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WELCOME CHUCK HENNESSEY



Chuck Hennessey, General Manager

I am very excited to join the team here at the Rainy River Mine and the larger team as part of New Gold. I was born in Saint John, New Brunswick and raised in British Columbia. My career has taken me around the world, including having worked in Timmins, Cochrane, Red Lake and Toronto. I love Canada's North and I'm very happy for the chance to live in Northwestern Ontario.

There has been a lot of change for our mine as well as our parent corporation this past year. The first year of operations can be very challenging for any mine and ours has been no exception. Over the past few months we've overcome some of our biggest obstacles and we now have the platform in place for future success. During these times it is very important to remain focused on safely completing the task at hand and in keeping a watchful eye on the safety of others as we go about performing our own roles. The only good production is safe production.

Two of my guiding core values are fairness and consistency and I strongly believe that building and maintaining solid relationships with each other and our community stakeholders will improve our chances of success. I have been busy meeting with some of our local stakeholders and will be arranging a round of meetings for January to communicate about safety, environmental and business performance from 2018 as well as the budget and plans for 2019.

On behalf of the entire New Gold Team, I would like to extend our wishes of good health and happiness to you and your family, all the best in 2019.

OUR FIRST YEAR IN PRODUCTION

It has been a very exciting and challenging year since the Rainy River mine commenced commercial production a year ago. In August 2018, the mill shut down to install a new control system and complete modifications and upgrades. The result was the best ever performance for the month of September. The future success for the Rainy River mill will be achieved with continued improvements, sustainability and expansion of the capacity of our technical team.



Bullion Bars - Approximate Value = \$1.4 Million

Rocks with minerals (specifically, gold and silver) are delivered to the crusher by the mine department. This is where the mill process begins. The rock needs to be crushed and ground down to 75 µm particle size (similar to icing sugar) using large crushers and grinding mills. The ground ore is then mixed with water to make a slurry.

Some of the coarse pieces of gold can be recovered using a centrifuge. The rest of the gold slurry is pumped over to a thickener to remove some of the water. The slurry is now ready to be mixed with cyanide, lime and oxygen. The cyanide dissolves the gold like a sugar cube dissolves in water. The gold can then be adsorbed onto granular pieces of activated carbon. Once enough gold is adsorbed on the carbon, the carbon is screened out of the slurry and put into a strip vessel. The gold on the carbon is stripped (i.e. removed) using high temperature, high pressure, high pH and high cyanide, forcing the gold back into a clear aqueous solution.

The gold is extracted from the solution and recovered onto a stainless steel electrowinning wool. At this stage, the gold on the wool is a slimy sludge that can be washed off the wool using a pressure washer. All the sludge is carefully pumped into a filter. When the filter is full, the filter is opened and the sludge is put in a drying oven



Joey Giguere, Mill Supervisor

to remove any moisture. Once dry, the sludge is mixed with fluxes (chemical cleaning agent), put in an induction furnace and heated to 1200°C.

When the mixture in the furnace is completely melted, the gold sinks to the bottom of the molten charge and the fluxes and impurities (referred to as slag) float on top of the molten gold. After all the mixture has melted, the refiner tilts the furnace slowly to pour out the slag first followed by the molten gold, which is poured into bullion molds. When the mold has cooled, the bullion bar is removed from the mold and shipped to refineries within Canada!

Fun Facts

1 cubic foot of gold weighs approximately half a tonne

Over 216,000 oz of Gold and 255,000 oz of Silver have been produced from the mine

Canada is one of five countries that together produce 90% of the World's Gold

HEALTH AND SAFETY PERFORMANCE

Rainy River is a very young operation with just over a year in production. Thanks to our employees and experienced Health and Safety Team, we were able to achieve over 2 million hours lost time injury free in 2017-2018. We are preparing for 2019 by putting a more efficient Joint Occupational Health and Safety Committee in place. This will allow a more active presence in the field with the focus on accidents, injuries and illnesses prevention. Our commitment is that every employee goes back home safe and "fit for family time."

