.

- S** Stewards to Our Environment
- C** Carbon Reductions
- R** Renewable Rules
- E** Energy Intensity
- E** Efficiencies
- C** Conservation
- H** Health and Safety



Analysts Corner

Disclosures and Indices Tags

GRI 304-103, 304-1, 304-2, 304-3, 304-4, G4-MM1, G4-MM2, EM-MM-160a.1, EM-MM-160a.3

Sustainability Anchors

Environment



UN SDGs

Goal 12



Targets: 12.2

Goal 15



Targets: 15.1, 15.5

BIODIVERSITY AND LAND

We recognize that protecting biodiversity and sustaining healthy ecosystems is fundamental to responsible mining.

From early exploration and planning through to eventual closure, we encourage biodiversity initiatives through research, partnerships and land management processes. Site teams regularly collaborate with Indigenous partners through joint environmental monitoring programs and reclamation planning to ensure traditional knowledge is being incorporated where possible. These programs are outlined in our Impact Benefit Agreements (IBA) at Rainy River and our Cooperation Agreement (CA) at New Afton.

Management

Overview


We take a collaborative approach to environmental monitoring through the Environmental Monitoring Board made up of both community and New Gold members. As much as possible, we incorporate traditional knowledge into our monitoring programs, respecting the shared knowledge of partners.

Policy and Industry Protocol

To protect biodiversity, we apply a proactive risk-management approach throughout the LOM. Our Sustainability and Safety Policy outlines our commitment to minimizing impacts and preventing harm to the environment across all sites. We also integrate biodiversity and conservation into the decision-making process when reviewing business development opportunities.

This approach is a central part of our due diligence to ensure effective reclamation of disturbed ecosystems. As a member of MAC TSM, all three of our sites implement biodiversity management plans as required by the Biodiversity Conservation Management Protocol (BCMP).

In 2021, New Afton received two AAA scores and one AA score on its external validation of the BCMP and Rainy River reported at least level A on all three indicators based on its 2020 self-assessment. Consistent with requirements, we receive external reviews every three years to confirm our level of adherence to the BCMP and support continual improvement. At each site, the environmental manager and general manager are responsible for implementing the protocol's requirements.

 [Learn more about the TSM Biodiversity Conservation Management Protocol >](#)

Management System

Both Rainy River and New Afton implement environmental management systems and New Afton is ISO 14001 certified. CSP also implements a biodiversity management plan and has been ISO 14001 certified since 2008. CSP's environmental management system considers soil and biodiversity conservation and monitoring, and reforestation and reclamation, as well as standard operating procedures.

While none of our sites are located near areas that are protected or have been identified as having high biodiversity value, we take action

to maintain the habitats we impact at baseline conditions or better.

New Afton

The New Afton team experienced another year of relentless forest fires with BC having one of the worst fire seasons in recent history compounded by record high temperatures. New Afton Fire & Mine Rescue provided assistance to BC wildfire fire management programs with a focus on the Kamloops area.

Rainy River

Rainy River comprises over 1,800 hectares (ha) of terrestrial habitat and over 25 ha of aquatic habitat in the form of constructed fish habitat. In 2018, the site rehabilitated two Bobolink Overall Benefit Areas, which are now fully functioning.

Where we have challenges meeting our targets, we work with the appropriate regulatory bodies to course correct.

All of our sites implement a biodiversity management plan.



BIODIVERSITY AND LAND CONTINUED

Our Performance

In 2021, 18 ha of land were disturbed and 145 ha of land were rehabilitated across our operations. As this largely relates to active reclamation and sites in care and maintenance, our reclamation efforts will increase over time until the operations are complete.

AMOUNT OF LAND DISTURBED OR REHABILITATED (ha)			
	New Afton	Rainy River	Cerro San Pedro
Total land disturbed and not yet rehabilitated (opening balance)	377	3,004	208
Total amount of land newly disturbed within the reporting period	1	17	0
Total amount of land newly rehabilitated within the reporting period to the agreed end use	0	15	130
Total land disturbed and not yet rehabilitated (closing balance)	378	3,006	78

INTERNATIONAL UNION FOR CONSERVATION OF NATURE (IUCN) RED LIST SPECIES AFFECTED (#)			
	New Afton	Rainy River	Cerro San Pedro
Critically Endangered	0	0	1
Endangered	0	0	1
Vulnerable	0	2	0
Near Threatened	0	23	2
Least Concern	4	596	16

At Rainy River Mine, the number of species and their risk ratings was determined by reviewing baseline data gathered during our Environmental Assessment. Figures in the above table include all species of terrestrial, avian and aquatic wildlife, and all plant species observed or expected to exist within the potential influence of Rainy River Mine. New Afton and CSP do not include plant species ranked as least concern.

Initiatives and Stories

IISD Experimental Lakes Area

In 2020, New Gold signed a three-year agreement with International Institute for Sustainable Development (IISD) Experimental Lakes Area (ELA) to support the ongoing research on waterways in Northern Ontario. The ELA is a freshwater research facility located approximately two hours from the Rainy River Mine. The facility conducts research on water management, quality and controls as it relates to mining activities and contributes to regional and national water-management policy development. New Gold actively supports this research and the ELA team as they look for better ways to manage water quality, reduce water use and assess alternative management practices for tailing waste. New Gold and the ELA are partnered with numerous Indigenous communities in the area, and through this partnership, New Gold supports Indigenous youth and community members who participate in ELA activities.

[Learn more about IISD ELA >](#)



Erik Rissanen, Heavy Duty Mechanic at New Afton



New Afton Supports Front Lines in Wildfire Season

In 2021, BC saw a highly active wildfire season due to extremely hot temperatures and a dry climate. New Afton Fire & Mine Rescue responded to the crisis by employing fire prevention measures on site and stepping up to support local communities. Our actions not only strengthened our crisis response skills, they also deepened our relationships with Indigenous and community partners.

On July 1, 2021, New Afton was called by the City of Kamloops to honour our mutual aid agreement and assist in firefighting tactics during the Valleyview/Juniper fire. We provided an engine and a five-person crew to set up sprinkler systems and support to the City of Kamloops Fire Rescue.

Following the Valleyview/Juniper fire, we proactively prepared the New Afton Mine to minimize risks on site. Our Wildfire Technical Specialist assessed the site's readiness and crews developed fire breaks, staged equipment, implemented structural fire prevention measures and identified standby mine rescue staff throughout the summer.

The risk continued when the Spark Lake fire approached the community of one of our partners, Skeetchestn Indian Band. New Afton provided support to Skeetchestn's Emergency Operations Centre by sending our Emergency Response Coordinator and a Wildfire Technical Specialist to perform an assessment and offer support as required.

In addition, New Afton sent a fire engine and a four-person crew to respond to the Tremont Creek Wildfire and provide structural fire support to the District of Logan Lake, BC.

The team also responded to the Lytton Creek, Duffy Lake, Red Lake and Sicamous fires upon request from the Office of the Fire Commissioner and Kamloops Fire Centre.

Analysts Corner

Disclosures and Indices Tags

GRI G4-MM3, EM-MM-150a.1, EM-MM-150a.2, EM-MM-150a.3

Sustainability Anchors

Environment



UN SDGs

Goal 3



Target: 3.9

Goal 6



Target: 6.3

Goal 12



Target: 12.2

TAILINGS

Any compromises to the structural integrity of tailings storage facilities can pose significant environmental risks. With potential impacts to human health, the environment and the economy, tailings dam failures have triggered mining industry reviews and the development of new and revised standards.

At New Gold, we comply with the MAC's updated Tailings Protocol as well as the CDA requirements. We also prioritize governance through an Independent Tailings Review Board (ITRB) that meets with both Rainy River and New Afton twice a year. We report our tailings performance against the GRI and SASB Mining and Metals standard.

[Learn more about the SASB Mining and Metals standard >](#)

Management

Overview and Industry Protocol

Effective tailings management is business critical and important to our stakeholders. As part of our Sustainability Strategy, tailings management is a distinct topic for New Gold to champion.

Our tailings management Focus Area goal is to ensure compliance with MAC TSM Protocols and the CDA requirements. We regularly review post-closure tailings management strategies and are committed to continuous improvement. This commitment includes investing in external research and innovation around tailings management.

The MAC TSM Tailings Management Protocol provides indicators to measure the quality and comprehensiveness of systems for tailings management. Consistent with requirements, we conduct internal reviews annually and receive external reviews every three years to confirm our level of adherence with the TSM Protocol.

[Learn more about the TSM Tailings Management Protocol >](#)

In 2021, New Afton achieved AAA scores on all five indicators of the TSM Protocol and Rainy River reported level A on two of the five indicators through its 2020 self-assessment. As a member of the CDA, New Gold also complies with CDA regulations for tailings management every year.

Description of Facilities

New Gold's operating sites—New Afton and Rainy River—have a total of three active tailings facilities, in addition to an inactive tailings facility at New Afton.

[Learn more about the Tailings Facility Details >](#)



Tailings tour at New Afton

At New Afton, waste rock is primarily non-acid-generating, with some metal leaching risk; however, any runoff stays within the pit capture zone and the waste rock is disposed of in accordance with its permit.

At Rainy River, a geochemistry risk is associated with the mining of overburden and waste rock. Tailings at Rainy River have delayed acid-generating potential; as such, the tailings at closure will be covered with water and overburden to prevent acid generation. Further, all potentially acid-generating rock is stockpiled in a designated area and will be covered with a layer of overburden and topsoil to prevent oxidization at the end of mine life.

MAC TSM Tailings Management Protocol Indicators



TAILINGS CONTINUED

Policy

New Gold implements a Tailings, Heap Leach and Waste Rock Facilities Management Policy, which outlines our commitments to identifying, assessing and controlling risks, training employees, and communicating with communities of interest (COI). New Gold’s tailings management practices include the features specified in the accompanying table.



FEATURE	DESCRIPTION
Design	The designs for New Gold’s tailings facilities are reviewed and updated throughout the construction and operations phases and include considerations for closure of each facility. The design of tailings facilities takes into account the climatic and ground conditions at each site. For example, our tailings facilities are designed to consider significant natural events, such as the probable maximum flood, so that the facilities are safe in the event of extreme weather or seismic events.
Financial security	Each site maintains financial security for the closure and post-closure monitoring of its tailings facilities. The financial security is based on approved closure plans, which are developed with stakeholder input.
Operations practices	Each site has an operations, maintenance and surveillance manual (OMS Manual), which sets out, among other things, how the site’s tailings facilities will be operated and maintained to ensure that they function in accordance with their respective design performance objectives, as well as regulatory and corporate policy obligations.
Risk assessments	Each site conducts regular risk reviews that include tailings-related risks, the key results of which are reported to corporate management at least annually.
Engineer of Record	Each site has appointed a qualified external professional engineer and their firm to be the Engineer of Record for its tailings facilities.
Surveillance technology	Sites use surveillance systems, such as piezometers, inclinometers, remote sensing and other technologies to monitor tailings dams and water levels. The OMS Manual sets out early-warning trigger and alert levels, facilitating early identification and management of potential dam stability concerns.
Inspections by employees	The Company’s tailings facilities are regularly inspected by trained New Gold employees—sometimes as frequently as several times a day.
Dam safety inspections	Formal dam safety inspections are conducted at least annually by the Engineer of Record. Recommendations made by the Engineer of Record are tracked to ensure follow-through by all employees.
Dam safety reviews	Each facility is subject to detailed third-party external dam safety reviews every five years, comprising a review of the design basis, construction and performance.
Independent reviews	The Company has an ITRB to provide independent, expert advice regarding the technical aspects of our tailings facilities. The ITRB meets at least twice per year to review information about tailings management practices at each facility.
Emergency preparedness	Each site has a detailed Emergency Response Plan, which is regularly reviewed and updated. The plans are also tested by employees to ensure response measures are effective and applicable.

TAILINGS CONTINUED

TAILINGS FACILITY DETAILS				
	New Afton			Rainy River
	New Afton Tailings Storage Facility	Pothook Pit Tailings Storage Facility	Historic Afton Tailings Storage Facility	Rainy River Tailings Management Area
Tailings facility	New Afton Tailings Storage Facility (TSF) consists of 5 starter dams that have now joined into 1 continuous structure. All dams reached their ultimate height in 2021.	Pothook TSF consists of 1 dam. The TSF is primarily used for tailings deposition during upset mill conditions.	Historic Afton TSF consists of 2 dams. Construction ceased in 1991.	Cell 1: TMA West Dam 5, TMA South Dam and Cell 1 Dam (internal); Cell 2 & 3: TMA North Dam, TMA West Dam 4 and TMA South Dam. Cell 2 and Cell 3 merged in 2021 and now are one cell. The internal Cell 1 Dam will be intentionally breached in 2022 providing one contiguous cell in late 2022.
Location	50.648308 N, 120.509096 W	50.653656 N, 120.501666 W	50.65000 N, 120.533333 W	Cell 1: 48.85757 N, 94.06726 W Cell 2 & 3: 48.869052 N; 94.060457 W
Construction method	Centreline construction	Downstream construction	Downstream construction	Centreline raise for the TMA perimeter dams, which include TMA South Dam, TMA West Dam and TMA North Dam
Design standard	CDA's Dam Safety Guidelines	CDA's Dam Safety Guidelines	CDA's Dam Safety Guidelines	CDA's Dam Safety Guidelines (2013), Ontario Mining Association
Status	Active	Active	Care and maintenance	Cell 1: Active Cell 2 & 3: Active
Current maximum height	56m	10m	70m	20.5m at South Dam
Current storage impoundment volume	30.5 million m ³	2.55 million m ³	27 million m ³	25.8 million m ³ (excluding pond volume)
Most recent dam safety inspection	October 2021	October 2021	October 2021	August 2020
Most recent dam safety review	2017	2017	2018	2021
Most recent ITRB and its tailings review	November 2021	November 2021	November 2021	October 2021
Hazard potential ^{6,7}	Risk rating of Extreme ⁶	Risk rating of Very High ⁶	Risk rating of Extreme ⁶	The TMA Dams (North, West and South) classified as Very High ⁷

As of December 31, 2021

⁶ In accordance with CDA Dam Safety Guidelines, Table 2-1 Dam Classification. Dam classification considers the risks posed by the structures, such as the population at risk and incremental losses—loss of life, environmental and cultural values, and infrastructure and economics.

