

**NEW GOLD RAINY RIVER MINE
APPENDIX H
EXCEEDANCE LETTERS
SUBMITTED TO MECP**

2024-06-07

Jason Tittlemier
Senior Environment Officer, Kenora Area
Ministry of the Environment, Conservation and Parks
808 Robertson Street
Kenora, ON P9N 1X9
Via email; Jason.Tittlemier@ontario.ca

Dear Mr. Tittlemier,

RE: EDL1 Daily and Monthly Average Copper Limit and Daily Free Cyanide Limit Exceedances

During routine monitoring of water quality results from the ALS Solutions website on May 3, 2024, the New Gold Environment Department discovered that the total copper results for EDL1 collected on April 22, 2024 were over the daily maximum limit of 0.028 mg/L with a sample result of 0.0384 mg/L. On May 29, 2024 while the ECA monthly report was being prepared, an exceedance of free cyanide over the 0.02 mg/L daily limit with a result of 0.028 mg/L was found for the same date as the aforementioned copper exceedance. An acute toxicity test was collected with the April 22, 2024 sample, the toxicity test passed without issue.

All samples collected are grab samples, metals samples are collected once a week, cyanide is collected thrice weekly. The discharge volumes for this exceedance are based off the volume of water estimated to have been discharged from EDL1 from the date the offending sample was collected until the date that a passing sample was collected. In this case, from April 22nd to April 24th EDL1 discharged an estimated 105,358m³ of effluent that could have been out of compliance with free cyanide. On the 24th a cyanide sample was collected that was below the detection limit for cyanide. On April 29th a sample was collected that was in compliance with all discharge criteria, between April 22nd and 29th 280,858m³ of effluent was discharged by EDL1. During the month of April the average copper level found in EDL1 was calculated to be 0.0147 mg/L, the acceptable value is 0.0140 mg/L, technically a third exceedance. This letter is intended to address the three exceedances directly and indirectly detected by the April 22nd sample, the daily limit exceedances of free cyanide and copper and the monthly average exceedance of the latter.

In response to the findings of May 3rd, discharge was shut down until the results of the April 29th sample were known, no evidence of harm to the environment was observed during this time. Once discharge was resumed total copper samples were collected daily from 3 points along the EDL1 pipeline in an attempt to isolate the source of copper. Unfortunately, these samples did not assist in identifying the source of copper. Samples were sent to ALS as well as processed in house at New Gold's Assay lab, none of these tests revealed a source of elevated copper and were generally below detection levels. Cyanide tests were not ramped up and the ECA sampling schedule for EDL1 was followed as New Gold was unaware of the cyanide results in the April 22nd sample until the above-mentioned date.

The most probable cause for this exceedance is maintenance work done 2 days prior to the sample collection on April 22nd. Beading from the fused HDPE discharge line was discovered balled up in the pipeline just upstream from the EDL1 sample port. See photo 1. When the metal portion of the pipeline was opened to remove the pipe beading there was some corrosion in the pipeline, it is suspected that when the valve was opened to collect the sample there was still some corrosion in the sample valve. The pipeline is under very high pressure when discharging, so valves are not opened to 100% for safety reasons and ease of sampling. During the investigation evidence of corrosion was discovered when the valve was opened 100% on May 3rd. See photo 2.

