



Forging the Path Forward

Environmental Report | 2022

newgold™



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Cautionary Note Regarding Forward-looking Statements

New Gold Inc.'s ("New Gold" or the "Company") 2022 ESG Report, finalized as of June 16th, 2023 and certain information contained in this 2022 ESG Report, including any information relating to New Gold's future financial or operating performance are "forward looking". All statements in this 2022 ESG 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 2022 ESG Report include among others, statements with respect to: New Gold's commitment to the environment and surrounding communities; projected potential of the Intrepid underground zone; projected mining of first ore from the C-Zone and the timing thereof; planned activities and focus areas as well as the timing thereof at the Rainy River mine and New Afton mine, including planned development and exploration activities and related expenses; projected life of mine for Rainy River and New Afton and the potential extension thereof; the Company's sustainability strategy goals and intended timing thereof; New Gold's current approach to ESG reporting and intended approach moving forward; intended UN SDG targets and planned progress towards UN SDG goals; the Company's environmental commitments, including GHG reduction commitment and intended pursuit of reduction opportunities; planned updating of the TCFD Report in 2023; planned mapping of Scope 3 GHG emissions; intended increase in reclamation efforts over time; the Company's aims for mine closure planning; the potential extension of New Afton's Life of Mine plan; timing expectations for the completion of New Afton closure plans, including the Beyond New Afton Plan; the continued progression and consultation program relating to the Beyond Rainy River Plan; the Company's tailing management practices, including post-closure practices and strategies, and the continued review and improvement thereof; planned upcoming dam safety reviews; expected lower overall water consumption at New Afton; the continued improvement of site practices as it relates to tailings management and otherwise; intended use of New Afton's water balance model; the planned update to Rainy River's water balance model; goals and anticipated benefits surrounding community engagement, human capital and Indigenous rights; plans to expand the Assertiveness for Women in Business pilot project in 2023; the Company's learning and development opportunities for employees; the completion of a permanent pump-back system at New Afton by year end; potential opportunities for New Gold to reduce GHG emissions; New Gold's climate change and action commitments, intended next steps and the timing thereof; anticipated impacts on operations as a result of climate change; the Company's Indigenous rights commitments, intended next steps and the timing thereof; the Company's commitments to tailings management and proposed methods for improving practices, and the timing thereof; the Company's commitment to water management, intended next steps and the timing thereof; and anticipated changes in the way the Company operates in response to climate change. All forward-looking statements in this 2022 ESG 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 2022 ESG Report, New Gold's annual and quarterly management's discussion and analysis ("MD&A") and its other publicly filed documents available 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 2022 ESG 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 2023 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 material disruption to the Company's supply chains and workforce at either the Rainy River Mine or New Afton Mine due to cases of COVID-19 or otherwise that would interfere with the Company's anticipated course of action at its operations.

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: uncertainties and unanticipated delays associated with obtaining and maintaining necessary licenses, permits and authorizations and complying with permitting requirements; 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; compliance with public company disclosure obligations; 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; inadequate water management and stewardship; 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 otherwise; the responses of the relevant governments to any disease, epidemic or pandemic outbreak, including the COVID-19 outbreak, not being sufficient to contain the impact of such outbreak; disruptions to the Company's supply chain and workforce due to any disease, epidemic or pandemic outbreak, including the COVID-19 outbreak; an economic recession or downturn as a result of any disease, epidemic or pandemic outbreak, including 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; ability to obtain and maintain sufficient insurance; 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; inflation; 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; reliance on third-party contractors; 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 latest 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 2022 ESG 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.



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Forging the Path Forward

From climate change to biodiversity loss to water stress, we know the communities in which we operate – and the world at large – will experience even greater effects from a wide range of environmental threats.

As we forge the path forward, we are dedicated to seeking out new and innovative opportunities to minimize our impacts and preserve biodiversity, air quality and water quality – not just for today, but for the generations to come.

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



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2022 Environmental Performance Highlights



327 tCO₂
equivalent saved from four BEV
(based on annualized 2022 hours of operation)

~50

hectares of newly rehabilitated land

Updated

Water Balance Models at both sites

Climate Action Priorities for 2022 included identifying and updating climate risks and incorporating them into our enterprise risk register, working with sites to identify opportunities for greenhouse gas (GHG) reductions, developing New Gold’s first company-wide Climate Committee and publishing the inaugural Task Force for Climate-related Financial Disclosures (TCFD) report. New Gold is currently completing a Climate Change Feasibility Assessment on identified projects at sites.



MESSAGE FROM THE VICE PRESIDENT, SUSTAINABILITY

“We are forging a path toward climate action, protecting the watershed, and prioritizing the health, safety, and well-being of our people. We continue to look for opportunities to reduce GHG emissions while actively engaging with stakeholders to understand their needs related to environmental impact. Through multi-stakeholder collaborations, we strive for not just respect but also meaningful participation from all voices regarding land, water and air stewardship – helping ensure that together we can create lasting solutions that go beyond regulatory requirements.”

Beth Borody
Vice President, Sustainability

Learn more about New Gold’s 2022 performance in our Overview, Social and Governance reports.



[Read the reports >](#)

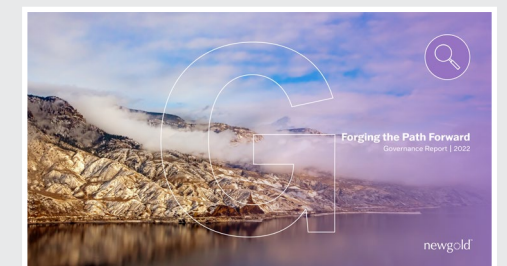
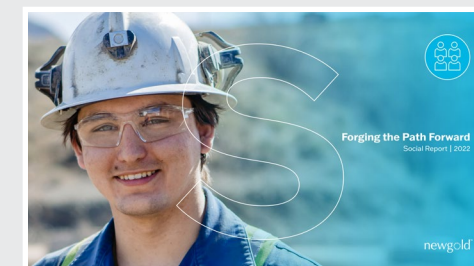




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Disclosures and Indices Tags

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

UN SDGs

Goal 13



Target: 13.1

Climate Change and Action

Through climate-specific targets, we are working to reduce our GHG emissions, while also allowing us to better adapt and mitigate climate change's impact on our operations.