⁷ Using the Ontario Lakes and Rivers Improvement Act (LRIA) "Classification and inflow design flood criteria." This is generally equivalent to a CDA consequence of Extreme.

TAILINGS CONTINUED

Our Performance

TOTAL WEIGHT OF TAILINGS AND MINERAL PROCESSING WASTE (t) ⁸				
	New Afton		Rainy River	
	2020	2021	2020	2021
Total weight	5,412,000	4,791,637	8,820,751	9,249,680

TAILINGS – COMPANY-WIDE (t)		
	2020	2021
Total tailings generated	14,232,751	14,041,317
Tailings to surface	14,232,751	14,041,317

New Gold's operating sites have zero in-pit tailings, sub-surface tailings or sub-sea tailings.



Jana Smith, Tailings Field Quality Supervisor at New Afton

⁸ No tailings waste is recycled.

Initiatives and Stories

New Afton Thickened Tailings Technology

Our New Afton Mine is located in a semi-arid climate where annual evaporation rates typically exceed precipitation. As a result, traditional mine water recycling is challenging due to significant evaporated losses and is supplemented with a draw from Kamloops Lake. To mitigate this inefficiency, our team proposed the use of thickened tailings technology and completed a field scale pilot project in 2018. This technology allows immediate dewatering of tailings through a thickener and direct circulation to the mill to reduce tailings pore water and evaporative losses. In 2021, the mine continued to see progress on the construction of its Thickened and Amended Tailings (TAT) Plant, which will allow us to transition away from conventional slurry tailings.

Tailings Management Area South Dam Raise at Rainy River

In 2021, our Rainy River Capital Projects Team kicked off the Stage 3 dam raise at its TMA. As an integral part of the mine, the TMA is raised annually to maintain milling operations throughout the mine life. New Gold's construction team and external contractors raised the dam 1.2 metres in elevation, over a 7.2 kilometre distance. The raise required placement of roughly 4.4 million tonnes of material in accordance with strict specifications to ensure dam stability. Third-party consultants provided quality assurance on the placed material during construction and the site continues to monitor the dam and its instrumentation daily. Routine inspections by internal and external groups are also conducted to ensure the safety of the public and the environment.



Independent Tailings Review Board

The ITRB is an observational oversight body consisting of recognized senior experts in the areas of geotechnical engineering, hydrogeology and geochemistry. At New Afton, experts also include block cave induced subsidence. On a biannual basis, the ITRB meets with New Gold's technical staff and consultants over three days to review ongoing open pit mining, tailings management facility and waste stockpile design, construction, operation, maintenance, monitoring and long-term closure planning with particular attention to tailings and water management.

Following each meeting, the ITRB issues a report to New Gold's management that summarizes their findings and details their recommendations. The recommendations provide senior management and appropriate employees with expertise and advice on geotechnical, geochemical and hydrogeological issues. New Gold's Board and the ITRB also meet annually.

All recommendations made by the ITRB are managed in an action log to ensure responsibility is assigned, and the recommendations are followed to completion. Through the ITRB review and recommendations, New Gold continues to improve site practices toward operational excellence and best outcomes for our people, communities, partners and stakeholders.

Analysts Corner

Disclosures and Indices Tags

GRI 303-103, 303-1, 303-2, 303-3, 303-4, 303-5, EM-MM-140a.1, EM-MM-140a.2

Sustainability Anchors

Environment



UN SDGs

Goal 6



Target: 6.3

Goal 8



Target: 8.5

Goal 12



Target: 12.2

Goal 15



Targets: 15.1, 15.5

WATER

Water is the most vital natural resource on the planet and its responsible use intersects with global challenges such as climate change, biodiversity loss and human rights. Human pressure is the key force driving the use and distribution of global freshwater systems. Issues such as water stress and scarcity are expected to amplify due to other global challenges like climate change, biodiversity loss and human rights.

Water stewardship—prioritizing water management, water quality and water access—is a key part of our Sustainability Strategy; it provides important opportunities to take action and drive momentum on a local and global scale.

Management

Overview

Water is a key resource to the mining process and a shared resource with local communities. As such, we recognize the role we play and strive to enhance water stewardship across all operations.

Goals and Industry Protocol

Our Sustainability Strategy outlines our goal to strive for 100 percent recycled water in operations by 2030 and net neutrality in water consumption over our LOM by returning clean excess water to the environment. We annually measure our progress and develop work plans to achieve these goals. As of 2021, Rainy River, CSP and New Afton recycled 100,⁹ 100 and 80 percent of their total water consumption, respectively.

New Gold endorses the TSM Water Stewardship Protocol, which sets out criteria to commit to water stewardship, implement a water management system, engage with other water users and set water-related objectives. New Afton achieved AA on the watershed-scale planning indicator and A on the other three indicators as part of its 2021 external verification. Rainy River reported at least level A on all four indicators as part of its 2020 self-assessment.

[Learn more about the TSM Water Stewardship Protocol >](#)

Policy and Programs

Our Sustainability and Safety Policy guides our commitment to water management by establishing water monitoring and stewardship programs through each mine's lifecycle. New Afton and Rainy River both implement water management and balance plans to address water stewardship during operations and closure. Site environmental departments carry out the requirements under these plans.

Our sites monitor water quality and quantity, including water treated and discharged, as applicable.

New Afton

Landscape and Operations

New Afton withdraws freshwater from Kamloops Lake, pumps tailings pore water from the Historic New Afton TSF, pumps seepage and groundwater from interception wells and pumps mine water. All water is used for processing ore, except for a small amount for drinking, instrumentation and fire suppression.

Water is maintained on site within the TSF or is lost to evaporation or concentrate moisture.

In 2021, New Afton constructed a TAT Plant to further water use efficiency. The TAT Plant aims to be operational in 2022.

Management System

Similar to Rainy River, New Afton has a comprehensive monitoring program, including modeling to predict future conditions. A site water balance is used to understand operational requirements and target areas where further investigation is required. To enhance water stewardship further, New Afton conducted a Human Health and Ecological Risk Assessment in 2021, which indicated a lack of off-site impacts.

Stakeholder Engagement

Each quarter, New Afton holds water update meetings with local First Nations to review water use and identify conservation opportunities. To improve transparency, New Afton worked with The Water Survey of Canada to establish a monitoring station on the Thompson River downstream of the mine site. The station provides publicly available data on water flows and temperatures.

The Thompson River watershed does not have water targets, but New Afton has identified a target of reducing freshwater consumption through the increased capture and recycling of mine-impacted waters. Projects that may impact water consumption, both positive and negative, always consider changes to the watershed.

Rainy River

Landscape and Operations

Rainy River collects and manages site runoff and seepage, and collects, treats and discharges water to the environment, in accordance with provincial and federal requirements. The site does not withdraw water directly from a river or lake. Instead, water from the pit dewatering and rainfall that collects within the site is used for the mill, and excess water is treated and discharged to Pinewood River.

Management System

Rainy River has a robust water management strategy focused on water level, water quality and water balance. To meet its monthly and annual discharge targets and guide operational decision making, Rainy River uses a water balance model. The model is updated monthly and used to inform short- and long-term predictions associated with water management.

The site also has a water balance dashboard to monitor measured and model-predicted conditions. In 2021, all water management ponds operated below the normal operating water level thanks to insights from the dashboard.

To drive progress, Rainy River sets annual goals and objectives and conducts groundwater sampling three times a year from wells located on and around the mine site, in addition to monthly sampling of natural water bodies around the mine site.

⁹ 77 percent represents water recycled from the Tailings Management Area for ore processing; the remaining 23 percent is contact water collected on site. As Rainy River does not withdraw water directly from water bodies, 100 percent of the water used for ore processing comes from contact water collected from on site and recycled water from the TMA.

WATER CONTINUED

Stakeholder Engagement

Rainy River implements Environmental Monitoring Boards (EMB). EMBs are regular meetings organized by New Gold as an opportunity to provide community members with project updates and environmental monitoring and sampling information. These EMBs also provide a forum for Indigenous community stakeholders to share feedback and traditional knowledge as it relates to water and environmental stewardship.

Cerro San Pedro

CSP is a zero-discharge operation and uses freshwater from groundwater; the water used in operations is recirculated. The site measures monthly extraction, recirculation, evaporation and consumption volumes in accordance with regulatory requirements. Supported by the site's environmental management system, CSP establishes annual water management objectives and measures progress against each objective every month.

Our Performance

WATER INTENSITY (L/oz gold equivalent produced)						
	New Afton			Rainy River		
	2019	2020	2021	2019	2020	2021
Water intensity	10,991	13,697	15,343	7,924	9,580	10,004

TOTAL WATER WITHDRAWAL (megalitres)						
	New Afton		Rainy River		Cerro San Pedro	
	2020	2021	2020	2021	2020	2021
Surface water	2,800	2,700	3,020	2,953	0	0
Groundwater	0	0	1,095	1,716 ¹⁰	66	57
Total	2,800	2,700	4,115	4,669	66	57

TOTAL WATER DISCHARGE (megalitres)						
	New Afton		Rainy River		Cerro San Pedro	
	2020	2021	2020	2021	2020	2021
Surface water	0	0	1,648	2,013	0	0

WATER CONSUMPTION (megalitres) ¹¹						
	New Afton		Rainy River		Cerro San Pedro	
	2020	2021	2020	2021	2020	2021
Total water consumption from all areas	2,800	2,700	2,234	2,358	66	57
Change in water storage	N/A	N/A	233	298	N/A	N/A



¹⁰ Rainy River extracts ground water from the dewatering well around the pit for slope and pit walls stability.

¹¹ 100 percent of the water consumption from CSP is from areas with water stress. No freshwater is withdrawn or consumed from regions with High or Extremely High Baseline Water Stress at Rainy River or New Afton.

WATER CONTINUED

Rainy River experienced one incident of non-compliance in 2021 due to discharge that exceeded the daily limit; however, no formal enforcement action was taken. There were no instances of non-compliances associated with water quality permits, standards and regulations at New Afton, Rainy River or CSP.

WATER IMPACT – COMPANY-WIDE (megalitres)		
	2020	2021
Total freshwater withdrawal	6,981	7,426
Total water discharge	1,648	2,013
Total water consumption	5,333	5,413



Initiatives and Stories

New Gold and the University of Toronto's Water Stewardship Innovation Projects

In 2021, New Gold supported the University of Toronto's Water Stewardship Innovation Projects (WSIP) in their research on water management and stewardship practices across the mining industry. New Gold was one of many mining companies to participate. Through this participation, we have established a strong relationship with the University and will continue to support the WSIP in 2022 and beyond.



Sitotaw Yirdaw, Senior Water Resources Engineer at Rainy River

Robust Water Management at Rainy River

Until fall 2021, Rainy River experienced dry weather conditions with very few months registering normal or above normal precipitation—conditions that limit a mine's ability to discharge water to the environment. Although the site experienced drought-like conditions early on, Rainy River finished the year with a total discharge of 2.01 million m³ of water to the Pinewood River.

This reduced excess water inventory on site and represented a success for water management in compliance with Rainy River's process water treatment systems. The ability to treat and discharge water is crucial to ensure the continued operations of the mine.

"Demonstrating resilience in water management is about building the capacity to discharge compliant water to the environment when there is excess water on site. It's about thinking ahead by storing enough water for continuous mine operation during periods of drought and maximizing water recycling for mil processing," says Sitotaw Yirdaw, Senior Water Resources Engineer at Rainy River.



Social

IN THIS SECTION

Community Engagement

Indigenous Rights

Diversity, Equity and Inclusion

Employee Engagement

Occupational Health and Safety

Employee Well-being

At New Gold, the relationships we have with our people, contractors and suppliers—along with the communities where we operate—have a significant impact on all aspects of our performance. We take an inclusive and responsive approach to managing social issues, aiming to strengthen community resilience and protect the safety, well-being, rights and dignity of all people affected by our operations.



“To me, resilience is about challenging the status quo and not settling into ways things have been done in the past. By listening to others and using my voice to provide education and understanding, we can be resilient together, and create positive solutions that push the needle on inclusivity.”