SAFETY STATISTICS	NOV 2018	2017
Work Related Fatalities	-	-
Lost Time Injuries (LTI)	3	2
Restricted Work Injuries (RWI)	4	47
Medical Treatment Injuries (MTI)	5	5
All Injury Frequency Rate (AIFR)	6.11	6.30
Total Reportable Injury Frequency Rate (TRIFR)	0.99	2.88
Lost Time Injury Frequency Rate (LTIFR)	0.25	0.11
Person Hours	2,423,940	2,747,299
Safety Training Hours	24,603	4,328

In the fall of 2016, the New Gold Rainy River Environment Department began a Deer Tissue Monitoring program. This initiative was developed as part of wildlife monitoring commitments to community stakeholders, as well as various provincial and federal regulators. Stakeholders expressed concern that the dust generated from the mine could impact the health of the local deer population. As a result of this feedback, the parameters of the program were expanded. Local volunteers became involved by providing muscle and tissue samples for the study. Baseline data will be drawn from samples gathered in 2016, 2017 and through the fall of 2018. To date over 70 samples have been gathered and tested. The program will continue in 2018 then run every three years until 15 years after the

mine ceases operations. The 2016-2017 Deer Tissue Monitoring Report is now available. If you would like more information or receive a copy of the report, please contact New Gold's Environment Department at (807) 632-6152 or email: rwildlife@newgold.com.



2018 ARCHAEOLOGICAL WORK



Recovered Spear Point

2018 marked the final year of field work at three archaeological sites on the New Gold Rainy River mine property. These sites are located on an ancient shoreline dating to the very end of the last Ice Age. As recently as 9,500 (and possibly as early as 12,000 years ago), the cold water of glacial Lake Agassiz lapped against a bedrock ridge where the West Mine Rock Stockpile will be constructed. Several hundred square metres of the sites were excavated by hand. Experienced archaeologists, along with a crew from local First Nations and community members on their first dig, participated in the excavation. Evidence was found of the early people of the region who came here to hunt, fish, and make and use stone tools. Five spear points of similar form were recovered and are likely 9,000 to 9,500 years old. The recovered artifacts will be analyzed, and a final report prepared. This report will provide an overview of the site, and hopefully, additional insight into the people who once lived here.

SUPPORTING OUR COMMUNITY

The Community Investment Program provides support to the local district in the areas of art, culture, education, health and wellness and events. Among many other applications, Rainy River was proud to support the Township of Sioux Narrows-Nestor Falls (SN-NF) request for digital speed signs to raise public awareness of posted speed limits and increase the level of safety in their community.

"Thank you for supporting public safety in Nestor Falls." - Jerry O'Leary, Mayor SN-NF

For an Application
for New Gold Rainy
River Community
Investment Program,
Email:
rr.communityinvestment@newgold.com
or stop in the
New Gold Emo office



Delivery of Digital Signs at the SN-NF Police Services Board Meeting

Karen Rustige, Gerry Race, Kris Tittlemier, Jerry O'Leary (Mayor SN-NF), Claude McKenzie (New Gold, Health & Safety Manager), Paul Van Belleghem



Orville Smith, Lead Hand Driller

WHO'S WORKING AT RAINY RIVER

(as of November 30, 2018)

Total number of employees	668
Employees from the Rainy River District	73%
Indigenous Employees	27%
Female Employees	15%

We welcome and encourage your feedback!

If you're in the Emo, Ontario area, please drop by our office at 5967 Highway 11/71 to speak with one of our community team members or send us an email at rrcomments@newgold.com

FOR MORE INFORMATION:

Emo Community Office

P.O. Box 5
5967 Highway 11/71
Emo, Ontario POW 1E0

☎ 1 (855) 482-0900
✉ rrcomments@newgold.com

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JOB OPPORTUNITIES

For information
on upcoming job
opportunities, please
keep visiting our
website at
newgold.com/careers