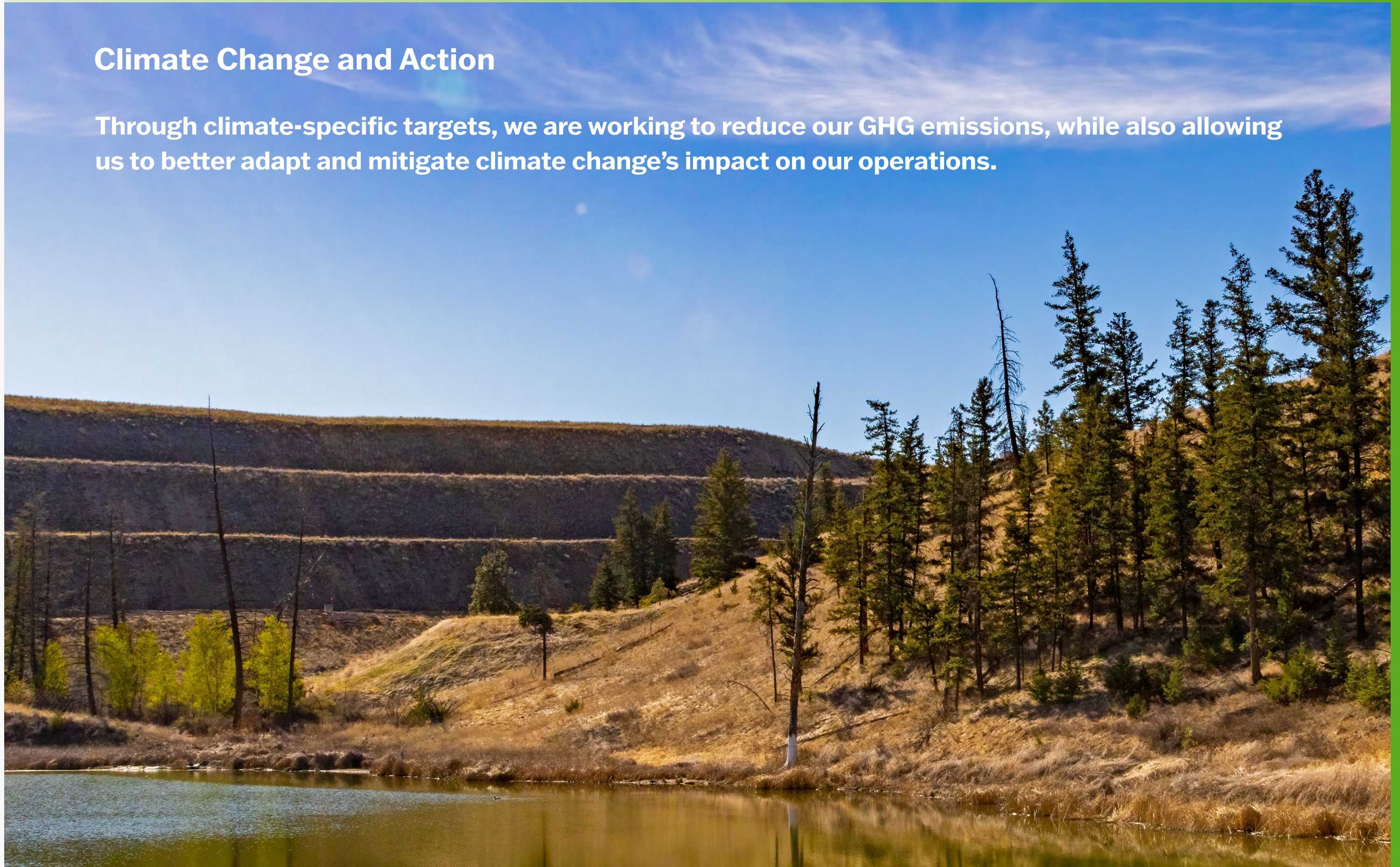




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UN SDGs

Goal 13



Target: 13.1

Our Commitment

New Gold has committed to reducing GHG emissions by 30 percent by 2030 (from a 2020 baseline). As we move closer to 2030, we continue to seek opportunities to meet our target through greater electrification and energy-reduction strategies.



[Read our Task Force on Climate-related Financial Disclosures \(TCFD\) Report >](#)

Management

Climate change continues to be identified as one of the most important issues for our stakeholders, operations and industry. During our material assessment review, discussions emphasized the importance of understanding and reducing New Gold's Scope 1 and 2 GHG emissions and making progress on Scope 3 GHG emissions. In addition, our scenario analysis completed in 2021 identified climate-related risks to our operations, which we continue to monitor.

See our [TCFD Report](#) for more details on our climate change risks and opportunities. The TCFD Report will be updated in 2023.



Emissions are divided into three scopes*

Scope 1	Scope 2	Scope 3
Direct emissions from owned or controlled sources	Indirect emissions from the generation of purchased energy	All indirect emissions (not included in Scope 2) that occur in the Company value chain, including both upstream and downstream emissions

*As defined by the Greenhouse Gas Protocol.

Management Systems and Protocol

As members of the Canadian Industry Partnership for Energy Conservation, both Rainy River and New Afton mines are committed to supporting the Government of Canada's goal of reducing emissions through energy efficiency. Energy and GHG management systems at both mines regularly track and assess energy consumption and GHG emissions, while 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 also maintain energy management policies, with New Afton being certified to the ISO 50001 Energy Management Standard and Rainy River currently developing a system in line with ISO 50001 targets.

Our two operating mines adhere to the Mining Association of Canada's (MAC) Towards Sustainable Mining (TSM) Energy Use and GHG Emissions Management Protocol. New Afton self-assessed AAA scores on all indicators on the Energy Use and GHG Emissions Management Protocol and Rainy River achieved one AA on it's external verification of the Climate Change Protocol. Both sites will be reporting against the Climate Change Protocol in 2023.