Korah De Walt
Indigenous Relations and Community Superintendent,
New Afton

Analysts Corner

Disclosures and Indices Tags

GRI 203-1, 204-1, 413-103, 413-1, 413-2, G4-MM6, G4-MM7, EM-MM-210b.1, EM-MM-210b.2

Sustainability Anchors

Community Engagement



UN SDGs

Goal 8



Target: 8.5

Goal 11



Target: 11.4

COMMUNITY ENGAGEMENT

New Gold is committed to establishing relationships with local communities based on mutual benefit and active engagement. We believe that listening to people and communities, understanding their histories, and recognizing their needs and aspirations are essential components of meaningful engagement. By prioritizing all three, New Gold strives to develop strong, resilient relationships that contribute to sustainable development and healthy communities.

Management

Overview

Our relationships with the communities impacted by our operations are of utmost importance to New Gold. Our Sustainability and Safety Policy guides our commitment to establishing meaningful relationships with Indigenous and local communities.

Community Engagement is one of our Sustainability Strategy Anchors, under which we have a long-term goal to contribute to operating communities that are self-sustaining and free from poverty and inequality. We annually measure our progress against our associated Focus Area goals, implementing work plans to further support our progress.

Governance and Management Process

Our sites each manage their own community relations programs and budgets.

At each site, dedicated community teams maintain ongoing dialogue with local communities to build trust and promote transparency. Throughout this process, sites identify potential community-related risks and document these within the site's respective risk register. The risks are based

on issues of concern within each community as determined by socio-economic and impact assessments. Community-related risks are reviewed at least quarterly and moderate- to high-level risks are reported to the Sustainability Team.

Where we do not meet community expectations, communities can voice their needs through our grievance mechanisms, which ensure issues are resolved in a timely manner.

Consistent with prior years, in 2021 we did not have any significant disputes relating to land use or customary rights of local communities and Indigenous peoples. Rainy River identified two issues of land use—specifically related to road access and fencing—however, there were no technical delays and neighbours were satisfied with the outcome.

Programs and Transparency

Each site has implemented community engagement, impact assessments and development programs. Moreover, all sites conduct environmental monitoring and reporting of results in accordance with regulatory requirements and permits.

Rainy River's annual compliance report is available online and both Rainy River and New Afton publish newsletters throughout the year for review by stakeholders.



[Read Rainy River's compliance report >](#)



[Read our newsletters on our microsites >](#)

To give back and strengthen community resilience, New Afton and Rainy River both have Sponsorship and Donation Programs and CSP implements development programs through community committees.

Stakeholder Engagement

We believe that meaningful engagement is built from open and honest communication. By collaborating with residents and community leaders, we can identify and resolve issues together, ensuring that all voices are represented and heard.

All of our operations implement plans based on stakeholder mapping to support ongoing engagement with key stakeholders throughout the life of the projects. As part of these plans, sites actively engage with communities through committees, boards, and roundtables, among other forms of communication, such as the Beyond New Afton (BNA) Committee.

We recognize that our operations impact local communities. At New Afton, impacts from our operations, such as economic, will be most evident at mine closure, which is why we launched Beyond New Afton—our plan to reduce such social impacts.



[See our Closure section for further details >](#)

100 percent of our operations conduct local community engagement, impact assessments and/or development programs.

Across our sites we had zero non-technical delays in 2021.

Community Investment

New Gold's Community Investment Program reflects our corporate belief that communities should benefit from our operations in both the short and long term. In 2021, New Gold enhanced our Community Investment Program and consolidated initiatives for New Afton, Rainy River and Corporate Head Office by adopting Optimy—a tool that allows us to track community investments and streamline our selection process. By using Optimy we improved alignment with our Mission and Core Values and measure our social impact. Organizations seeking investment from New Gold can apply through this tool.

New Gold's funding approach focuses on strategic long-term investments so that organizations, programs, projects and the community at large

COMMUNITY ENGAGEMENT CONTINUED

can develop and sustain beyond our operations. Our aim is to go beyond traditional philanthropic corporate donations and support initiatives that have a meaningful and long-lasting impact within our communities. Each operation manages a community investment fund that indirectly contributes to the local economies and communities in the areas of operation. The community investment strategy is reviewed biannually against goals for each site.

In 2021, Rainy River donated \$100,000 to the Township of Chapple Shenston to support building permanent debris containment fencing for the landfill site. This project is expected to be completed in 2022. As part of its support for the Thompson Rivers University's Women in Trades Program, New Gold donated \$150,000, of which \$50,000 is endowed for an annual \$2,000 bursary for women pursuing a career in trades.

Local Procurement

New Gold's mining operations offer significant economic benefit to the communities in which they are located. Local procurement is increasingly important to support resilient supply chains, manage the effects of COVID-19 on the workforce and reduce environmental impacts.

In 2021, we became the first Canadian company operating in Canada to report against the Mining LPRM, enhancing transparency of our local spending. In 2022 we are conducting an independent review of our procurement practices and standards at Rainy River to be more mindful of Indigenous inclusion from now until mine closure.

We seek opportunities for local and Indigenous vendors to participate in our supply chain and will continue to report on our annual spend through the LPRM.

See our LPRM Index for further details >

Performance

Across our operations, we received 19 complaints—of which 89% were closed by year-end.

COMPLAINTS		
	2020	2021
Complaints received at site	9	19
Complaints resolved/closed within 30 days	40%	65%
Complaints that warranted investigation	3	19
Complaints investigated and closed during the year	3	17
Complaints still undergoing investigation	0	2

BREAKDOWN OF PROCUREMENT SPEND			
	New Afton	Rainy River	Cerro San Pedro
	2021	2021	2021
Local spend ¹⁴	\$26,548,037	\$10,437,045	US\$4,669,619
Indigenous spend	\$58,354,584	\$120,575,129	N/A
Regional spend	\$106,526,577	\$111,704,488	N/A
National spend	\$79,995,914	\$70,118,335	US\$1,434,327
International spend	\$29,253,457	\$12,818,233	US\$69,302
Total spend	\$300,678,570	\$325,563,231	US\$6,173,249

In 2021, New Gold gave over \$1.3 million to charities, NGOs and research institutes.^{12, 13}

¹² CSP 2021 data converted from USD to CAD for purposes of generating company-wide total (1 USD = 1.2531 CAD YTD Average).

¹³ Corporate tracked through Optimy and includes registered and non-registered charities.

¹⁴ Local represents spend in the Thompson Nicola Region for New Afton; northwestern Ontario (Atikokan, Red Lake, Bawick, Stratton, Devlin, Emo, Rainy River, Morson, Bergland, Keewatin, Nestor Falls, Pawitik, Sioux Narrows, Rosslyn, Dryden, Fort Frances, Kenora) for Rainy River; and the state of San Luis Potosí for CSP.

COMMUNITY ENGAGEMENT CONTINUED

PROCUREMENT PRACTICES ¹⁵						
	New Afton		Rainy River		Cerro San Pedro	
	2020	2021	2020	2021	2020	2021
Percentage of total procurement spent on local suppliers ¹⁶	43%	28%	35%	40%	Not reported	76%
Percentage of total procurement spent on national vendors	24%	27%	34%	22%	Not reported	23%



L-R: Kristin Kowalski, Keith Mose, Alex Bruyere, Renée Boucher at Rainy River

¹⁵ Procurement spend is solely based on contracts. In 2021, spend categories were adjusted to account for clearer definitions and date of contract spend, rather than date of contract award.

¹⁶ Procurement spend on local suppliers at New Afton and Rainy River is inclusive of Indigenous spend.

Initiatives and Stories

New Gold Women in Trades and Technology Resource Centre to Open at Thompson Rivers University

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. Of the total, \$100,000 went toward extensive renovations to create the New Gold Women in Trades and 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.

It is our hope that this investment will enhance the success of women in the program in addition to encouraging more women to explore careers in trades.

“We’ve seen firsthand the benefits of having a diverse workforce,” said John Ritter, General Manager at New Gold’s New Afton Mine.

“By providing opportunities to groups that are historically underrepresented in our industry, our workforce is more open-minded and respectful of people’s differences. New Gold’s efforts to embrace inclusiveness have led to more ideas being shared from across our operation on how to 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 in 2021. The New Gold Women in Trades and Technology Resource Centre is set to open in the spring of 2022.



Lisa Newman, Electrician and Instrumentation Mechanic at New Afton

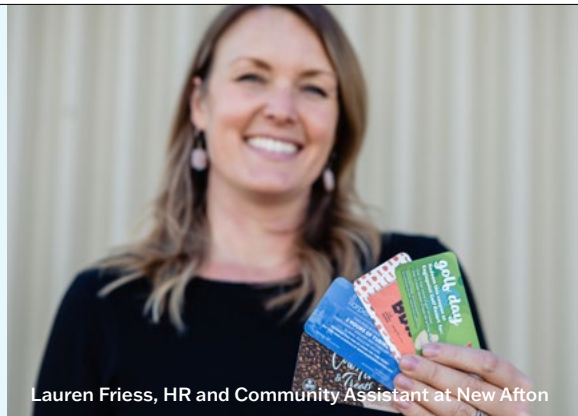
COMMUNITY ENGAGEMENT CONTINUED

Preserving the Historical Heritage of Cerro de San Pedro

The conservation of the village of CSP's cultural and historical heritage is one of the priorities of the Comprehensive, Inclusive and Participatory Plan for CSP's closure.

In May 2021, CSP concluded its restoration work for the Religious Complex of St. Peter the Apostle, a cultural site that dates back to the 18th century. The church had not received maintenance or restoration work of this magnitude, highlighting the historical significance of the project that began in January 2020.

This work is recognized as the greatest cultural legacy that New Gold has provided the state of San Luis Potosí and the municipality of Cerro de San Pedro.



Lauren Friess, HR and Community Assistant at New Afton

Supporting Local Businesses Through Staff Appreciation

As events were still on hold in 2021, New Afton's Social Committee moved away from regular employee appreciation events and relaunched the 2020 employee voucher program. The Social Committee worked with local businesses to provide vouchers to employees for enjoyment with their families or core group. The program aligns with New Gold's values and keeps employee safety top of mind. In 2021, New Afton supported six local businesses, three of which were new to the program.

Canadian Cancer Society – Northern Ontario Campaign

Over the past few months, New Gold has been working with the Canadian Cancer Society (CCS) to determine how to best support their new initiative, the Northern Ontario Campaign.

The goal of the CCS campaign is to raise \$2 million over the next two years. Funds raised directly impact cancer prevention, support and research programs for Northern Ontario. In November 2021, the campaign kicked off with "An Evening with the Canadian Cancer Society" at the Flint House, hosted by Duane Cridland. To inspire local business participation, the Cridland family committed \$100,000 for the campaign. New Gold was pleased to match the Cridland family donation with a contribution of \$100,000.

West Rainy River New Gold Youth Grant Program

New Gold partnered with Lake of the Woods, Dawson and Rainy River Town Councils to create the West Rainy River New Gold Youth Grant program. The goal of the program is to create a sustainable future by investing in the next generation of leaders.

In 2021, youth generated their ideas and submitted proposals to the grant review committee. Shortly after, an awards ceremony was held and grants were given to the following recipients:

- **Senior Grant Category** – Tanya Hagarty and Mason Kreger for hosting a Youth Sports Camp. The camp was held throughout the last week of September, covering a variety of athletic events.
- **Junior Grant Category** – Kaylee Smith for her entrepreneurial idea of setting up a healthy juice bar in the area and Tyanna Wood for her idea of selling garden seeds/plants in mason jars.

The pilot year for the program was 2021 and we expect more youth involvement in 2022.



Representatives from Lake of the Woods, Dawson, Rainy River and New Gold



Supporting Those in Need Through Roots to Harvest

Rainy River joined forces with several regional mines and suppliers to provide a combined donation of \$80,000 to Roots to Harvest. The organization works to address food insecurity by providing fresh, nutritious food to families and individuals who are most in need. This partnership will allow Roots to Harvest to

- expand their food access programs
- purchase higher-cost items like meat and dairy to include in food bags for those in need
- work with organizations and Indigenous peoples to support and co-develop initiatives like gardens and pop-up markets



Reopening the Temple of St. Peter the Apostle

Analysts Corner

Disclosures and Indices Tags

GRI 102-12, 102-13

AWARDS, MEMBERSHIPS AND INITIATIVES

Community Builder Award

Kamloops This Week awarded New Gold's Korah De Walt the Community Builder Award as part of their annual Community Leader Awards.

In an article published in June 2021, De Walt was profiled for her work helping Indigenous candidates find employment and providing cultural awareness training on site. The article also covered her important work with the Beyond New Afton Project and the social impacts of reaching the end of mine lifecycle.



“I’m really grateful for the opportunity to do work that I’m passionate about, while being able to support my family and life in my traditional territory at Tk’emlúps.”

Korah De Walt
Indigenous Relations and Community Superintendent, New Afton

New Afton Receives Inclusive Leadership Award

In the fall of 2021, New Gold received the Inclusive Leadership Award at the Kamloops Chamber of Commerce, 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 underrepresented in the mining industry.