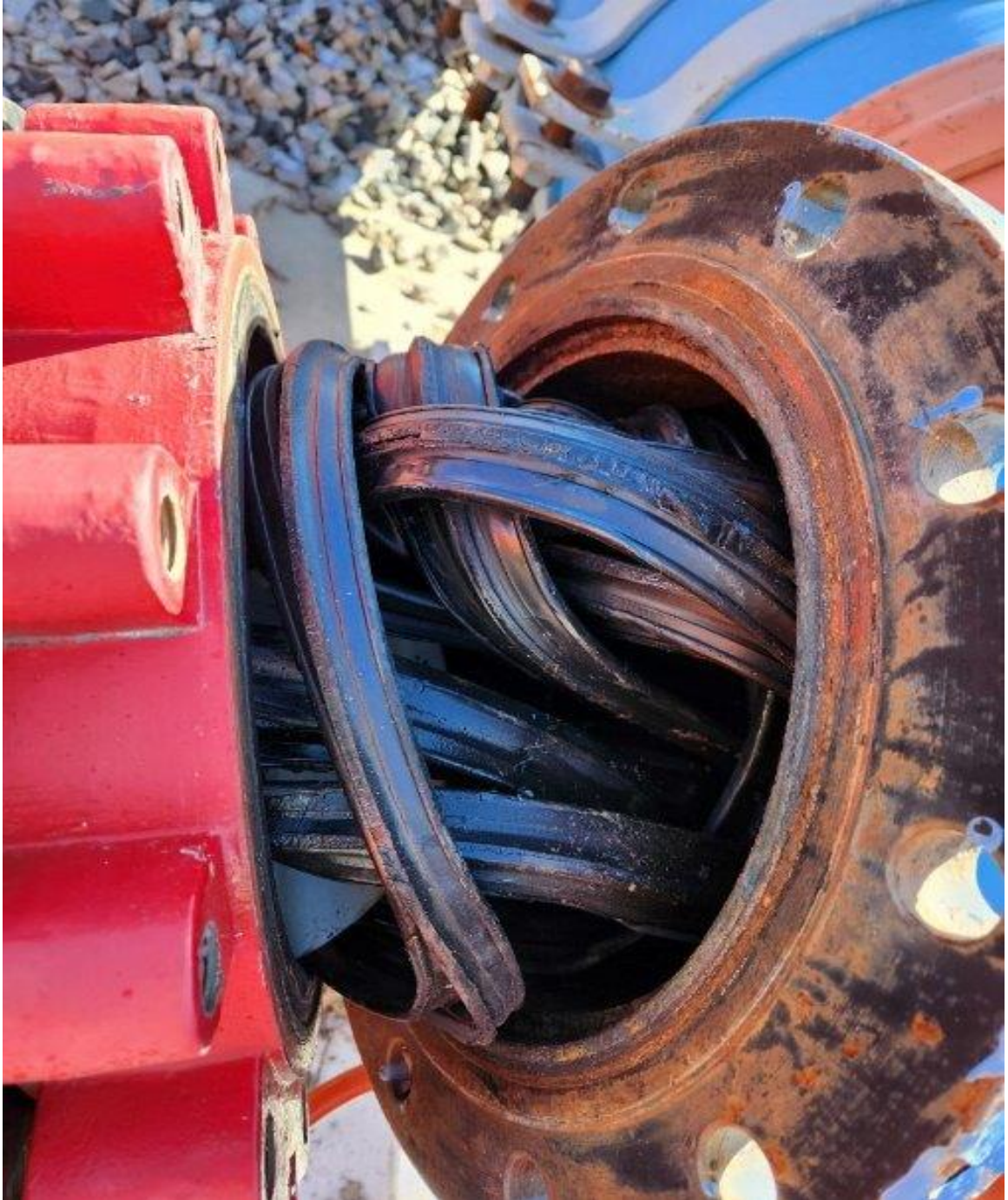


Photo 1: Beading from the fused HDPE discharge line



Photo 2: Evidence of corrosion in EDL1 discharge sample collection valve

Cyanide can bond to copper, and copper sulfate is used as a reagent in the cyanide destruct process that New Gold employs during milling operations. Some copper cyanide complexes may have been associated with this corrosion and once the valve was purged the contaminants were no longer detectable. EDL2 was also discharging from the same source of water (WMP) during this time and no elevated copper or cyanide was detected at EDL2 when sampled on April 22nd but other metals/analytes were as similar as a duplicate sample should be. This supports the theory of maintenance work contaminating the sample valve. To further mitigate the potential for recurrence all brass fittings on sample valves will be removed, as brass contains copper nickel lead and zinc, and replaced with stainless steel.

Certificates of Analysis relevant to this matter are attached as Appendix A.

Once you have the opportunity to review this report, please contact the undersigned at (807) 271-3190 or Garnet Cornell at (807) 276-0106 with any questions or concerns.

Regards,

Environmental Supervisor

May 3, 2024

Jason Tittlemier
Senior Environmental Officer
Ministry of the Environment, Conservation and Parks; Kenora Area Office
808 Robertson St.
Kenora, ON P9N 1X9

Dear Mr. Tittlemier,

**SUBJECT: NOTIFICATION OF EXCEEDANCES: IRON OF 24-HOUR BENCHMARK 1 VALUE (STANDARD) AT SOUTH STATION.
FOLLOW UP LETTER FOR TMA DUST EVENTS SAC # 1-4TW0RV AND SAC # 1-51F3EO**

Please see attached Notification of Exceedance regarding an iron exceedance of the Standard Benchmark 1 value of 130% on February 18, 2024 at the New Gold Rainy River Mine (RRM) South Station.