Looking Ahead

As part of our commitment to reducing GHG emissions, we began identifying and mapping Scope 3 emissions sources for our corporate office in 2022. We plan to continue to map the remainder of our value chain, in alignment with the Science Based Targets initiative and GHG Protocols technical guidance. This is an important exercise towards meeting our climate goal of 30 percent reduction in Scope 1 and 2 GHG emissions by 2030 and presents an opportunity to identify further GHG reduction opportunities, improve overall transparency, and partner with suppliers and contractors with similar sustainability standards and goals.



[See our Governance Report for New Gold's Climate Change and Action Strategy Statement >](#)

Performance

Energy-reduction Initiatives

Both operating sites implement a range of energy conservation and reduction initiatives and, in 2022, we began reviewing projects on a corporate level to better identify opportunities that will have a high-impact on GHG emissions reductions.

ISO 50001 helps to drive continual improvement of energy and GHG emissions performance by building energy and GHG management practices into the systems and culture of the Company. In December 2022, New Afton recertified to the ISO 50001:2018 Energy Management System standard, with all five significant energy uses at the mine audited and zero non-conformances noted. New Afton remains the only mine in Canada to be certified to ISO 50001, a testament to our commitment to long-term sustainable energy management.



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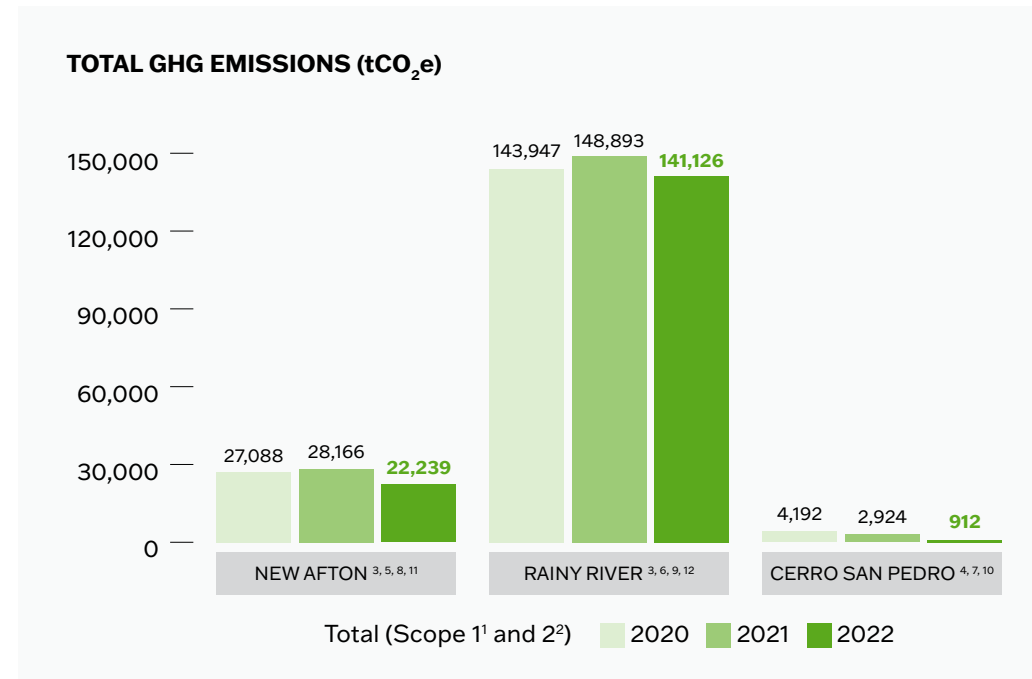
UN SDGs

Goal 13



Target: 13.1

Performance Data



- ¹ Scope 1 emissions covered under emissions-limited regulations: New Afton (100%), Rainy River (59%), CSP (0%).
- ² New Afton's Scope 2 GHG emissions are location-based. Rainy River and CSP are market-based.
- ³ CO₂e calculated using global warming potential factors of CH₄ – 25x, N₂O – 298x, CO₂ – 1.
- ⁴ Gases included in the calculation include CO₂, CH₄, N₂O, HFCs.
- ⁵ GHG emissions quantification in accordance with BC reporting guidelines and Canada's and BC's Greenhouse Gas Reporting Program Quantification Requirements for calculation. Emissions factors are based on BC Hydro specifications.
- ⁶ GHG emissions quantification in accordance with Canada's Greenhouse Gas Reporting Program – Quantification Requirements.
- ⁷ GHG emissions quantification in accordance with Mexican reporting guidelines.
- ⁸ Emission factors and GWP from electricity emission intensity factors for grid-connected entities.
- ⁹ Emission factors and GWP from Ontario Electricity Grid system (IESO).
- ¹⁰ GHG emissions quantification in accordance with Mexican reporting guidelines.
- ¹¹ Consolidation approach for emissions (scope 1 and 2): Unknown.
- ¹² Consolidation approach for emissions (scope 1 and 2): Operational.
- ¹³ Inclusive of Scope 1 and 2.
- ¹⁴ Energy and GHG intensity increased in 2022 due to mining of the overburden at Rainy River and lower production from both operations; Aggregate output remains comparable to the prior year.

ENERGY TRACKING WITHIN THE ORGANIZATION (GJ)						
	NEW AFTON		RAINY RIVER		CERRO SAN PEDRO	
	2021	2022	2021	2022	2021	2022
Fuels delivered	296,331	316,413	2,047,785	1,840,413	19,767	1,776
Electricity consumption	825,671	691,526	1,061,823	1,055,358	9,981	5,701

ENERGY INTENSITY RATIO (GJ/thousand tonnes) ^{13, 14}				
	NEW AFTON		RAINY RIVER	
	2021	2022	2021	2022
Processed ore	229.6	303.2	336.2	341.0
Moved ore and waste	231.6	394.3	49.7	58.6
Mined ore	250.9	343.7	214.2	498.3

GHG EMISSIONS INTENSITY ^{13, 14}				
	NEW AFTON		RAINY RIVER	
	2021	2022	2021	2022
Mill (kg CO ₂ e/tonne milled)	5.8	6.7	16.1	16.5
Mine (kg CO ₂ e/tonne moved)	5.8	8.7	2.4	2.8





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UN SDGs

Goal 13



Target: 13.1

Initiatives and Stories

Working Together for a Lower Emissions Future



NEW AFTON

Battery electric vehicle at New Afton

People are the key to successful energy management. Without the passionate support and buy-in of New Afton’s employees, the mine would not have accomplished nearly as much success or progress as it has over the past 11 years. Here are just a few recent highlights:

Employees Choose Electric

Since installing six Level 2 electric vehicle charging stations for employees at New Afton in October 2020, there have been 2,511 charging transactions and an additional charging station installed to meet demand. This initiative has helped to reduce GHG emissions by 36,327 kgCO₂e, which is the amount produced by 15,268 litres of gasoline. Since the average Canadian gasoline vehicle burns about 2,000 litres per year, this is equivalent to approximately 7.6 years of GHG emissions.