Inclusive Leadership Award

WINNER: NEW AFTON

Kamloops Chamber of Commerce, Business Excellence Awards



L-R: Krystal Kehoe, Korah De Walt, Mary-Beth Harrison.
Photo: Kathleen Fisher Photography

Memberships

New Gold is a proud member of the following associations:

- Mining Association of Canada (MAC)
- Ontario Mining Association (OMA)
- Mining Association of British Columbia (MABC)
- Prospectors and Developers Association of Canada (PDAC)
- International Women in Mining (IWIM)
- Women in Mining Canada
- Canadian Dam Association (CDA)
- International Network for Acid Prevention (INAP)
- Canadian Industry Partnership for Energy Conservation (CIPEC)
- Canadian Mining Innovation Council (CIMC)
- First Nations Major Project Coalition Sustaining Partner
- Mining Safety Round Table

Initiatives

As a company, we incorporate the following global guidelines and standards into our approach to community relations:

- MAC TSM program
- United Nations Global Compact



Analysts Corner

Disclosures and Indices Tags

GRI 411-103, 411-1, 413-2, G4-MM5, EM-MM-210a.2, EM-MM-210a.3

Sustainability Anchors

Indigenous Rights



UN SDGs

Goal 8



Target: 8.5

Goal 11



Target: 11.4

INDIGENOUS RIGHTS

We understand that wherever we operate, we are on Indigenous lands and are interacting with Indigenous peoples. We consider the interests of Indigenous peoples and promote an understanding of, and respect for, traditional values, customs and culture.

Our objective for 2022 is to focus on being bold and collaborative in creating a more inclusive environment for Indigenous partners across our operations. We strive to increase Indigenous representation and inclusion in all aspects of the business.

Management

Education and Training

It is important to us that all employees and contractors respect the interests of Indigenous peoples at our operations and in the industry. To improve our understanding of Indigenous cultures we provide resources and training opportunities for all employees. These offerings are both site-specific and national in scope, such as the history of Indigenous peoples in Canada. We continue to look for additional opportunities for training, awareness or cultural activities that strengthen relationships with our Indigenous partners.

Policy

Our Sustainability and Safety Policy guides our commitment to establishing relationships based on mutual benefit and active engagement and contributing to healthy communities and sustainable development. Further, Indigenous Rights is one of our Sustainability Strategy Anchors, under which we have a long-term Focus

Area goals to generate economic benefits for communities through skills training, business development and minimizing barriers to contract opportunities—all of which support community well-being by looking to the future and creating long-term value. We measure our progress against our associated Focus Area goals annually and create work plans to drive progress.

Industry Protocol

Our approach to community relations includes following global guidelines and standards such as the United Nations Global Compact, as well as adherence to the MAC TSM Indigenous and Community Relationships Protocol. In 2021, New Afton achieved AA scores on all indicators as part of its external verification and Rainy River reported A level and above for four of the five indicators as part of its 2020 self-assessment.



[Learn more about the TSM Indigenous and Community Relationships Protocol >](#)

Local Agreements

Site agreements outline requirements that both New Gold and the respective parties commit to fulfill. New Gold conducts a high-level review of implementation every quarter and reports the results of these reviews to the Technical and Sustainability Committee.

New Afton

Both of our operating sites have agreements in place with Indigenous communities in their regions. New Afton is located in the Stk'emlúpsemc te Secwépemc (SSN) territory, situated within the unceded traditional lands of the Secwépemc Nation.

In 2021, New Afton signed a new CA with SSN, which is comprised of Tk'emlúps te Secwépemc (TteS) and Skeetchestn Indian Band (SIB), strengthening the relationship between New Afton and SSN members. The document is seen as one of Canada's most progressive agreements and highlights our commitment to advancing representation and inclusion for Indigenous partners, with the inclusion of a consent-based decision-making model.

Rainy River

Rainy River is located within Treaty 3 territory.

Rainy River has eight formal IBAs in place with the Métis Nation of Ontario (MNO) and 11 First Nation communities.

In 2022, New Gold will be undergoing an IBA review at Rainy River, which will have partner communities independently score New Gold against our progress toward IBA implementation. We will use these 2022 results as a baseline to support our continual improvement in IBA implementation.

Cerro San Pedro

CSP is located in Cerro de San Pedro, an area where there are three ejidos from local communities: Cerro San Pedro, Palma de la Cruz and Cuesta Campa. CSP has an agreement of partial land occupation with these three ejidos and surrounding communities.



Many Canadians experienced an awakening in 2021 with the discovery of the first 215 children's remains on the grounds of the old Kamloops Indian Residential School. This initial discovery impacted Indigenous communities across the country and many Canadians were learning about the residential school system for the very first time.

At New Gold, our employees were impacted as many have family members who have been victims of the residential school system, some of whom attended the school in Kamloops. As more bodies were discovered across the country, there was a clear message for all non-Indigenous individuals and companies to learn more about Indigenous peoples' history, culture and traditions and look at new ways to promote Reconciliation in Canada.

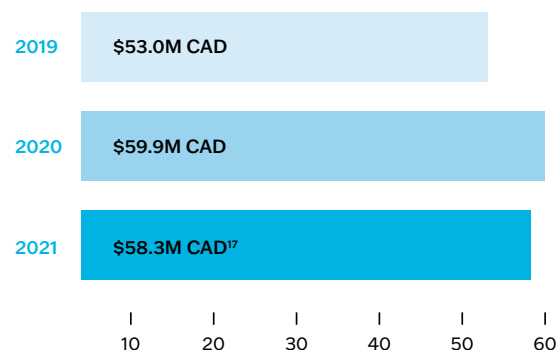
New Gold is actively working toward call 92 of Canada's Truth and Reconciliation Commission's Calls to Action—a call for businesses across the country to adopt the UN's Declaration on the Right of Indigenous peoples through meaningful engagement, equitable access to jobs and enhancing opportunities for non-Indigenous employees to learn about the history of Indigenous peoples in Canada.

INDIGENOUS RIGHTS CONTINUED

Procurement

Partnerships with Indigenous businesses are a vital part of our operations. We seek to partner with Indigenous businesses when possible and understand the impact and benefit for both the Indigenous community and New Gold. We are continuously improving our procurement practices and adjusting internal systems to remove barriers and provide new opportunities to access our sites. At New Afton, our Indigenous procurement spend has increased since 2019. See our Community Engagement section for further details on our procurement spending.

New Afton's Indigenous Procurement Spend



Community Relations Manager Renée Boucher says the greatest challenge for Indigenous inclusion in mining is the stark difference in world views and epistemologies between the western world and Indigenous cultures.

By learning about the culture and histories of our Indigenous partners, Boucher believes that engagement and inclusion in mining will progress.

“For Community and Indigenous Relations, resilience is the ability to see complex issues through the lens of two different world views. Doing so will allow New Gold to bridge the gap and deliver solutions that allow for adaptation and growth of all parties.”

As a company we are committed to listening to and learning from our Indigenous partners to enhance cultural awareness and strengthen relationships within the communities we operate in.

Our Performance

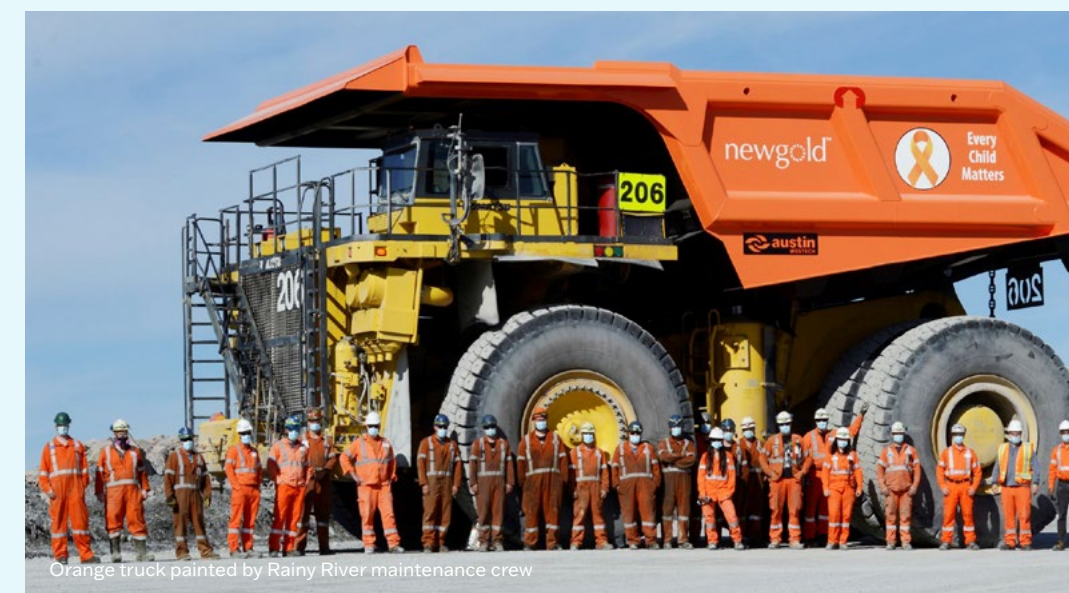
Consistent with the prior year, we did not have any incidents or violations involving the rights of Indigenous peoples at any of our sites.

In 2021, New Afton contributed \$31,500 to First Nations scholarships.



Through our Corporate Partnership with Indspire, we provided six scholarships totaling \$30,000 in 2021.

Initiatives and Stories



Orange truck painted by Rainy River maintenance crew

New Gold Observes National Day for Truth and Reconciliation

September 30, 2021, marked the first National Day for Truth and Reconciliation in Canada. It was an opportunity to gather, listen and pay respect to the over 150,000 First Nations, Inuit and Métis children who were forcibly removed from their families to attend residential schools from the early 1800s to 1997.

New Afton and Rainy River made the time and space for employees to gather and honour the lives that were lost, as well as the courage of survivors who continue to share their stories.

Coinciding with Orange Shirt Day, both sites handed out orange shirts to employees and provided opportunities to learn about Indigenous culture.

At New Afton, a stop work order was placed for 2:15 PM so that all employees could take a moment to reflect and honour the missing children. During this time an underground miner drummed and sang over the radio and a socially distanced gathering was held outside. At Rainy River, employees reflected on the tragedy while personal offerings of tobacco (Asemaa) were provided and cultural teachings were offered at the mine site Roundhouse.

Leading up to Orange Shirt Day, a Rainy River employee suggested painting one of the mine's haul truck boxes orange with the “Every Child Matters” logo. The initiative coincided with the launch of Rainy River's Colours for a Cause Awareness campaign, which aims to increase awareness of health, wellness and social causes. The unveiling of the orange truck kicked off the campaign.

¹⁷ In 2021, spend categories were adjusted to account for clearer definitions and date of contract spend, not date of contract award.

INDIGENOUS RIGHTS CONTINUED

Seven Generations and Seven Grandfather Teachings at Rainy River

Rainy River hosted a virtual four-part cultural awareness series for employees on Seven Generation and Seven Grandfather Teachings—the guiding principles passed down from generation to generation in Anishinaabeg culture.

The sessions were facilitated by James Vukelich “Kaagegaabaw”, a leading voice in native language revitalization and spiritual teachings. Participants learned about each principle, the sacred law of Anishinaabeg (Chi-dibaakonigewin), how to lead the “good life” (Minobimaadiziwin) and the role of language in cultural teachings.

To extend the series, Rainy River launched an Ojibwe word of the week and is actively looking for new opportunities to provide cultural awareness training.



L-R: John Ritter, Renaud Adams, Kúkpi7 Darrel Draney (SIB), Kúkpi7 Rosanne Casimir (TteS). Photo: Candace Camille Photography

New Gold and SSN Sign Cooperation Agreement

SSN and New Gold’s New Afton Mine signed the 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 interests.

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.

“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,” Kúkpi7 (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”, said Renaud Adams, President and CEO.

The Seven Grandfather Teachings include:
 zaagi’idiwin (love)
 zanaaji’idiwin (respect)
 zoongide’ewin (bravery)
 debwewin (truth)
 gwayakwaadiziwin (honesty)
 dabasendiziwin (humility)
 nibwaakaawin (wisdom)



“Reconciliation starts with education and understanding—not placing blame, shame or guilt on generations who are not directly responsible for the past. If we do not start there, we are only perpetuating stereotypes.”

Employee Insights – Joel Calder

Joel Calder is a proud member of Couchiching First Nation and has worked at New Gold for five years. He is currently a Mine Trainer, responsible for heavy equipment operator training for our operations, construction and utility crews.

“I believe New Gold has done very well in providing equal opportunity for Indigenous People in almost every entry level position, regardless of experience,” says Calder.

“From management to peer-peer, New Gold has done their best in providing an inclusive workplace. Although everyone’s experience is subjective, those who are willing to put in the time and effort appear to be satisfied with their role.”

Looking forward, Calder sees community engagement and Indigenous awareness training as areas for growth. By ensuring local band members know about employment opportunities and enhancing internal awareness training, Calder believes inclusivity at New Gold will only grow.

Rainy River Observes National Indigenous History Month With Recruitment Push

At the end of 2021, Rainy River’s HR team increased the number of career fairs hosted in Indigenous communities to minimize barriers to access, collect resumés and hire candidates. This important step was part of a conscious effort to be more visible in the community and begin intensive, in-person recruiting activities moving into 2022.