During the review of the Q1 air quality results, it was noted that on February 18, 2024, the concentration of iron at the South Station was $5.20 \mu\text{g}/\text{m}^3$, exceeding the ministry approved limit of $4.00 \mu\text{g}/\text{m}^3$. The wind rose from the Barron Weather Station shows the primary wind direction was from the Northwest, indicating that this was due to activities in the Tailings Management Area (TMA). The Total Suspended Solids result of $116 \mu\text{g}/\text{m}^3$ on February 18th indicates that dust was below the ministry limit of $120 \mu\text{g}/\text{m}^3$ during this time, however it contained a higher than usual proportion of iron.

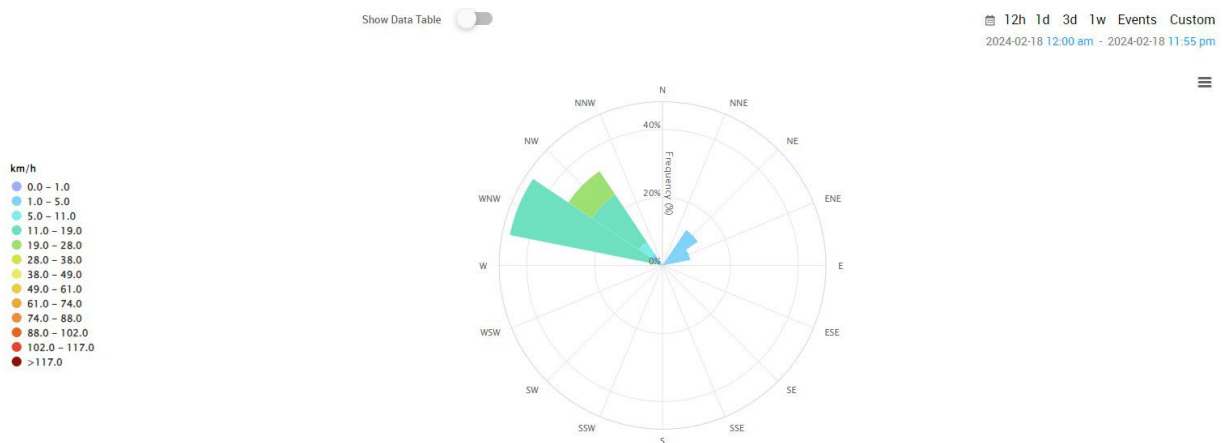


Figure 1: Wind Rose for February 18, 2024, at the Barron Weather Station

It is believed that dust produced within the TMA migrated offsite and caused the exceedance. No inspection of the TMA occurred on February 18, 2024 but inspections occurred on February 15th and February 19th and did not show any sign of TMA dust migration offsite (Appendix A).

With more recent dusting events in March 2024 (March 4th and 6th SAC # 1-4TW0RV, March 19th, 20th, 21st, 22nd, 24th, 25th, 26th SAC # 1-51F3EO) (Appendix A), Rainy River has completed short-term mitigation strategies:

1. Sprinklers to re-wet dry tailings along Southeast Dam. Overall concept to start water ponding on top of tailings (Started March 8th to April 5th)
2. Tailings spigotting along South Dam to re-wet dry tailings (March 18th to April 5th)
3. Helicopter water bucketing (March 20th to March 27th)



Figure 2: Shows short-term TMA dust mitigation strategies implemented in March 2024.

Rainy River is also investigating long-term strategies to manage TMA dust in the future:

1. TMA Chemical Suppressant:
 - a. Two suppressants selected and under review by Metallurgy to ensure no impact to the extraction process in the Mill.
 - b. Once review is completed, successful suppressant(s) will be trialed (10 ha) on TMA Cell 1 by using the Fat Truck equipped with a spray bar.
 - i. It is estimated application will take approximately 2 weeks.
2. Snow fencing:
 - a. Opportunity to use snow fencing for dust prevention and snow entrapment.
 - b. Trial planned later this year in the Northeast corner of the TMA. Trial area yet to be determined.