New Afton Trucks Go Electric

To date, New Afton has been actively deploying four battery electric (BE) production vehicles in operation, including an 18-tonne BE loader and two 50-tonne BE haul trucks. The trucks, which use only 26 percent of the energy of a diesel driven equivalent, resulted in a GHG emissions reduction of 327 tCO₂e (based on annualized 2022 hours of operation) and annualized energy savings of 1,009 MWh. We finalized the rental agreement for two additional z50 BE haul trucks, which will be delivered to the site by July.

GoByBike Week

Twenty-five New Afton employees participated in the 2022 GoByBike week as part of the New Gold Metal Pedals team. During this event, previously known as Bike to Work Week, participants are encouraged to record each occasion they fit biking or carpooling into their routine. The Metal Pedals logged a total of 2,026 kilometres during the week, saving an estimated 439 kilograms of GHG emissions. This exceptional effort led to New Afton employees making up over five percent of registered riders in Kamloops and contributing 13 percent of the city’s recorded kilometres.

EXCEEDING EXPECTATIONS

New Afton exceeded both its energy savings and GHG emissions reductions objectives in 2022.

Energy savings



GHG reduction



*Primarily due to the reduction in the BC Hydro Electricity Emissions Factor.

Highlights

Supporting Grid Reliability

Rainy River joined the Independent Electricity System Operator’s (IESO) Demand Response Program. This initiative supports grid reliability, affordability and sustainability in the Northwestern Ontario Electrical Zone. Rainy River participates in the annual program as the on-call load capacity for the northwest grid zone, which provides monetary incentive for participants who commit to reducing their energy consumption during the program. The summer commitment period for this program was May 1 to October 21, 2022. During this period, Rainy River provided a 25MW commitment to the program, resulting in approximately \$780,000. We continue to explore additional process optimization initiatives.

Heat Mapping to Save Fuel and Reduce Emissions

In August 2022, Rainy River installed the Cascadia heat mapping systems in 13 of its haul trucks. This technology, which identifies “hot spots” along the haul route, allows Rainy River to identify the areas of inefficiency and rectify them. Between August and December, the program supported an average fuel savings of 15 percent, equivalent to 2,738.62 t CO₂e.

No-Idle Policy to Reduce Emissions

In 2022, New Gold issued a “No-idle Policy” at both sites during the summer months in addition to utilizing ethanol-diesel fuel to help reduce unnecessary GHG emissions.



RAINY RIVER

15%
average fuel savings between August and December that the program supported



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UN SDGs

Goal 12



Target: 12.2

Goal 15



Targets: 15.1, 15.5

Biodiversity and Nature

Through community collaboration and proactive risk management, we promote and implement informed biodiversity initiatives throughout our operations' life of mine.





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UN SDGs

Goal 12



Target: 12.2

Goal 15



Targets: 15.1, 15.5

Management

Environmental Monitoring Boards, which are made up of community members and New Gold employees, bring a collaborative approach to our environmental monitoring programs. Site teams also regularly work with Indigenous partners to help ensure traditional knowledge is being incorporated where possible.

See our [Impact Benefit Agreements \(IBA\)](#) at Rainy River and our [Cooperation Agreement \(CA\)](#) at New Afton for more details.

Policy and Industry Protocol

New Gold applies a proactive risk management approach throughout our operations' life of mine to minimize impacts and help prevent harm to the environment across all sites. This approach is central in our due diligence process to help ensure effective reclamation of disturbed ecosystems and is integrated into decision making when reviewing business development opportunities.

As members of MAC TSM, all three of our sites implement biodiversity management plans as required by the Biodiversity Conservation Management Protocol (BCMP). In 2022, New Afton self-assessed AAA scores across all indicators and Rainy River achieved A scores of all three indicators on its external verification. Consistent with requirements, we receive external reviews every three years to confirm our level of adherence to the BCMP and support continual improvement.

Management System

While none of our sites are located near areas that are protected or have been identified as having high biodiversity value, we work to maintain the habitats we impact at baseline conditions or better. Accordingly, both Rainy River and New Afton implement environmental management systems and New Afton is ISO 14001 certified. Cerro San Pedro also implements a biodiversity management plan and has been ISO 14001 certified since 2008. Cerro San Pedro's environmental management system considers soil and biodiversity conservation and monitoring, and reforestation and reclamation, as well as standard operating procedures.

Rainy River

Terrestrial habitat has been purchased by New Gold and is private property on which no unauthorized activity is permitted. As directed by provincial and federal government bodies, terrestrial habitat is monitored by consultants. These areas were selected as suitable by those same government bodies. Aquatic habitat was designed and is monitored by consultants with direction from provincial and federal government bodies.

Performance

In 2022, 13 hectares of land were disturbed, and 49 hectares of land were rehabilitated across our operations. As this largely relates to active reclamation and sites in care and maintenance, New Gold's reclamation efforts will increase over time until the operations are complete. At Rainy River, the number of species and their risk ratings was determined by reviewing baseline data gathered during our Environmental Assessment. Figures in the below 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. New Afton and Cerro San Pedro do not include plant species ranked as least concern.