Analysts Corner

Disclosures and Indices Tags

GRI 405-103, 405-1, 406-1

UN SDGs

Goal 5



Targets: 5.1, 5.5

Goal 8



Target: 8.5

DIVERSITY, EQUITY AND INCLUSION

Social justice has continued to be at the forefront of media headlines which has driven organizations to make deeper, more meaningful commitments to diversity, equity and inclusion. While we recognize that the mining industry has made progress in this space, there is still significant room for improvement relative to other industries.

New Gold is committed to the principles of diversity, equity and inclusion (DE&I) in all aspects of our organization. We believe we are stronger when we not only celebrate our differences, values and voices, but also include them in practice. This means our organization is actively working to understand and remove barriers to equity and inclusion, be they systematic, physical or otherwise.

Management

Overview

DE&I was identified as an important topic in our materiality assessment, particularly as it relates to equitable and inclusive practices. Guided by our Corporate Diversity and Anti-racism Policies, we are working to diversify our teams' skills, experience, knowledge and backgrounds to empower employees to drive change.

Succession, Recruitment and Retention

We strive to incorporate diversity at every stage of our recruitment and retention process by establishing metrics to ensure that we are continuously striving to attract and retain underrepresented groups.

To hold ourselves accountable we actively review talent metrics to ensure that our employee population and leadership pipeline is representative of the communities we live and work in.

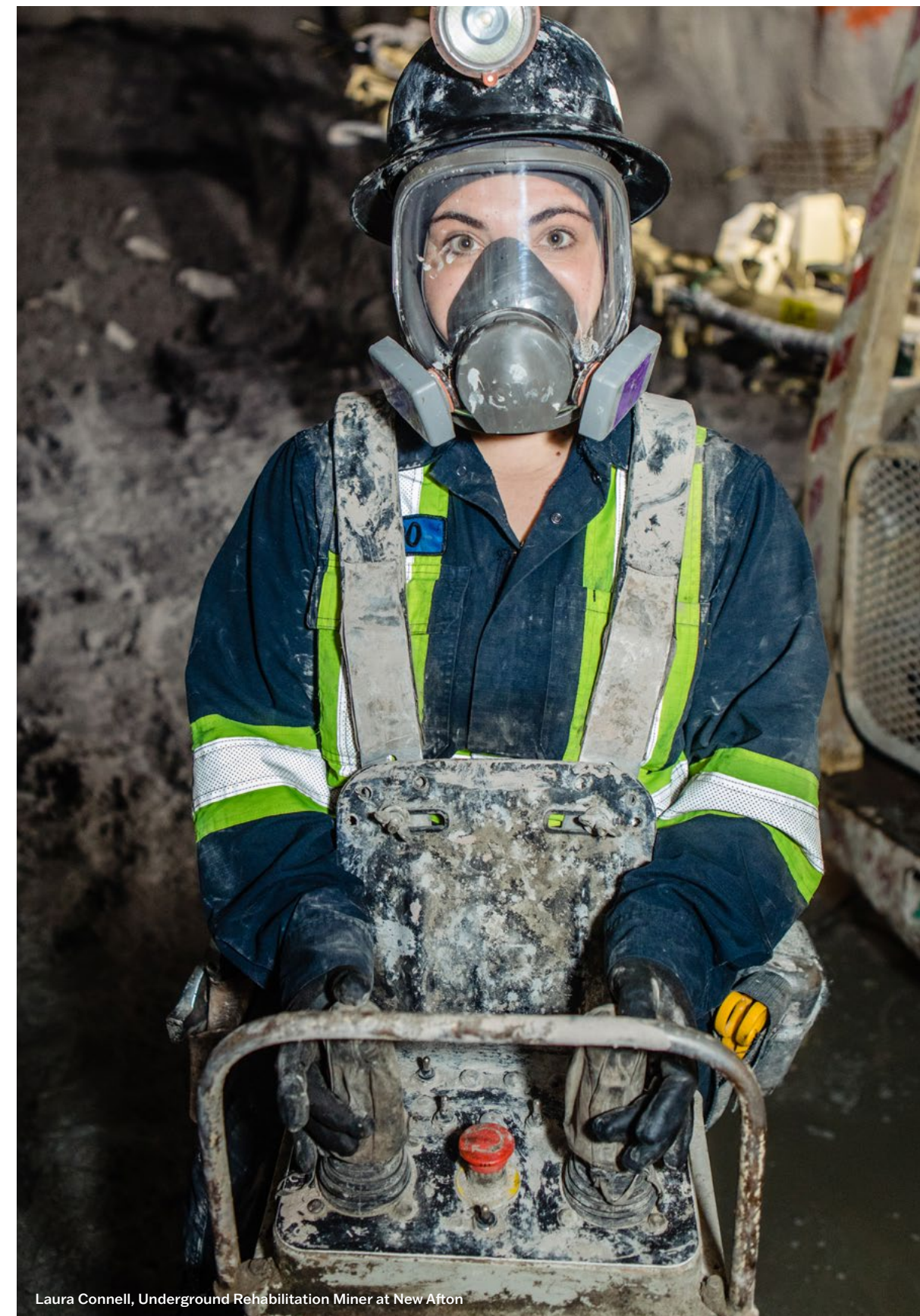
Engagement

When it comes to advancing New Gold's DE&I efforts, we recognize that we are on a journey and it is important to engage with our workforce to gather insight and recommendations along the way.

"We believe that when employees feel they can be themselves and feel a strong sense of belonging, they are more connected and committed," says Sharon Giraudel, Director, Human Resources, Corporate Head Office.

In 2021, we introduced a DE&I Committee and launched a company-wide survey. Providing employees with the opportunity to share their feedback and experiences will help us understand our strengths and opportunities so that we can close the gaps.

 [Read the story >](#)



Laura Connell, Underground Rehabilitation Miner at New Afton

DIVERSITY, EQUITY AND INCLUSION CONTINUED

New Gold recognizes the benefits of having a diverse Board and management group and seeks to increase diversity amongst its directors and management. To this end, New Gold has adopted a written corporate Diversity Policy, the objective of which is to increase diversity at both the Board and management levels. Three of the nine Nominees (33%) to the Board are female. Also, two members of New Gold's seven-member management team (28.5%) are female and two members (28.5%) meet other diversity criteria set out in the Diversity Policy (as at March 2022).

EMPLOYEE DIVERSITY – COMPANY-WIDE		
	2020	2021
Men (#)	1,293	1,309
Women (#)	258	257
Total workforce (#)	1,551	1,566
Men (% workforce)	83%	83.5%
Women (% workforce)	17%	16.5%
Men (% management) ¹⁸	79%	72.5%
Women (% management) ¹⁸	21%	27.5%
<30 years old (%)	Not reported	21% ²⁰
30–50 years old (%)	Not reported	58% ¹⁹
>50 years old (%)	Not reported	21% ¹⁹

¹⁸ Management includes employees in Manager-level roles and above (Managers, Directors and Executives).

¹⁹ Corporate, New Afton and Rainy River only, as CSP is not tracked in Corporate SAP system.

²⁰ Indigenous count includes any individual who identifies as Indigenous.

²¹ Local employees represent those from the Kamloops area, the Rainy River District and the state of San Luis Potosí (about 36 percent of employees are from the CSP municipality), respectively.

BOARD DIVERSITY (%)			
	2019	2020	2021
Men	57%	67%	67%
Women	43%	33%	33%
<30 years old	0%	0%	0%
30–50 years old	29%	11%	11%
>50 years old	71%	89%	89%

LOCAL AND INDIGENOUS WORKFORCE COMPOSITION			
	New Afton	Rainy River	Cerro San Pedro
Local employees (% of workforce) ²¹	80%	68%	99%
Indigenous employees (% of workforce) ²⁰	21%	25%	N/A



Wesley Smith, Underground Miner at New Afton

DIVERSITY, EQUITY AND INCLUSION CONTINUED

Initiatives and Stories

New Gold Forms Company-wide DE&I Committee

In 2021 New Gold formed a company-wide DE&I Committee. The DE&I Committee has 14 members representing all areas of the operation and three New Gold locations: Corporate Head Office, New Afton and Rainy River. The aim of the DE&I Committee is to determine a baseline and identify areas for improvement with respect to diversity and inclusion.

“It is one thing to be a leader in energy and automation, but we want to aim to become a leader in the areas of diversity and inclusion,” said Mary-Beth Harrison, New Afton’s HR Manager and DE&I Committee member. “The greater number of different perspectives and backgrounds we have on site, the more creative and innovative we can be, which aligns with our Core Values.”

Although New Gold is not far behind from a mining perspective, Harrison said there is still a lot of work to be done.

The DE&I Committee plans to review current policies and job descriptions to ensure there are no gender-based biases that could be limiting in any way. The DE&I Committee aims to understand existing barriers at New Gold and look toward best practices for recruitment and retention.

In the future, the DE&I Committee will work to share their success stories to challenge stereotypes in the mining industry.

International Women in Resources Mentoring Programme

To help mitigate the challenges of bias, lack of mentorship and work-life conflicts, in 2021, New Gold supported five women across the Company to participate in the International Women in Resources Mentoring Programme (IWRMP). This program is led by International Women in Mining—a global organization committed to advancing women in mining and aims to lead global change toward gender equality in the industry.

The six-month program has a tailored matching process that connects mentees and mentors based on aspirations, expertise and personality. The program aims to empower and promote women working in the industry, as well as help them navigate industry challenges.

Jennifer Katchen, Chief Metallurgist at New Afton Mine, joined the program after hearing how valuable it was from previous mentees. “It’s a good opportunity to meet women at other mine sites and get exposure to people working in other areas of mining besides mineral processing,” Katchen said.

Carla Harrison from the Rainy River Mine is another of New Gold’s participants. “The opportunity to become an industry leader and contribute toward the establishment of a more diverse and fair mining industry has been made possible through this mentoring initiative. I look forward to making my mark and to contributing to a more inclusive environment for myself and fellow women in mining,” said Harrison.



L-R: Tyne Roberts, Carson Fraser, Carly Swanson, Lisa Newman at New Afton

New Afton Fire & Mine Rescue Recruits Diverse Skills

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 more to secure a spot on New Afton’s Fire & Mine Rescue Team.

In 2021, 28 hopefuls applied to join the team but only 10 spots were available, bringing the number of active team members to 45. This number enables New Afton Fire & Mine Rescue to have 24-hour coverage, seven days a week.

Traditionally, New Afton Fire & Mine Rescue has consisted mainly of underground miners but in 2021 membership expanded to better serve the entire site. The new recruits will further the team’s resiliency by bringing in different perspectives and expanding representation across the site.

Two of the new recruits are the only females on the team. There have been female team members in the past, but not for several years.

In early 2022, the Team welcomed a third female recruit.

“I have always been very interested in first response. Ever since I was a teenager, I wanted to be involved in high-pressure situations,” says Lisa Newman, an Electrician and Instrumentation Mechanic. “New Afton Fire & Mine Rescue 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 had not worked until now. She had to balance raising her family, obtaining her Red Seal certification and focusing on career development.

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

“I really appreciate the other members,” Roberts says. “They’re all very supportive. One of my favourite aspects of Fire & Mine Rescue is the camaraderie and teamwork—the members are always there to help.”



“New Afton lives by its values, one of them being teamwork. We work together as a team and resilience comes naturally through helping each other and overcoming any obstacles that are put before us.”

Carson Fraser
Fire & Mine Rescue Chief/Safety Advisor

Analysts Corner

Disclosures and Indices Tags

GRI 102-7, 102-8, 102-41, 401-103, 401-1, 402-103, 402-1, G4-MM4, 404-103, 404-1, 404-3, 407-1, EM-MM-310a.1, EM-MM-310a.2

UN SDGs

Goal 8



Target: 8.5

EMPLOYEE ENGAGEMENT

Our people are at the heart of everything we do. From equipment operators to environmental scientists, it is our people and teams that drive progress and allow us to reach our goals.

Attracting, recruiting and selecting the right talent is of critical importance to our continued success and to support a culture of empowering people for extraordinary performance. At New Gold, the protection of our people is fundamental to who we are as a company. Our engagement activities are guided by our People Strategy.

Management

Talent

Attracting the best talent and retaining our employees is critical to our success. We participate in annual compensation and benefit administration reviews to ensure that we are offering our employees salary and benefits that are competitive and aligned to the marketplace. Our recruitment and sourcing strategy also actively targets candidates that are representative of the communities that we live and work in.

Labour

New Gold strives to maintain compliance for all labour regulations across the Company. Operations follow local labour codes and comply with national legislation in respect to all material topics.

CSP is made up of 45 percent unionized employees. All unionized employees are covered

by collective bargaining agreements and notice and provisions for consultation are specified within each agreement.

To ensure transparency and timely communications, New Gold meets or exceeds minimum notice periods as specified by applicable employment standards. New Afton and Rainy River typically provide four weeks' notice for changes impacting employees.

Policies

At New Gold, we recognize the importance of ensuring that our policies align with changes in legislation. We conduct regular reviews of our company policies to ensure they meet the needs of our employees and are in alignment with best practices.

Our organization follows a modern approach to performance management which focuses on ongoing check-in conversations with shared ownership of performance, development and career.

Learning and Development

We are committed to ensuring that every employee has access to development and training, such as on-the-job training, coaching, developmental assignments, and access to professional memberships and conferences.