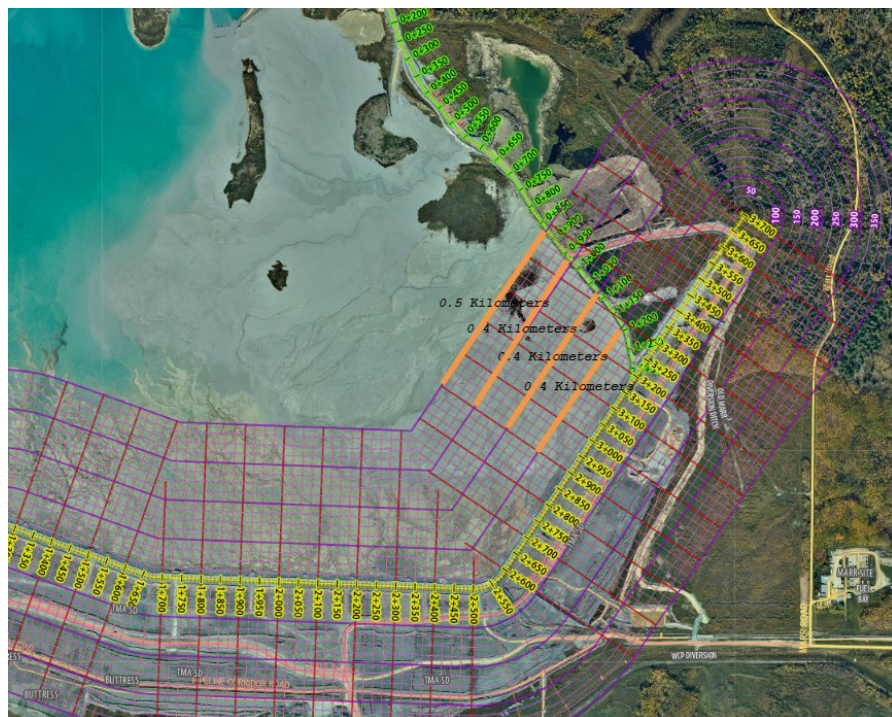


Figure 3: Snow fence trial location late 2024.

3. Perforated piping network:

- a. Network build around the TMA for constant re-wetting of the tailings year-round with perforated pipe.
- b. Water provided by the TMA Reclaim Pumphouse pumps.
- c. All piping has arrived at site. 50% of it has been fused.
- d. Perforated lines will be pulled out into the TMA using the Fat Truck
- e. Planned to be in operation by October 2024.



Figure 4: Theoretical layout of TMA perforated piping network planned to be operating by October 2024.

Rainy River will also be setting up a real-time dust monitoring network and dashboard to monitor fugitive dust on the project boundary throughout the site. This will allow notification if fugitive dust is being generated and precautions are required to be implemented to protect site workers or surrounding environment and neighbours.



Figure 5: Proposed real-time dust monitoring locations. Blue targets: current existing units. Red targets: proposed locations for new units. Yellow targets: additional unit locations if required.

Additionally, with fugitive dust migrating offsite leading to neighbour complaints (Appendix B), Rainy River will be undertaking a Human Health and Ecological Risk Assessment to understand the impacts the fugitive dust has had on nearby neighbours. This risk assessment will be developed by a third-party and will be completed in 3 phases.

Phase 1: Data compilation and preliminary risk analysis.

Phase 2: Wipe samples of deposited dusts on nearby properties.

Phase 3: Comprehensive human health and ecological risk assessment.

This work is expected to take upwards of 12 weeks to complete and will be shared with the Ministry of Environment, Conservation and Parks as well as neighbours when finished.

On March 28, 2024, Rainy River met with neighbours at the New Gold Rainy River Mine Emo Office to discuss recent dust concerns and mitigations being established. Site overview of dust mitigations, neighbours' concerns and answers, and actions from that meeting can be found in Appendix C meeting minutes.

Should you have any questions or concerns, please contact the undersigned at (807) 276-0106.