AMOUNT OF LAND DISTURBED OR REHABILITATED (ha)						
	NEW AFTON		RAINY RIVER		CERRO SAN PEDRO	
	2021	2022	2021	2022	2021	2022
Total land disturbed and not yet rehabilitated (opening balance)	377	376	3,004	3,005	208	80
Total amount of land newly disturbed within the reporting period	1	0	17	13	0	0
Total amount of land newly rehabilitated within the reporting period to the agreed end use	0	0	15	0	130	50
Total land disturbed and not yet rehabilitated (closing balance)	378	376	3,006	3,019	78	31

INTERNATIONAL UNION FOR CONSERVATION OF NATURE (IUCN) RED LIST SPECIES AFFECTED (#)			
	NEW AFTON	RAINY RIVER	CERRO SAN PEDRO
Critically Endangered	0	0	0
Endangered	1	0	1
Vulnerable	0	2	0
Near Threatened	1	23	2
Least Concern	90	596	9



~50 ha

of land were rehabilitated across our operations in 2022



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UN SDGs

Goal 12



Target: 12.2

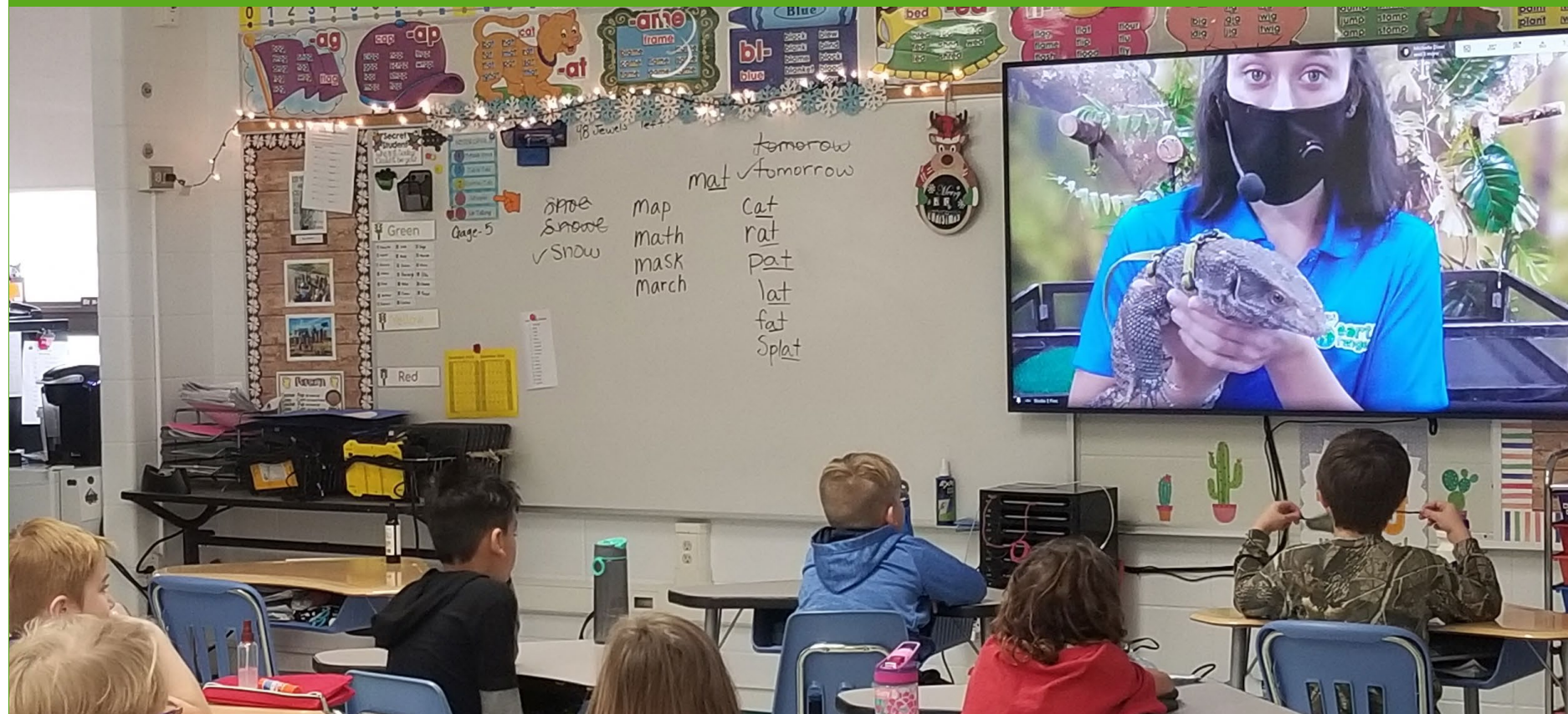
Goal 15



Targets: 15.1, 15.5

Initiatives and Stories

Empowering the Next Generation of Sustainability Leaders



Both Rainy River and New Afton partnered with the kids' conservation organization, Earth Rangers, in 2022.

Earth Rangers is committed to instilling environmental knowledge, positivity and the confidence to take action in every child in Canada. Students in grades one through six are introduced to animal ambassadors and the importance of protecting their habitat. The program also highlights the work conservationists are doing across Canada and shows students how they can help in their own community.

Rainy River partnered with the organization to bring their virtual school assembly program to 15 schools in the Rainy River District. The program is a live virtual presentation that uses science-based information to educate students on current environmental topics and gets them excited about helping the environment. Sarah Flesher and Robyn Lloyd, environment technicians at Rainy River, shared what they do with the students, highlighting their roles in monitoring the forest, air, water and wildlife.

New Afton has partnered with Earth Rangers for the past seven years to help organize lessons on wildlife conservation for elementary school students in neighbouring communities. During the 2021/2022 school year, Earth Rangers held virtual events sponsored by New Afton in 14 schools, reaching over 3,000 students.

By supporting Earth Rangers, New Gold hopes to help instill a lifelong passion for sustainability into the next generation.

TOTAL VIRTUAL EVENTS

29

virtual school assembly programs in the Rainy River District and in the neighbouring communities of New Afton

Highlights

Supporting Aquatic Animal Rehabilitation

As part of New Gold's Community Investment Program, New Afton donated \$15,000 to the BC Wildlife Park to help build an aquatic rehabilitation centre for aquatic birds. This rehabilitation centre will allow them to take in more animals, provide better care and improve the chances of successfully releasing the birds back into the wild.

Northern Pike Discovery at Rainy River

For the first time, a true sport fish was recorded in one of Rainy River's constructed fish habitat compensation structures. The Northern Pike was found in the West Creek Diversion. What's more, pike are being seen in greater numbers further upstream the Pinewood River – a rare and positive occurrence even during baseline studies.