In 2021, we launched the following programs:

- **Values-in-Action** – a program introduced to recognize colleagues who exemplify New Gold values.
- **New Gold Academy** – an employee development series that focuses on building knowledge and understanding on topics related to our four Strategic Pillars.
- **The New Gold Leadership Contract** – a company-wide mandatory program introduced to help leaders understand the behaviours that demonstrate the values we share and how to put them into practice.
- **Schulich Program** – a program for managers to develop business acumen and leadership skills.
- **Ignite Women's Leadership Program** – a peer development program that helps women gain self-awareness and skills to grow their careers and proactively reach their highest level of potential.

Consistent with the prior year, there were no strikes or lockouts in 2021.



Chrystal Simon, Environmental Technician at New Afton

EMPLOYEE ENGAGEMENT CONTINUED

Training Hours (#) ²²								
	New Afton		Rainy River		Cerro San Pedro		Corporate ²³	
	2020	2021	2020	2021	2020	2021	2020	2021
Total	27,879	30,039	35,826	36,000	8,800	21,820	Not reported	40 ²⁴



“We believe that when employees feel they can be themselves and feel a strong sense of belonging, they are more connected and committed.”

Sharon Giraudel

Director, Human Resources, Corporate Head Office

²² New Afton, Rainy River and CSP provided as total hours, not average or broken down by gender.

²³ CSP, New Afton, Corporate; not broken down by gender and employee category.

²⁴ Corporate hours represent an average per employee and hours are an estimate. Average varies by employee job level and does not include self-service type training such as review of policies for onboarding or annual compliance process.

Initiatives and Stories

Employee Recognition Program Launch

New Gold's Values in Action Employee Recognition Program allows employees to recognize colleagues when they go above and beyond at work. From implementing significant safety improvements to identifying operational efficiencies or stepping up to solve a problem, values-based contributions by New Gold team members strengthen our culture and support our overall success.

The program awards employees for their initiatives through a Values in Action Award or eCard to show appreciation for a job well done. Through an online platform, employees can nominate teammates by sharing details about their actions. The platform then suggests an award level of Gold, Copper or Silver, each with its own corresponding points value. When the nomination is approved, the employee receives the points and can then redeem them for items in our online gift catalogue.

New Afton Employee Engagement Committee

The Employee Engagement Committee (EEC) consists of nine elected representatives from all operational departments, New Afton's General Manager, HR Manager, and HR and Community Assistant.

The EEC meets quarterly to discuss topics that members have collected from their departments. In the past year, the EEC has been instrumental in

- bringing vending machines to site
- creating wellness days
- creating an employee business board to encourage supporting local
- brainstorming plans for our 10-year anniversary celebration

Colours for a Cause at Rainy River

Colours for a Cause is an employee awareness campaign that Rainy River launched in 2021. The initiative is focused on sharing information and creating awareness around important health, wellness and social causes. New Gold is proud to be part of the communities in which we operate; as such, this campaign is focused on providing our employees awareness, information and resources that are specific to Rainy River's region in Northwestern Ontario.



L-R: Peter Prochotsky, Mine Manager, Jill Tsolinas, CTEM

New Afton Recognized With CTEM Award

The BC Centre of Training Excellence in Mining (CTEM) has recognized New Gold's New Afton Mine for its innovation in training the workforce for today and tomorrow.

This 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.

Through a blend of classroom theory and hands-on experience, participants were given an opportunity to develop practical skills and enhance workplace safety. The training was validated through the Mining Industry Human Resource Council's Canadian Mining Certification Program. The program was delivered in collaboration between New Afton and TRU.

EMPLOYEE ENGAGEMENT CONTINUED

Our Demographics

EMPLOYEE BREAKDOWN – COMPANY-WIDE			
Employment Contract, by Gender (#)	Male	Female	
Casual	2	3	
Full-time permanent ²⁵	1,255	238	
Full-time temporary	56	14	
Temporary, hourly	0	1	
Employment Contract, by Region (#)	New Afton	Rainy River	Corporate
Casual	0	5	0
Full-time permanent ²⁶	602	809	36
Full-time temporary	41	29	0
Temporary, hourly	0	1	0

As of December 31, 2021; includes active and inactive employees.

EMPLOYMENT ²²								
	New Afton		Rainy River		Cerro San Pedro		Corporate	
	2020	2021	2020	2021	2020	2021	2020	2021
New Hires (#)								
Men	106	116	138	154	14	1	3	3
Women	25	28	42	47	11	1	5	2
<30 years old	56	61	81	85	16	0	4	2
30–50 years old	69	72	70	87	8	1	2	2
>50 years old	6	11	29	29	1	1	2	1
Total number of employees joining the organization	131	144	180	201	25	2	8	5
Turnover (#)								
Men	34	60	144	156	12	31	2	3
Women	9	17	34	43	7	28	4	3
<30 years old	18	32	56	68	3	7	0	1
30–50 years old	16	32	60	93	13	41	3	3
>50 years old	9	13	32	38	3	11	3	2
Total number of employees leaving employment	43	77	148	199	19	59	6	6

As of December 31, 2021

²⁵ Corporate, New Afton and Rainy River only; CSP not tracked through Corporate SAP.

²⁶ New Afton, Rainy River and CSP figures are based on tracking through site payroll. Corporate figures are based on tracking through SAP.

Analysts Corner

Disclosures and Indices Tags

GRI 403-103, 403-1, 403-2, 403-3, 403-4, 403-5, 403-7, 403-8, 403-9, 403-10, EM-MM-320a.1

UN SDGs

Goal 3



Targets: 3.4, 3.9

OCCUPATIONAL HEALTH AND SAFETY

The health, safety and well-being of our people is our top priority and an integral part of our culture. We place a strong emphasis on safety training and development and maintain an ongoing goal of zero harm to people through our commitment to the prevention of occupational injuries and illnesses.

In 2021, we were faced with the hardest event any company can go through—a fatality of one of our contractors. On February 2, 2021, we lost Raymond Rosenberg, a co-worker, friend and acquaintance. This tragic incident directly and indirectly affected many people on site and in the community. While this event happened a year ago, it is still at the forefront of our minds.

Throughout 2021, we continued to improve health and safety activities and strengthen the skills and training of our emergency mine rescue team in light of this event.

Management

Policy and Industry Protocol

Health and safety is critical to our business and we are committed to the health and well-being of our people and external stakeholders. We are vigilant in our efforts to “do what is right,” and strive for continuous improvement of our health and safety programs.

Our Safety and Sustainability Policy outlines our commitment to promoting and protecting the well-being of our employees through safety-first work practices and a culture of safety excellence.

Protecting the health and safety of employees, contractors and communities is deeply ingrained in the culture of the Canadian mining industry. We adhere to MAC TSM’s Safety and Health Protocol, of which New Afton achieved AAA scores on four of five indicators through its 2021 external verification and Rainy River reported at least level A on all five indicators through its 2020 self-assessment. Both sites also adhere to MAC’s Crisis Management and Communications Planning Protocol.



Learn more about the TSM Safety and Health Protocol >

Management Systems

As required by many of the regulations and initiatives we subscribe to,²⁷ and to enhance our management approach, each of our sites implements an Occupational Health and Safety Management System. The systems apply to all New Gold employees and contractors, and we empower all workers to take ownership of keeping each other safe.

New Gold takes a risk-based approach to our Health and Safety programs. Each site conducts health and safety risk assessments, such as

field level risk assessments (e.g., five-point safety cards), job hazard assessments (JHA), risk assessments during pre-shift meetings and more. A company-wide registry is used to track material health and safety risks identified in each assessment. Further, job safety observations and inspections ensure that workers are conducting tasks safely and provide an opportunity to identify and correct unsafe conditions. The management review process includes monthly, quarterly and annual reviews.

Risk registers are reviewed by management teams at least annually and following any significant incidents, near-misses or observations.

Once risks are identified, New Gold develops prevention and mitigation controls to manage them in line with incident reporting, investigation and corrective action processes. We implement a hierarchy of controls, including engineering controls, personal protective equipment, standard operating procedures and training relevant to roles—all of which are continually monitored for effectiveness.

Employee Engagement

Employee engagement is a critical step in developing a strong health and safety culture. Employees have many opportunities to share safety moments, raise awareness at toolbox talks, and participate in the site’s Joint Occupational Health and Safety Committee (JOHSC), Rainy River and New Afton, and the Safety and Hygiene Commission at CSP. Members play an important role in the development and review of risk registers, regular performance monitoring and continual improvement of systems. The responsibilities and authorities of these groups are governed by their respective terms of reference.

Meeting frequency and requirements are conducted in accordance with local procedures and regulatory requirements.

Training

We provide a mix of general and specific training opportunities for our employees to ensure they have the competency and resources to do their jobs safely and effectively. All employees and contractors receive general induction training at a minimum. Training varies across operations and is based on job descriptions, job hazard analyses and competency frameworks. For example, we ensure our employees have appropriate training for confined space, fall protection, mobile elevating work platforms, overhead cranes, first aid, specific equipment use, and explosives transport, as well as mine supervisor certification.

Training matrices allow sites to track development and identify gaps. Internal and external audits allow us to monitor the effectiveness of our programs. Rainy River also implements a supervisory competency program that guides managers to engage with their teams and increase trust, care, respect and collaboration—all critical aspects of a robust safety culture.

Monitoring and Review

Our systems track a balance of leading and lagging indicators to gauge the effectiveness of our controls and risk hazard awareness. We measure company-wide performance and safety objectives quarterly. Each site uses incident reporting and investigation procedures for employees and contractors. Regular safety talks provide additional opportunities to communicate observations or questions. We promote an open-door policy to foster communication among team members and create a culture of risk analysis. As part of the

²⁷ ISO 45001, OHAS 18001, MAC TSM Safety and Health Protocol, Canadian Standards Association (CSA) Z45001, Ontario Occupational Health and Safety Act, Certificate of Recognition (COR) certification program, WorkSafe BC, Health, Safety and Reclamation Code for Mines in BC, American Conference of Governmental Industrial Hygienists (ACGIH) and others, as applicable.

OCCUPATIONAL HEALTH AND SAFETY CONTINUED

induction process, all employees are taught about their three rights: the right to know, the right to participate and the right to refuse unsafe work. All employees have a stop work authority and the right to refuse unsafe work.

Employee Health

We work hard to provide the services and supports required for a healthy and safe workplace across all sites.

New Gold complies with legal requirements and recognized standards for workplace health and safety, including workers' rights to privacy. Where services are not offered at the worksite, transportation is provided.

New Afton and Rainy River provide health and safety advisors, nurses, first responders and access to online doctors and physiotherapists. Rainy River also has a medical facility that is accessible 24/7.

CSP has an internal medical service involved in safety inspections, safety talks and risk assessments, and employees have access to the Mexican Social Security Institute—an integral part of the Mexican health care system.

Our approach to employee health monitoring includes medical surveillance programs, hearing conservation and audiometric testing, sampling airborne agents, and flu and virus vaccination programs. In 2021, there were no fatalities, but one case of recordable work-related ill health resulting from an employee contracting COVID-19.

Our Performance

Risk assessment processes identified the following possible fatal risks at our sites: working at heights, confined space, energy isolation, safe operation of equipment, safe mechanical lifting, fit for duty, authorization of work, bypassing safety controls, unsupported ground and line of fire.

WORK-RELATED INJURIES (EMPLOYEES) ^{28, 33}								
	New Afton		Rainy River		Cerro San Pedro ²⁹		Company Performance	
	2020	2021	2020	2021	2020	2021	2020	2021
Fatalities (#)	0	0	0	0	0	0	Not reported	0
Recordable (#)	5	11	6	13	0	0	Not reported	24
Near-miss frequency rate ³⁰	13.8	14.1	5.4	5.1	49.1	1.3	Not reported	8.1
Hours worked (#)	1,042,931	1,101,092	1,747,396	1,764,294	297,368	207,897	Not reported	3,073,283

WORK-RELATED INJURIES (CONTRACTORS) ³¹								
	New Afton		Rainy River		Cerro San Pedro ³¹		Company Performance	
	2020	2021	2020	2021	2020	2021	2020	2021
Fatalities (#)	0	1	0	0	0	0	Not reported	1
Recordable (#)	0	9	1	6	0	0	Not reported	15
Hours worked (#)	399,404	595,039	703,026	593,603	124,928	220,919	Not reported	1,409,561

SAFETY – COMPANY-WIDE		
	2020	2021
Workforce covered by OHS management system (%)	100%	100%
Workforce represented by JOHSC (#)	27	44 ³²
Total recordable injury frequency rate	1.16	1.73
Lost time injuries (#)	0	6
Fatal injuries (#)	0	1
Occupational illness frequency rate	Not reported	0.04
Accident severity rate	32.98	47.08

²⁸ The main types of work-related injuries included first aid injuries (FAI), medical treatment injuries (MTI), and restricted duties injuries (RDI).

²⁹ CSP information is based on hours tracked by Corporate from January 1, 2021, to July 30, 2021.

³⁰ Calculations are based on employee and contractor hours combined.

³¹ The main types of work-related injuries included FAI, MTI and RDI.

³² Includes New Afton (10), Rainy River (16) and CSP (18).