Regards,



Garnet Cornell
Environment Manager

Enclosure:

Notification of Exceedance
Appendix A: TMA Dust Inspections
Appendix B: Neighbour Complaints
Appendix C: Dust Impact Neighbours' Meeting Minutes

From: [Garnet Cornell](#)
To: [Tittlemier, Jason \(MECP\)](#)
Subject: NOWL Exceedance at Water Discharge Pond
Date: Wednesday, May 15, 2024 4:02:00 PM

Hi Jason,

As discussed on May 13, 2024, it was noted that Water Discharge Pond exceeded the Normal Operating Water Level after calibration of the water level sensor showed an exceedance on the Water Levels Warning Dashboard. Once discovered, the water drawdown was accelerated and the pond water level was below the NOWL by 12:00 am May 14, 2024.

Up until the re-installation and calibration of the sensor, the water level was collected manually monthly but the NOWL in the manual measurement spreadsheet was different from what was in the Water Levels Warning Dashboard (354.0 masl vs. 352.5 masl). Upon investigation of the difference, it was discovered that the NOWL was changed during a 2023 OMS Review and Update. The change was updated on the Water Levels Warning Dashboard but the manual measurement spreadsheet.

Further assessment will take place in the coming month if the redundancy of 2 different water level systems is truly necessary and if there is an opportunity to combine both systems to one robust system.

Let me know if you have any questions,

Garnet Cornell
Environment Manager

New Gold Inc.
Rainy River Mine
1361 Roen Road
Chapple, Ontario, Canada, P0W 1A0
T: +1 807 234 8170
C: +1 807 276 0106
Garnet.Cornell@newgold.com
www.newgold.com
TSX/NYSE MKT:NGD

2024-06-07

Jason Tittlemier
Senior Environment Officer, Kenora Area
Ministry of the Environment, Conservation and Parks
808 Robertson Street
Kenora, ON P9N 1X9
Via email; Jason.Tittlemier@ontario.ca

Dear Mr. Tittlemier,

RE: Southern Pit Ring Road Ditch Failure SAC Reference #1-7ON9RQ

During a routine inspection of exploration drilling operations, south of New Gold's Open Pit, sediment laden water was discovered escaping a ditch and spilling into the environment. See Figure 1 and 2.

Exploration drilling operations was authorized to pump their drill cutting sumps to the ditch on the north side of the ring road, under the assumption that this ditch conveyed water to Sump 2, the WMRS ditching and ultimately Sed Pond 2 for discharge into the environment. This ditch was selected due to its proximity to the work and to prevent unwanted water in the Open Pit.

The exploration drilling operation is inspected weekly, and this inspection was the 5th inspection since the exploration operation began. Dewatering is a big focus during these inspections and no issues with containment had been identified until this point.

It would appear the water level in the ditch reached such a level to allow water to pass through or under the road thus leaving site containment and not being conveyed to Sump 2 at all.

Water samples were collected and sent to ALS labs in Thunder Bay for analysis including acute toxicity. Total Suspended Solids were found to be well over permitted levels at 462 mg/L. No other daily limit was exceeded during testing and acute toxicity passed.

To mitigate this issue the drilling operation was authorized to dewater their sumps to the Open Pit. This water will then be pumped into the MRP or South Pond then to the Mill for use as process water.

The rate of dewatering for the drilling operations is estimated at 12 gallons a minute. If we assume this spill started as soon as the last inspection ended an estimated total of 550 m³ was lost to the environment in a worst-case scenario.

Due to the nature of the generally undisturbed ground in this location, no clean-up was attempted as it potentially would have caused more harm than good. This spill would have to travel 160 m over land to reach the Pinewood River. See Figure 3 for details.