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Closure

Responsible mine closure at all our sites remains an important priority and it's essential that sustainable closure planning is considered beyond simply compliance requirements. From New Gold's perspective, closure planning should not only include restoring lands close to pre-mining conditions, but also support communities in their planning for long-term economic development.





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Management

Mine closure requirements typically focus on environmental impacts, remediation and land use; however, our internal stakeholders have highlighted the importance of considering its social aspects. Even after operations are finished, the impact of those operations will continue to be felt and it is important that we understand and help mitigate the impact of closure. We see closure plans evolving to consider how best to maintain or improve the well-being and social balance of communities affected by mining operations.

Biophysical and Social Closure Plans

Our biophysical and social closure plans not only comply with regulations but promote active reclamation and help prepare for transition from operations to closure. While our biophysical closure plans are developed from the beginning of construction, our social closure plans are developed throughout production; both are reviewed annually. 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. That's why we began the collaboration process early. New Gold's Beyond New Afton Project aims to minimize the negative impacts on people and communities who are connected to the operation. The New Afton biophysical closure plan was updated in 2021 to support the next phase of mining with the C-Zone application and the social closure plan is expected to be complete by 2024.

Rainy River

Rainy River's current Life of Mine extends to 2031. The site's Intrepid underground zone commenced production in September 2022 and continued to ramp up in the following months. Rainy River began progressive reclamation on the lower lift of the east mine rock stockpile in 2020 and continued these efforts in 2022.

In 2022, the Rainy River team kickstarted the closure planning process by hiring a consultant to support the work of the Beyond Rainy River Plan and forming the interdepartmental Beyond Rainy River Committee. In 2023, they intend to embark on an extensive engagement process with employees and local community groups to build a plan for the future.

Cerro San Pedro

Cerro San Pedro continues to advance the final phases of the closure plan while working closely with stakeholders and the local community.

Performance

All our sites have closure plans in place, which are reviewed annually. We continue to engage with communities on the Beyond New Afton and Beyond Rainy River plans to support planning for long-term sustainable development.

Cerro San Pedro

More than two decades since beginning operations, the Cerro San Pedro Mine undertook a closure process that spanned several years. Read about the journey of responsible closure in the Cerro San Pedro Closure Report.

[Read the Cerro San Pedro Closure Report >](#)

Initiatives and Stories

Engagement Informs Beyond New Afton Plan

In 2022, New Afton engaged with Tk'emlúps te Secwépemc and Skeetchestn Indian Band, hosting four open houses with the two communities. In follow-up to the engagement, we validated the information provided and allowed community members to provide additional feedback. In 2023, New Afton aims to refine the Beyond New Afton Plan and roll it out to our community groups.



NEW AFTON



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

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 risks, with potential impacts to human health, the environment and the economy. Effective tailings management is critical to our success and a key priority at New Gold.





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UN SDGs

Goal 3



Target: 3.9

Goal 6



Target: 6.3

Goal 12



Target: 12.2

Management

Tailings management is a distinct topic for New Gold to champion and is a key Focus Area Goal in our Sustainability Strategy. All tailings management practices are subject to risks and as part of New Gold's tailing management practices we continually review, assess and put procedures and practices in place to help mitigate against risks. To ensure compliance with MAC TSM Protocols and Canadian Dam Association (CDA) requirements, we regularly review post-closure tailings management strategies and are committed to continuous improvement, including investment in research and innovation around tailings management.

Consistent with TSM Protocol requirements, we conduct internal reviews annually and receive external reviews every three years to confirm our level of adherence. In 2022, New Afton self-assessed AAA scores on all five indicators and Rainy River achieved three A scores on its external verification. New Gold also complies with CDA regulations for tailings management every year and New Gold's Independent Tailings Review Board (ITRB) meets with both Rainy River and New Afton twice a year. The ITRB also reports to the Board of Directors once year.

We report our tailings performance against the Global Reporting Initiative and Sustainability Accounting Standards Board Mining and Metals standard.

Description of Facilities

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

Geochemistry

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.

Policy

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

 [See our Governance Report for New Gold's Tailings Strategy Statement >](#)

¹⁵ No tailings waste is recycled.

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 and help take into account the possibility of significant natural events, so that the facilities are better protected 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 help 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 – at times 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 better ensure response measures are effective and applicable.

TOTAL WEIGHT OF TAILINGS AND MINERAL PROCESSING WASTE (t) ¹⁵				
	NEW AFTON		RAINY RIVER	
	2021	2022	2021	2022
Total weight	4,791,637	3,151,837	9,249,680	9,077,790

TAILINGS – COMPANY-WIDE (t)		
	2021	2022
Total tailings generated	14,041,317	12,229,627
Tailings to surface	14,041,317	12,229,627



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UN SDGs

Goal 3



Target: 3.9

Goal 6



Target: 6.3

Goal 12



Target: 12.2

TAILINGS FACILITY DETAILS					
	NEW AFTON				RAINY RIVER
	New Afton Tailings Storage Facility (NATSF)	Pothook Tailings Storage Facility (PHTSF)	Historic Afton Tailings Storage Facility (HATSF)	Afton Pit Tailings Storage Facility (APTSF)	Tailings Facility
Tailings facility	NATSF consists of five starter dams that have now joined into one continuous structure. All dams reached their ultimate height in 2021.	PHTSF consists of one dam. The TSF is primarily used for tailings deposition during upset mill conditions.	HATSF consists of two dams. Construction ceased in 1991.	Open pit	TMA West Dam 5, TMA South Dam and Dam (internal); TMA North Dam, TMA West Dam 4 and TMA South Dam
Location	50.648308° N, 120.509096° W	50.653656° N, 120.501666° W	50.65000° N, 120.533333° W	50.66129° N, 120.5127° W	48.869052° N, 94.060457° W
Construction method	Downstream and centreline	Downstream	Downstream	Open pit backfill	Centreline raises 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	CDA's Dam Safety Guidelines, Ontario Mining Association
Status	Active	Active	Under maintenance and care	Active	Active
Current maximum height	56 m	10 m	70 m	Open pit	24 m at South Dam
Current storage impoundment volume	32.4M m ³	2.5M m ³	27M m ³	0.2M tonnes	32M m ³
Most recent dam safety inspection	October 2022	October 2022	October 2022	October 2022	June 2022
Most recent dam safety review	2017 ¹⁶	2017 ¹⁶	2018 ¹⁶	The APTSF is a retrofitted open pit. It officially became a tailings storage facility in 2022. Reviews will be held every five years with the next in 2027. ¹⁷	June 2021
Most recent ITRB and tailings review	October 2022	October 2022	October 2022	October 2022	October 2022
Hazard potential ¹⁶	Extreme ¹⁸	Very High ¹⁸	Extreme ¹⁸	High ¹⁸	Extreme ^{18,19}