³³ Data not available for high-consequence work-related injuries. Data not broken out between contractors and employees.

OCCUPATIONAL HEALTH AND SAFETY CONTINUED

Initiatives and Stories

New Afton's Life Saving Behaviours

New Afton's goal is for everyone to go home without injury. To achieve this, the site actively promotes 10 Life Saving Behaviours that all staff prioritize to prevent serious injury and strengthen safety culture.

The safety awareness program was launched in March 2021. It creates a common understanding among employees to look for hazards and risks, be mindful and alert to potential threats, know what to do prior to starting a task, and be open to learning.

Each behaviour was selected with consideration to WorkSafe BC fatality categories for heavy industry in Western Canada.

CSP Achieves One Year Without Injury Accidents

At the end of December, CSP achieved one year without accidents causing injury. This achievement is the result of teamwork and the individual efforts of our employees and contractors.

The last incident of this type was on December 28, 2020. Since then, our employees have shown a dedication to strengthening safety culture. Despite the challenges of mine closure activities, employees have been able to return home safe and sound everyday thanks to their commitment to workplace safety.

We are proud of this achievement and the hard work of our team. Looking ahead, we will continue to strive for the "Zero Injury Safety Culture" that we accomplished together in 2021.



Employees at CSP



Jakub Sisak, Senior GIS Analyst, Aldie Sabalones, COVID Lab Tech at Rainy River



Keeping Our Employees and Community Safe Through COVID-19

COVID-19 has greatly impacted our lives. Throughout the pandemic, Rainy River has worked to minimize impacts and protect our people and communities through on-site testing.

With a more in-depth understanding of COVID-19, and increased testing supplies and capabilities, our safety protocols have evolved at site to ensure adherence to public health and government guidance.

Rainy River first began testing non-local employees and contractors in August 2020.

Testing was expanded to all employees and contractors staying at Atkinson Camp as well as the staff who work there.

At the beginning of May 2021, New Gold began testing all employees at the mine site on the first day of their rotation. Additional testing also occurred based on a daily screening questionnaire. The increase in testing allowed Rainy River to respond to issues in a timely manner, representing an important step in keeping the site safe.

The extent of testing was made possible due to an increase in COVID-19 testing staff. As of October we had seven contract employees dedicated to COVID-19 testing, processing and assessing. The team worked to ensure all employees and contractors arriving on site felt confident and safe. Assessments were made available for employees and contractors for 16 hours each day. Together, we continue to keep employees and the community safe.

New Afton Fire & Mine Rescue

Fire and mine rescue teams are an essential part of our operations. New Afton Fire & Mine Rescue has frequently been recognized as one of the best teams in Canada, consisting of 45 members trained to the National Fire Protection Association standard—a gold standard in firefighting training.

In 2017, the team won the National Western Region Mine Rescue competition and in 2019 the Chief Inspector's Award for Exemplary Fire and Mine Rescue Service. In 2021 the team experienced an active year of events, and showed up every time, putting their skills to the test and building resilience.

On February 2, 2021, we experienced the fatality of one of our contractors. New Afton Fire & Mine Rescue were the first responders on the scene for the recovery mission. The team was also present for the days post-incident, working closely with other first responders.

In the summer, British Columbia faced one of the worst fire seasons the province had ever seen. The team provided front-line and preventive support for several communities in the region, as well as taking a proactive approach to fire prevention on site.

As Lisa Newman shares, "Resilience to me means striving every day to become more confident, competent and build the character and coping skills to overcome the adversities and challenges I approach. Achieving resilience means hard work and lifelong learnings. We must surround ourselves with people that strive for excellence. People who not only inspire us, but who push us. The resilience of a strong team is a beautiful thing to experience."



In 2021, New Afton Fire & Mine Rescue showed exemplary resilience and we are proud of the women and men who serve on this important team.



Carson Fraser, Fire & Mine Rescue Chief/Safety Advisor at New Afton

Analysts Corner

Disclosures and Indices Tags

GRI 401-2, 401-3, 403-103, 403-6

UN SDGs

Goal 3



Targets: 3.4, 3.9

Goal 8



Target: 8.5

EMPLOYEE WELL-BEING

Health and safety has always been a priority for New Gold and the pandemic has broadened our scope by emphasizing the importance of mental health and well-being in the workplace.

Job loss, government-mandated lockdowns and social distancing have significantly impacted mental health around the world. Now in the third year of the pandemic, there has been a particular focus on mental health and health-related benefits as we move forward following the crises of 2020 and 2021.

Management

While physical health and safety are critically important, we recognize our responsibility to support our employees' emotional and mental well-being so that they can bring their best selves to work.

Health and Wellness Programs

We offer various health and wellness benefits, including employee assistance plans, mental health assistance, counseling and health spending accounts. Through the Lifeworks Employee Assistance Program, full-service confidential support is available to employees and their dependents 24/7, with a range of resources to support life, family, health, work and financial issues. Sites also offer various non-occupational medical and health care services.

At Rainy River, employees have access to New Gold's medical facility for consultation of non-work-related medical conditions. Rainy River promotes an initiative called "You Know Your Numbers", which allows employees to monitor key health metrics

such as cholesterol and glucose levels. Return to work programs are also in place to support injured employees' recovery and healing.

At CSP, medical service staff are equipped with the necessary supplies for medical, health care and emergencies for all workers and contractors.

Across the Company, we provide medical surveillance and well-being programs, such as hearing conservation and audio metric testing and vaccination programs. See our COVID-19 Response section for more details on preventive measures during the pandemic.

Benefits

New Gold provides extended benefits to support employee health and well-being. Examples of benefits packages offered to our full-time, permanent employees include³⁴

- life insurance
- health and dental benefits
- short-term and long-term disability
- employee and spousal life insurance
- employee critical illness
- vacation leave
- registered retirement savings plan matching program

Temporary employees are also provided with medical and dental benefits.



Brian Smit, Underground Miner at New Afton

³⁴ Benefits are in accordance with regulatory requirements, as applicable.

EMPLOYEE WELL-BEING CONTINUED

Our Performance

Parental leave is offered to all employees. New Gold's Pregnancy and Parental Leave Policy details the support our employees receive while on leave. In 2021, New Gold had 14 female and 19 male employees take parental leave company-wide.



PARENTAL LEAVE								
	New Afton		Rainy River		Cerro San Pedro		Corporate	
	2020	2021	2020	2021	2020	2021	2020	2021
Entitled to parental leave (#)								
Men	456	515	707	147	108	67	21	20
Women	72	89	130	54	33	26	20	16
Total	528	604	837	201	141	93	41	36
Took parental leave (#)								
Men	6	4	10	11	4	4	0	0
Women	6	4	7	9	3	0	2	1
Total	12	8	17	20	7	4	2	1
Employees that returned to work (#)								
Men	6	4	10	11	3	4	0	0
Women	3 ³⁵	2	5	9	4	0	1	4 ³⁶
Total	9	6 ³⁷	15	20	7	4	1	4
Employees that returned to work and were still employed for 12 months (#)								
Men	6	5	9	11	4	4	0	0
Women	3	3	4	9	3	0	1	2
Total	9	8	13	20	7	4	1	2
Return to work retention rates (%)								
Men	100%	83%	90%	100%	100%	100%	N/A	N/A
Women	100%	100%	57%	100%	100%	N/A	100%	50%

As of December 31, 2021

³⁵ Three employees remained on leave.

³⁶ Four female employees returned from mat leave in 2021. They went on mat leave in 2020 or 2019.

³⁷ Two employees are still on leave.

Initiatives and Stories

Rainy River's "Not Myself Today" Program

As we enter year three of the pandemic, employees have adapted to changes at work with additional personal protective equipment, testing and screening for COVID-19 symptoms, physical distancing, travel restrictions, self-monitoring and managing work-life balance. Given these challenges, Rainy River teamed up with the Canadian Mental Health Association to offer the Not Myself Today Program for employees.

The goal of the program is to encourage employees and families to use the tools available to improve their own mental health and build empathy and understanding toward those living with mental illnesses.

In early 2021, a team of program ambassadors began rolling out awareness and training modules. Each month focuses on a specific module, such as Stress Less, Depression and Managing your Mood, Practicing Positivity and Drug Awareness and Talking Openly.



Raylene Smith, Mill Operator at Rainy River

Governance

IN THIS SECTION

Environment and Social Compliance

Good governance is central to executing our Sustainability Strategy and to delivering on New Gold’s four Strategic Pillars. Our comprehensive suite of corporate policies promote and guide the ethical behaviour and accountability of our employees, the compliance and transparency of our operations and communications, and the safety, well-being and rights of all people impacted by our business.



“The greatest challenge and opportunity in mining relating to governance is moving beyond assessments and measurements, and taking real action to proactively make changes and improve.”

Patricia Good
Legal Counsel, Corporate Head Office

Analysts Corner

Disclosures and Indices Tags

GRI 307-103, 307-1, 419-103, 419-1,
EM-MM-160a.1

ENVIRONMENT AND SOCIAL COMPLIANCE

We are committed to establishing site operating standards and procedures that enable best practices and work toward operational excellence.

Standards and procedures are designed to meet or exceed relevant laws and regulations and fulfill New Gold's commitments to environmental management, social management and mine closure.

Management

Statutory and Regulatory Requirements

New Gold's mining, exploration and development activities are subject to various federal, provincial, state, county and municipal laws and regulations relating to the protection of the environment, including requirements for closure and reclamation of mining properties.

In all jurisdictions where New Gold operates, specific statutory and regulatory requirements and standards must be met throughout the exploration, development and operations stages of a mining property regarding air quality, water quality, fisheries and wildlife protection, solid and hazardous waste management and disposal, noise, land use, and reclamation.

We are vigilant about compliance and ensure any non-compliance is remediated swiftly.

Management Systems

New Afton implemented an Environment and Social Responsibility Policy and comprehensive ISO 14001:2015 certified management system. The site's environmental management system was recertified in 2020 and an external surveillance

audit was conducted in 2021. CSP's ISO 14001:2015 management system continued to drive its environmental program in 2021. Rainy River implemented an environmental management system, which incorporates ISO 14001 criteria. The system will undergo an implementation audit by the end of 2022. Rainy River's management plans and programs consist of an operations, maintenance and surveillance manual, environmental effects monitoring program, biological monitoring plan, surface water flow monitoring plan, contingency plans, geochemical monitoring plan, groundwater monitoring program and sampling protocol. Management plans are designed by discipline, permit and approval conditions.

In 2021, a universal permitting database was developed to provide greater oversight from the Corporate Head Office around permitting requirements, amendments, renewals or any delays in receiving permits.

Our Performance

Water management ponds (WMPs) exist downstream of the Historic Afton TSF (HATSF). The WMPs have not been pumped back since HATSF operations ceased (in the 1990's), nor were there any requirement for pump-back when New Afton took ownership of the HATSF in 2017. In 2021, the Ministry of Energy, Mines and Low Carbon Innovation (EMLI) imposed a condition to implement

a pump-back system, as part of the B3 permitting process, by December 31, 2021. Through subsequent discussions with EMLI, New Afton received an order to implement and commission an interim pump-back system by April 31, 2022, which is underway. New Afton intends to construct and commission a permanent system by year end. In 2020, Rainy River received a notice of non-compliance from the Impact Assessment Agency of Canada (IAAC) that is still active in 2021 as field work was performed to complete an engineered solution. In 2022, New Gold is addressing this by constructing a 1-metre compacted engineered liner in the Stockpile Pond to minimize water loss and maximize fish habitat in the pond and associated diversion. This solution

will also maximize fish passage from the Stockpile Pond headwaters to the Pinewood River and, eventually, the Rainy River.

In 2021, there were no significant environmental or social and economic fines or non-monetary sanctions. Any issues raised by communities are addressed through IBA dispute resolution mechanisms and the Joint Implementation Committee (JIC) process. There was one case brought through dispute resolution mechanisms in 2021.

We experienced two reportable spills in 2021, down from 10 in 2020.



“From COVID-19 variants to the residential school discoveries and extreme weather events, 2021 was a year of challenges. Our workload was high but the whole site came together in an effort to extend the mine life with B3 and C-Zone development, thickener plant construction, permitting efforts and signing a new Cooperation Agreement with our Indigenous partners.”

Luke Holdstock

Acting Manager, Environment, Lands and Permitting, New Afton

ENVIRONMENT AND SOCIAL COMPLIANCE CONTINUED

Initiatives and Stories

Amended Permit Will Take New Afton Into the Next Phase

In Q2 of 2021, New Afton received both the Mines Act permit amendment to M-229 (May 21) and the Environmental Management Act permit amendment to 100224 (June 30). These updated permits allow for the mining of the B3 ore body, TAT deposition to the Historic Afton Open Pit and stabilization and dewatering activities for the New Afton TSF.

These approvals come after months of effort by many consultants and employees from departments across the site. Pre-engagement for the amendments started two years ago, with rigorous engagement for the last year and a half.

“There was a lot of engagement with First Nations, the government and neighbouring stakeholders,” said Luke Holdstock, Acting Manager, Environment, Lands and Permitting at New Afton Mine. “B3 Permitting allows us to thicken and amend tailings and then put that into the historic pit. It was quite a substantial permit to have received.”