Figure 1: Sediment Laden Water in Ditch



Figure 2: Sediment Laden Water Outside of Site Containment

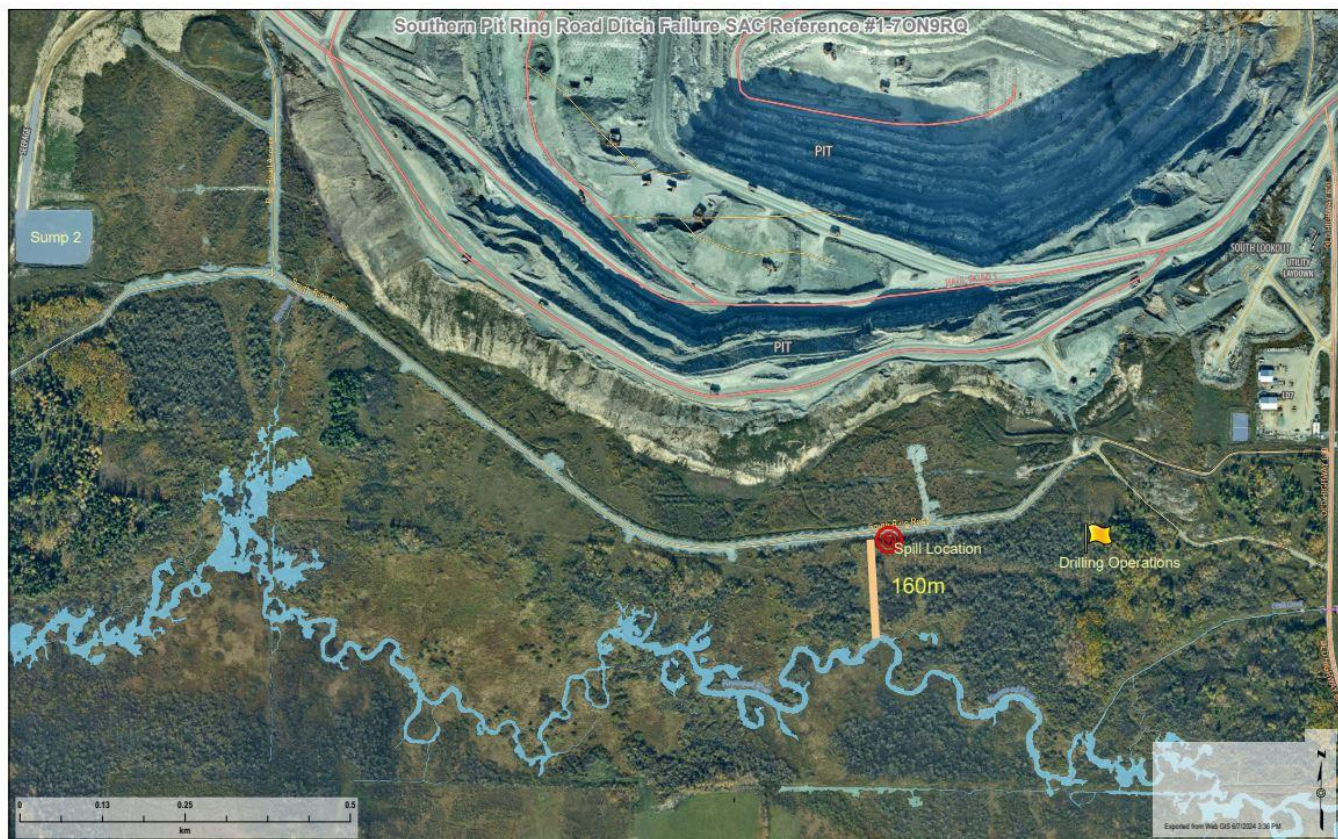


Figure 3 Incident Location Overview.

Certificates of Analysis relevant to this matter will be forwarded once they have been received.

Once you have the opportunity to review this report, please contact the undersigned at (807) 271-3190 or Garnet Cornell at (807) 276-0106 with any questions or concerns.

Regards,

Environmental Supervisor

2024-06-07

Jason Tittlemier
Senior Environment Officer, Kenora Area
Ministry of the Environment, Conservation and Parks
808 Robertson Street
Kenora, ON P9N 1X9
Via email; Jason.Tittlemier@ontario.ca

Dear Mr. Tittlemier,

RE: Unionized Ammonia and Monthly Average Total Suspended Solids Exceedance SAC Reference #1-7G04HN

RRM recently (May 29th) shut down discharge from both EDL's due to internal monitoring flagging an increase in cyanide in the TMA and suspected elevated levels in the WMP. A photometer gave a reading of 0.55 mg/L of cyanide in the WMP that ALS testing determined was false on June 4th.

A decision was made to resume discharge of the EDL's on the 5th, based on the data available at the time from ALS preliminary discharge data appeared to be possible. The most complete data available was from 2024-05-20 and was showing a total ammonia level of 0.438 mg/L giving an unionized NH₃ level of 0.0151mg/L. This level did not raise any concerns and internal NH₃ were not reviewed that day as no indication had been given that they may be higher.