¹⁶ As agreed with all relevant Ministries, New Afton will complete the dam safety review for NATSF, PHTSF and HATSF in 2023 on account of the third party review of the C-Zone stabilization design conducted in 2022.

¹⁷ Dam safety reviews are required every 5 years after start up of the facility. All regulatory requirements to permit and commence deposition in the APTSF have been completed in 2022. Monthly quantifiable performance objective and trigger action response plan reviews are performed.

¹⁸ 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.

¹⁹ 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



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UN SDGs

Goal 3



Target: 3.9

Goal 6



Target: 6.3

Goal 12



Target: 12.2



Initiatives and Stories

Thickened and Amended Tailings Chart a New Path



New Afton Mine achieved a significant milestone in 2022 with the completion of Phase 1 of the Thickened and Amended Tailings (TAT) Facility.

New Afton’s TAT Facility uses a paste thickener to reduce the amount of water released in its tailings. This allows more water to be recycled back to the mill, which is expected to lower the site’s overall water consumption. New Afton’s TAT will also be stored in the APTSF, which allows for tailings disposal without the requirement of a tailings dam, improving New Afton’s already strong tailings safety measures.

TAT was identified as an objective for New Afton in 2017, when it was projected that the existing NATSF would not have sufficient capacity for B3 and C-Zone mining. As the TAT Facility was being developed, the project’s direction was guided by two priorities: evaluating all risks associated with moving to in-pit storage and identify mitigation measures to put in place, and providing New Afton’s neighbours with meaningful opportunities for consultation.

“A key part of switching to this in-pit deposition of TAT was getting our mining permit amended. Through that permitting process, there was a lot of stakeholder engagement work, providing technical information to the stakeholders outside of New Gold. It was important to us to have the community, the Stk’emlúpsmc te Secwépemc Nation and other groups receive opportunities to review our plans and provide their feedback.”

Martin Froehling
Processing Manager

Highlights

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, this also includes experts on block cave induced subsidence.

The ITRB meets with both sites biannually, as well as reports to the Board of Directors annually. A spring meeting is held virtually and a fall meeting is held onsite with field tours included. The ITRB meets with New Gold’s technical staff and consultants 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. Through the ITRB review and their recommendations, New Gold continues to improve site practices working towards operational excellence and the best outcomes for our people, communities, partners and stakeholders.





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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 and Water Stewardship

Water is an important resource for our operations and our role in water stewardship forms a key component of our Sustainability Strategy. By prioritizing water management, we can identify opportunities to help ensure better water quality and access.





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UN SDGs

<p>Goal 6</p> <p>Target: 6.3</p>	<p>Goal 8</p> <p>Target: 8.5</p>
<p>Goal 12</p> <p>Target: 12.2</p>	<p>Goal 15</p> <p>Targets: 15.1, 15.5</p>

Management

Water is a key resource to the mining process and a shared resource with local communities. New Gold recognizes our shared responsibility and strive to achieve water stewardship across all operations.

Goals and Industry Protocol

Through the evolution and review of our Sustainability Strategy, New Gold has updated our water objectives to be more in line with the watersheds where we operate. This means that we are looking for ways to better manage and steward water usage at both New Afton and Rainy River while understanding that 100% reused or recycled water may not be possible.

New Gold reports against 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 self-assessed an AAA on the watershed-scale planning indicator and A on the other three indicators and Rainy River achieved two As and two AAs on its external verification..

Policy and Programs

Our Sustainability and Safety Policy supports our commitment to water management and requires the establishment of water monitoring and stewardship programs through each mine's lifecycle. New Afton and Rainy River both implement water management plans to address water stewardship during operations and closure, and site environmental departments are responsible for the implementation of the water management plans. Our sites monitor surface and groundwater quality and quantity, including treated and discharged water, as applicable.

In 2022, the Rainy River Mine was adversely impacted by heavy rainfall and flooding around the Fort Frances area in northwestern Ontario that caused flooding at the mine. Recognizing the importance of mitigating climate-based water risks, we hired a manager for water strategy and stewardship to develop comprehensive plans to further help mitigate such climate-based water risks. Each site created its own specialized, interdepartmental team focused on solving any potential problems associated with water management. This has resulted in improved communication and governance practices within the organization, as well as increased transparency regarding key performance indicators such as sustainability measures and reporting standards. New Gold's current stage for process for developing water related targets is establishing operational water balance models at each site. New Gold's goal for 2023 is to have those models developed which can then be used to better understand water use and what appropriate targets are. It is unlikely the Company will set a water reused percentage target, as that is primarily dependent on precipitation (out of our control). While New Gold have implemented improvements to reduced withdrawal through runoff, it can't be completely avoided.

In 2022, we reviewed the language used to describe water consumption and, as a result, updated the "recycled" language to "reused" as recycled implies water being treated prior to reuse. As such, Rainy River and New Afton reused²⁰ 63 percent and 83 percent of their total water consumption, respectively, in 2022. See our Strategy Statements in the Governance Report for more information.

[See our Governance Report for New Gold's Water Strategy Statement >](#)

New Afton

Landscape and Operations

New Afton is not situated in an area of water stress. New Afton withdraws freshwater from Kamloops Lake, reclaims process water from the NATSF, pumps tailings pore water from the HATSF and NATSF, pumps seepage and groundwater interception wells, and pumps underground groundwater. All water is used for processing ore, except for a small amount, that is used for drinking, instrumentation, dust suppression, additional water use and fire suppression. Water losses occur through entrainment in tailings within the NATSF, PHTSF, or the APTSF (pore water) or through evaporation. New Afton currently pumps from tailings pore water at the HATSF and the NATSF, reducing the volumes of water lost to entrainment and increasing the volume of water reused annually.