The amendment process required engagement with regulators on geotechnical, geoscience, reclamation and closure plan details to ensure risks are adequately mitigated.

A significant amount of time was also spent with partners from SIB, TteS and SSN, the Nlaka’pamux Nation Tribal Council (NNTC) and other interested local stakeholders to ensure environmental, traditional and safety values were recognized and managed effectively.

This amended permit will allow B3 mining through to 2024, while setting New Afton up for success for the rest of C-Zone mine life with the approval for TAT deposition to the Historic Afton Open Pit.

“This is ideal,” Holdstock said. “It is better to keep tailings deposition in the existing historic pit versus putting it somewhere new. We are utilizing this historic infrastructure instead of green field construction.”

Every new permit approval is an achievement based on the support of the entire site and truly is a representation of the hard work put in by all employees.




A significant amount of time was also spent with partners from SIB, TteS, SSN and NNTC and other interested local stakeholders to ensure environmental, traditional and safety values were recognized and managed effectively.

POLICIES

Policy	Description	Location
Anti-bribery and Anti-corruption	Ensures compliance with Canada's Corruption of Foreign Public Officials Act, the U.S. Foreign Corrupt Practices Act, and other applicable anti-bribery and anti-corruption laws.	Website
Anti-racism	Seeks to eliminate mistreatment of people based on their ancestry, race, colour, sexual orientation, citizenship, ethnic origin, faith and place of origin.	Internal
Board Guidelines on Term Limits, Retirement, Over-boarding and Board Interlocks	Provides guidance on succession planning and diligently managing potential conflicts of interest between directors and the Company. Sets out general principles to approach limitations on the terms of directors and the membership of directors on the boards of other companies.	Internal
Board Shareholder Communication and Engagement	Ensures informed dialogue and transparency with shareholders.	Website
Code of Business Conduct and Ethics	Promotes guidelines for ethical conduct, transparent disclosure, and compliance with applicable laws, regulations, and codes inside and outside of New Gold.	Website
Corporate Diversity	Outlines New Gold's policy with respect to diversity on its Board of Directors and senior management.	Internal
Diversity, Equity and Inclusion	Outlines the organization's expectations when it comes to diversity, equity and inclusion.	Internal
Education and Tuition	Guidelines concerning the approval process and the provisions around financial support regarding employee development.	Internal
Employee Privacy	Outlines New Gold's practices for collecting, using and disclosing employee personal information. It is subject to the provisions of applicable privacy laws and does not seek to replace or override those laws.	Website
Executive Compensation Clawback	Sets guidelines for executive compensation and for the potential recovery of compensation paid to executives in the event of misconduct or the restatement of financial statements.	Internal
Flexible Work Arrangements	Provides key information about scheduling options to support employees' work arrangement preferences.	Internal
Human Rights	Supports New Gold's commitment to human rights, labour, environment and anti-corruption in all its business operations.	Website
Pregnancy/Parental Leave	Outlines entitlement of employees relating to pregnancy leave and/or parental leave.	Internal

POLICIES CONTINUED

Policy	Description	Location
Recruitment – New Hires General	Outlines and communicates key information relating to New Gold’s hiring practices.	Internal
Respectful Workplace	Provides guidance for ensuring a workplace free from discrimination, bullying, harassment and violence.	Internal
Say On Pay	Provides guidance for an annual shareholder advisory vote on executive compensation.	Internal
Sustainability and Safety	Sets goals for health, safety and sustainability, including environmental stewardship, community development, Indigenous engagement, and community health and well-being.	Internal
Whistleblower	Provides protection for all directors, officers, contractors and employees who report actual or suspected violations of New Gold’s Code of Business Conduct and Ethics.	 Website

Please note this is not an exhaustive list of the policies or corporate governance documents maintained by New Gold.

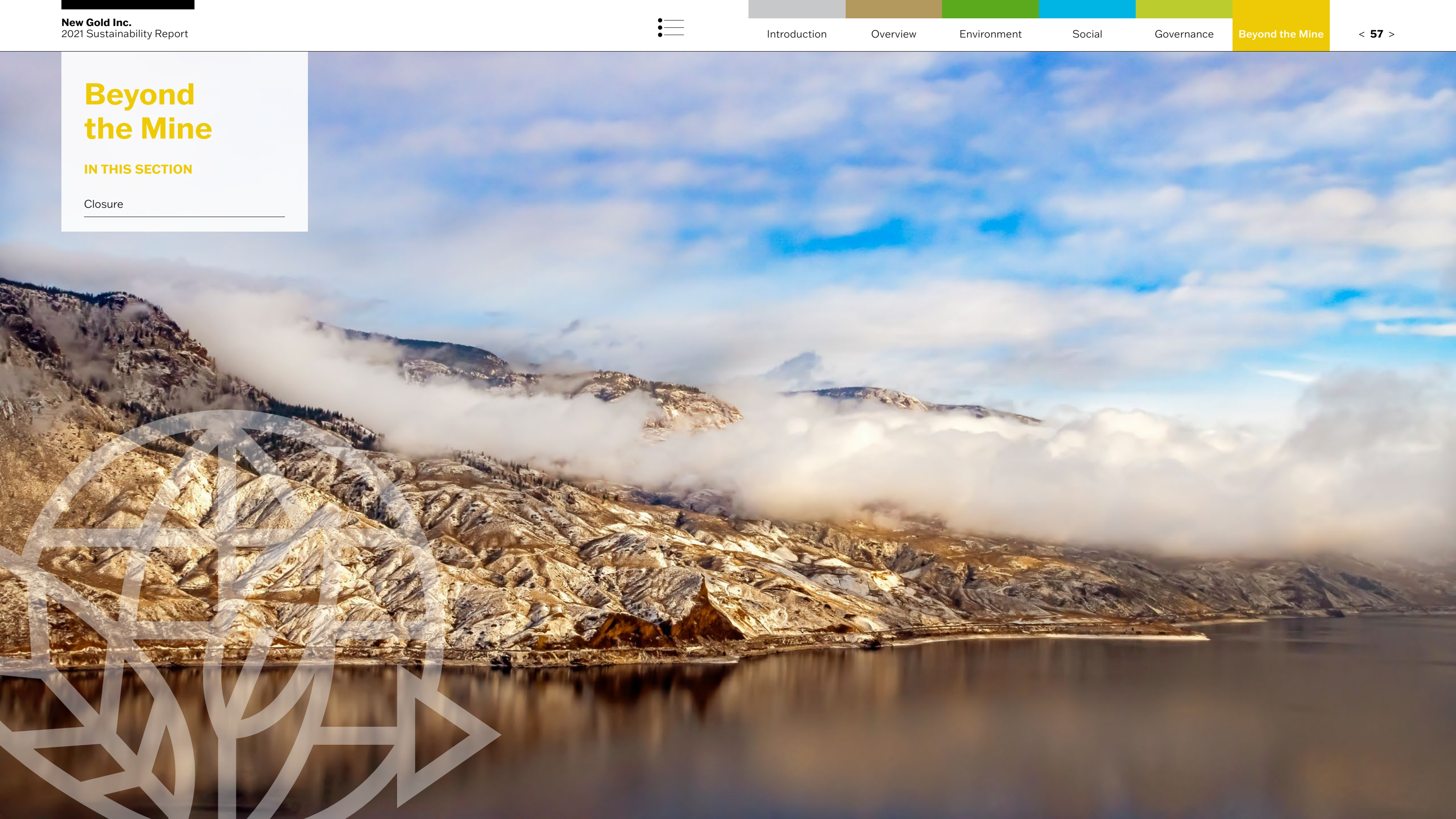

[Learn more about all our public policies >](#)



Beyond the Mine

IN THIS SECTION

[Closure](#)



Analysts Corner

Disclosures and Indices Tags

G4-MM10

Sustainability Anchors

Environment



CLOSURE

We remain committed to responsible mine closure at all our sites, looking beyond compliance and finding innovative ways to restore lands to pre-mining conditions and support communities as they plan for long-term economic development through closure.

Management

Through our materiality assessment, the social aspect of mine closure was a key consideration for our internal stakeholders. Mine closure requirements typically focus on environmental impacts, remediation and land use; however, we see the process of developing closure plans evolving to maintain or improve the well-being and social balance of communities of interest affected by mining operations.

We understand that, although our operations may be finished, the impact of those operations will be felt long after our gates are closed. Since our operations offer significant job opportunities and economic benefits in these areas, understanding and mitigating the impact of closure is of utmost importance.

Biophysical and Social Closure Plans

As required by regulation and guided by our Core Values, we continue to develop, implement and annually review mine closure plans for each site.

Although our biophysical closure plans have been developed from the beginning of construction, our social closure plans are developed throughout production to ensure they capture the most material opportunities for value creation.

Our plans comply with regulations, promote active reclamation and adequately prepare for transition from operations to closure to consider environmental and social aspects. Further, as a MAC member, we commit to the TSM Mine Closure Framework, which encourages companies to help communities plan for long-term economic development and incorporate community values into reclamation objectives.

New Afton

New Afton's current life of mine ends in 2030 and, while ongoing exploration could potentially extend the mine life, we recognize that a comprehensive social plan takes time. By collaborating early in the process, New Gold's Beyond New Afton Project aims to minimize the negative impacts on people and communities who are connected to the operation. New Afton's social closure plan is expected to be complete by 2024.

New Afton updated its biophysical closure plan in 2021 to support the next phase of mining with the C-Zone application.

Rainy River

Rainy River's current life of mine extends to 2031. The site advances the development of the Intrepid underground zone, targeting initial production in the second half of 2022. In 2020, Rainy River

began progressive reclamation on the lower lift of the east mine rock stockpile and continued these efforts in 2021.

The site also reclaimed other areas to recreate local bird habitat as well as hydroseeding. Rainy River developed its scope of work for its social closure plan in 2021 and expects to begin activities in 2022.

Cerro San Pedro

CSP continues to advance the final phases of the biophysical closure plan while working closely with stakeholders and the local community. In early 2021, CSP supported the restoration of a 18th century church in the town of Cerro de San Pedro—a culturally significant project for New Gold and the community.

Our Performance

All of our sites have closure plans in place.

Tyne Roberts, Junior Environmental Scientist at New Afton



CLOSURE CONTINUED

Initiatives and Stories

Beyond New Afton Project

In 2021, New Afton launched the BNA Committee. The BNA Committee was formed to connect with employees and COI groups and collect their input around potential impacts of the anticipated closure in 2030. Membership includes one representative from SSN.

While the current anticipated mine life is 2030, New Gold continues to explore opportunities to extend the mine life. New Afton recognizes that building a comprehensive plan to reduce social impacts takes time, so this early launch will allow the BNA Committee to gather feedback and engage community to help build a plan.

This is a proactive approach and follows New Gold's Core Values, one of which is integrity—do what is right. The BNA Committee is requesting ongoing input in the form of surveys available to employees, COI groups and the public. As of December 31, 2021, 65 percent of New Afton employees answered the survey to indicate concerns and identify future career plans. We also held a roundtable with non-profit organizations in the community who benefit from New Afton's sponsorship and donation program.

"Our Beyond New Afton Project is meant to help minimize the negative impacts of the closure process on people and communities by collaborating early on in the process through sharing their insights and ideas in the Beyond New Afton survey," said Korah De Walt, Indigenous Relations and Community Superintendent.

The Beyond New Afton Project is set to be completed by 2024 to complement the biophysical closure plan.



Employees at CSP

CSP Declared "Cyanide-Free Site" Under the International Code for the Management of Cyanide

CSP is the first mine in the world to have completed the decommissioning process of its heap leach facility using cyanide under the International Cyanide Management Institute (ICMI) standard. ICMI announced that New Gold's CSP site has been decommissioned in accordance with the International Cyanide Management Code, and the mine has been removed from the Cyanide Code program.

The Cyanide Code is an international, voluntary industrial program focused on the safe and environmentally responsible handling of cyanide by gold and/or silver producing companies and companies that manufacture, store and transport cyanide.

CSP was initially certified in compliance with the Cyanide Code in June 2014 and was recertified in October 2017. Now closed, the mine has been rigorously audited under the ICMI Verification Protocol by an independent, external auditor. ICMI verified that the site no longer represents any risk; therefore, the Cyanide Code is no longer applicable.

CSP's standing as a cyanide-free site demonstrates its strong commitment to our people, local communities and the environment.

Completing Remediation Works in Terrero Patio Victoria

CSP successfully concluded the remediation of a historical mining liabilities project at the Victoria Landfill site. These mining liabilities are a result of the ASARCO Metallurgical Mining Company operations between 1930 and 1950. As part of the Comprehensive, Inclusive and Participatory Mine Closure Plan, CSP undertook the remediation of the site for the benefit of the local community.

The first stage of the remediation began in 2016 and involved transporting mining liabilities to the Integral Controlled Unit cell within the mine facilities and depositing them in layers of different thicknesses.

A multilayer roof system was designed for the embankment area and vegetative cover was added in the low slope area, as well as grass and hydroseeding in the high slope area. To enhance rehabilitation success, plant species from the new site were used.

Through this work, CSP created an environmental conservation area (the slope) and a potential parking lot for the future (the embankment). Throughout the project we avoided the dispersion of soil with high metal content and worked to minimize exposure and risk to people and the environment.





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