Management System

New Afton has a comprehensive monitoring program, including surface and groundwater modeling, to help predict future conditions. A site-wide water balance model was built in 2022, which will be used to understand operational requirements and target areas where further investigation is required. Changes to water consumption are considered for any projects that may potentially impact it.

Stakeholder Engagement

New Afton meets with local First Nations quarterly to review water use and conservation opportunities, and has agreements with Stk'emlúpsmeč te Secwépemc Nation regarding management vs. utilization of water. Operating within the bounds and conditions of water use licenses, New Afton also worked with the Water Survey of Canada to establish a monitoring station on the Thompson River, downstream of the mine site, to improve the understanding of the primary system in our watershed. The station provides publicly available data on water flows and temperatures. New Afton representatives are involved with the Thompson River Joint Monitoring Panel, which considers impacts on the Thompson River watershed.

Rainy River

Landscape and Operations

Rainy River is not located in a water stressed area and does not withdraw water directly from a river or lake. Instead, water from the pit dewatering and

rainfall that collects within the site supplements reused water from the Tailings Management Area (TMA) for use in the mill, and excess water is treated and discharged to Pinewood River. In accordance with provincial and federal requirements, the site collects and manages site runoff and seepage, and collects, treats and discharges water to the environment.

Management System

Water targets for 2022 were focused on treatment and discharge rates, as well as maintaining compliance with water volumes in the TMA. Rainy River has a robust water management strategy focused on surface and groundwater quality and quantity and water balance modelling. To meet its monthly and annual discharge targets and guide operational decision making, Rainy River uses a water balance model.

In 2022, Rainy River experienced volumes of precipitation approaching one-in-100-year levels, with the majority of the precipitation occurring in April and May. Significant flooding was also experienced within the region. While the water balance model considered climate change and one-in-100 year events, these scenarios hadn't previously been tested due to average and below average precipitation being experienced in previous years, so a planned update is scheduled for 2023. This scope has been awarded and work has commenced to improve the ability of the water balance to perform under extreme weather conditions.

Rainy River also has a water balance dashboard to monitor measured and model-predicted conditions. In 2022, this dashboard was used to prevent any spill events from water management ponds, despite challenging conditions. 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.

Stakeholder Engagement

Rainy River's Environmental Monitoring Boards provide an opportunity to update community members on projects and environmental monitoring and sampling. They also provide a forum for Indigenous community stakeholders to share feedback and knowledge vs. traditional knowledge as it relates to water and environmental stewardship.

Cerro San Pedro

Cerro San Pedro is a zero-discharge operation, using freshwater from groundwater and recirculating the water used in operations. The site measures monthly extraction, recirculation, evaporation and consumption volumes in accordance with regulatory requirements. Supported by the site's environmental management system, Cerro San Pedro establishes annual water management objectives and measures progress monthly.

²⁰ Water reuse: Water that has been used in an operational task and is recovered and used again in an operational task without treatment (International Council for Mining and Metals).



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UN SDGs

Goal 6



Target: 6.3

Goal 8



Target: 8.5

Goal 12



Target: 12.2

Goal 15



Targets: 15.1, 15.5

TOTAL WATER DISCHARGE (megalitres) ²¹						
	NEW AFTON		RAINY RIVER		CERRO SAN PEDRO	
	2021	2022	2021	2022	2021	2022
Surface water	0	0	2,013	4,501	0	0

NEW WATER INTENSITY (L/oz gold equivalent produced)						
	NEW AFTON			RAINY RIVER		
	2020	2021	2022	2020	2021	2022
New water intensity ²²	13,697	15,343	5,593 ²³	9,580	10,004	14,242 ²⁴

TOTAL WATER WITHDRAWAL (megalitres) ²⁵						
	NEW AFTON		RAINY RIVER		CERRO SAN PEDRO	
	2021	2022	2021	2022 ²⁴	2021	2022
Surface water	2,700	1,507	2,953	19,270	0	0
Groundwater	0	483	1,716	1,064	57	5.6
Total	2,700	1,990	4,669	20,334	57	5.6

NEW WATER USE (megalitres)						
	NEW AFTON		RAINY RIVER		CERRO SAN PEDRO	
	2021	2022	2021	2022	2021	2022
Total new water ²² use from all areas	2,700	1,400	2,358	3,349	57	5.6
Change in water storage ²⁶	N/A	N/A	298	4,823 ²⁷	N/A	N/A

²¹ 100% of water discharged is high quality.

²² New water is water entering the New Gold system from surface or groundwater, which has not already been used in process.

²³ Reduction in new water intensity associated with reduction in new water intake due to change in tailings process.

²⁴ Rainy River experience close to 1 in 100 year annual precipitation in 2022, which resulted in higher runoff entering site and thus higher water withdrawal over previous years.

²⁵ Water withdrawal is water that enters the operational water system and is used to supply the operational water demands. It was previously called 'water withdrawal for use' or 'new water use'.

²⁶ An increase in stored water onsite.

²⁷ Accumulated additional water due to high precipitation.

²⁸ In response to unusually high precipitation in 2022, Rainy River increased treatment rate.

Initiatives and Stories

Innovative Reduction Initiatives See Results

Thanks to innovative freshwater-use reduction initiatives by the New Afton operations team, the mine saw a reduction in freshwater use from 0.53 m³/tonne processed in 2021 to 0.39 m³/tonne processed in 2022. The initiative also had an effect on energy consumption, with a reduction in energy consumption by 1,521 MWh from the previous year.

Rainy River

Treated discharge to Pinewood River

OBJECTIVE
3 Mm³

ACTUAL²⁸
4.5 Mm³

Develop detailed site water management plan

COMPLETE

New Afton

Support construction of on-demand priority infrastructure.

80% COMPLETE

Remaining deferred to ~2025.

Implement a water use dashboard and develop water targets

COMPLETE

Participate in provincial Thompson River Watershed Cumulative Effects Committee

COMPLETE

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