During the early afternoon of June 7th questions about WTP operations prompted a review of internal data and total ammonia was found to have increase roughly 4x in the span of a week. Internal samples were rechecked by both WTP operators and NG Environment. Unionized ammonia was calculated to be as high as 0.133mg/L. Discharge was shut down by 15:50 that day and remains shut down. On June 7th ALS Solutions was reviewed to confirm this increase and on 2024-05-27 unionized ammonia levels had risen to 0.0567mg/L, again roughly a 4x increase in a weeks' time.

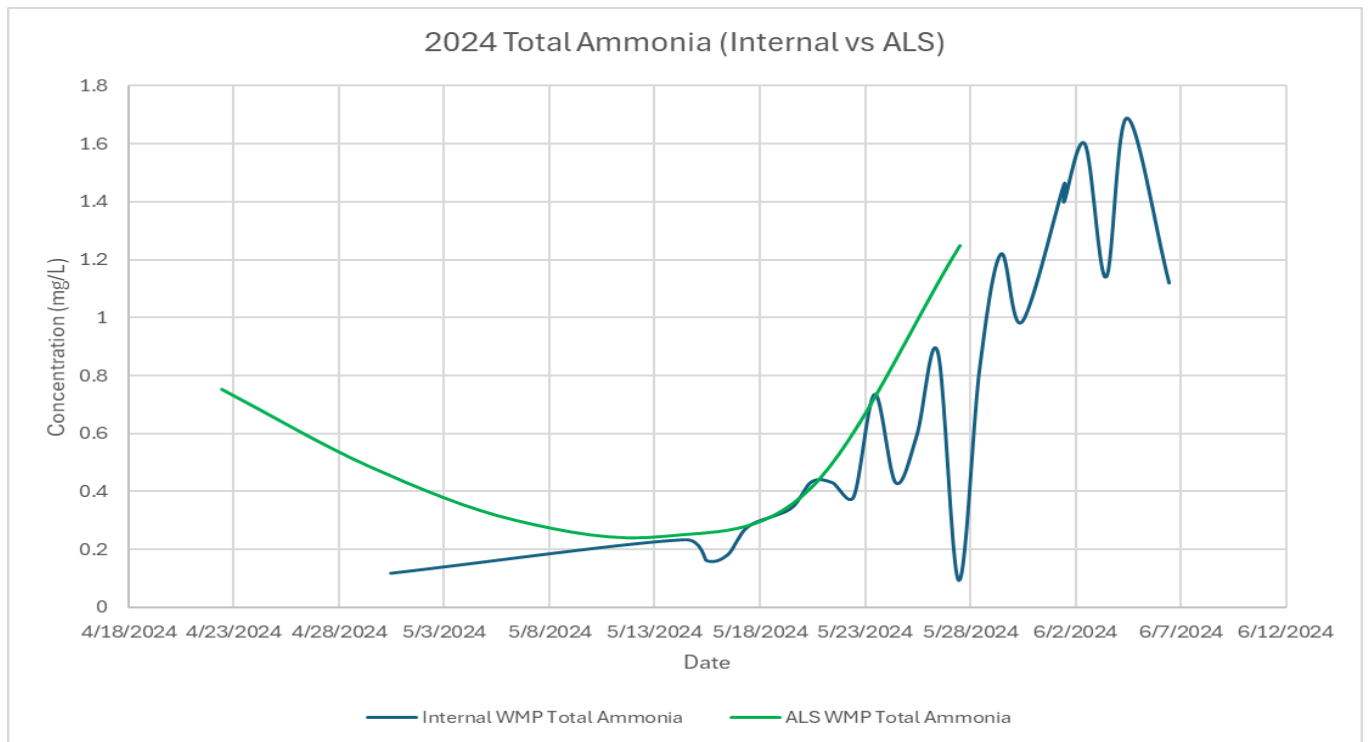


Figure 1

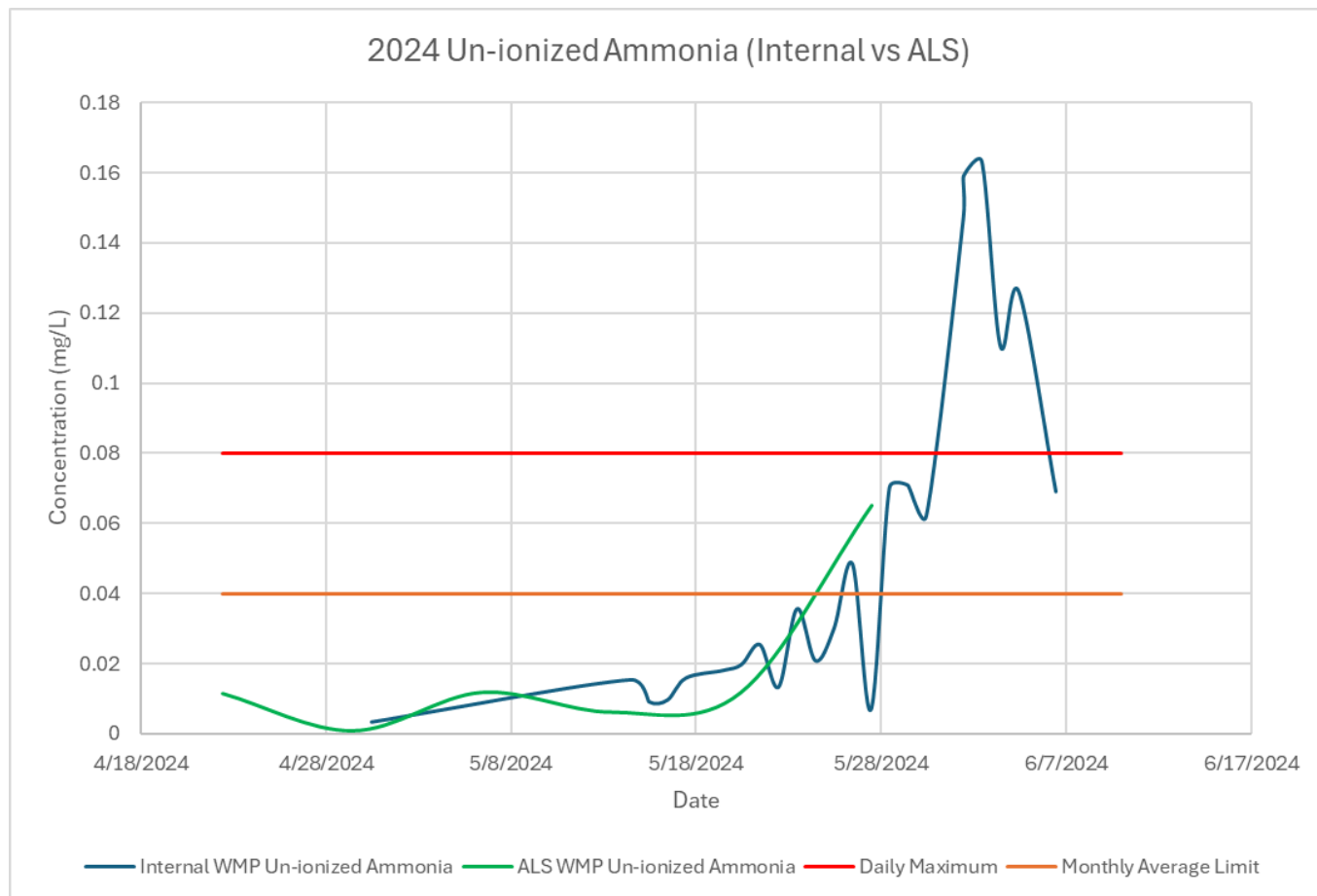


Figure 2

BCR2 and Water Treatment Plant were the only two inputs active on 2024-05-25 to the WMP (which only contained 1.7 Mm3 at the time).

Treatment of TMA water started on May 5, 2024 to BCR2 at 5,000 m³/day, ramped up to 10,000 m³/day on May 15, 2024 and was fully ramped up to 18,000 m³/day on May 22, 2024.

The WTP started treating TMA water on May 18, 2024 at a rate of 5,000 m³/day, ramped up to 13,000 m³/day on May 25, 2024 and was fully ramped up to 18,000 m³/day on May 28, 2024.

When the potential for cyanide was detected and discharge was stopped, TMA water flow to the WTP and BCR2 was stopped at 15:00 on May 29, 2024.

BCR2 was switched to treating WMP water on May 30, 2024, but due to running out of glycerol, the treatment rate was decreased on June 1, 2024 to 7,200 m³/day until it ran out of glycerol and was stopped at about 10:00 on June 3, 2024.

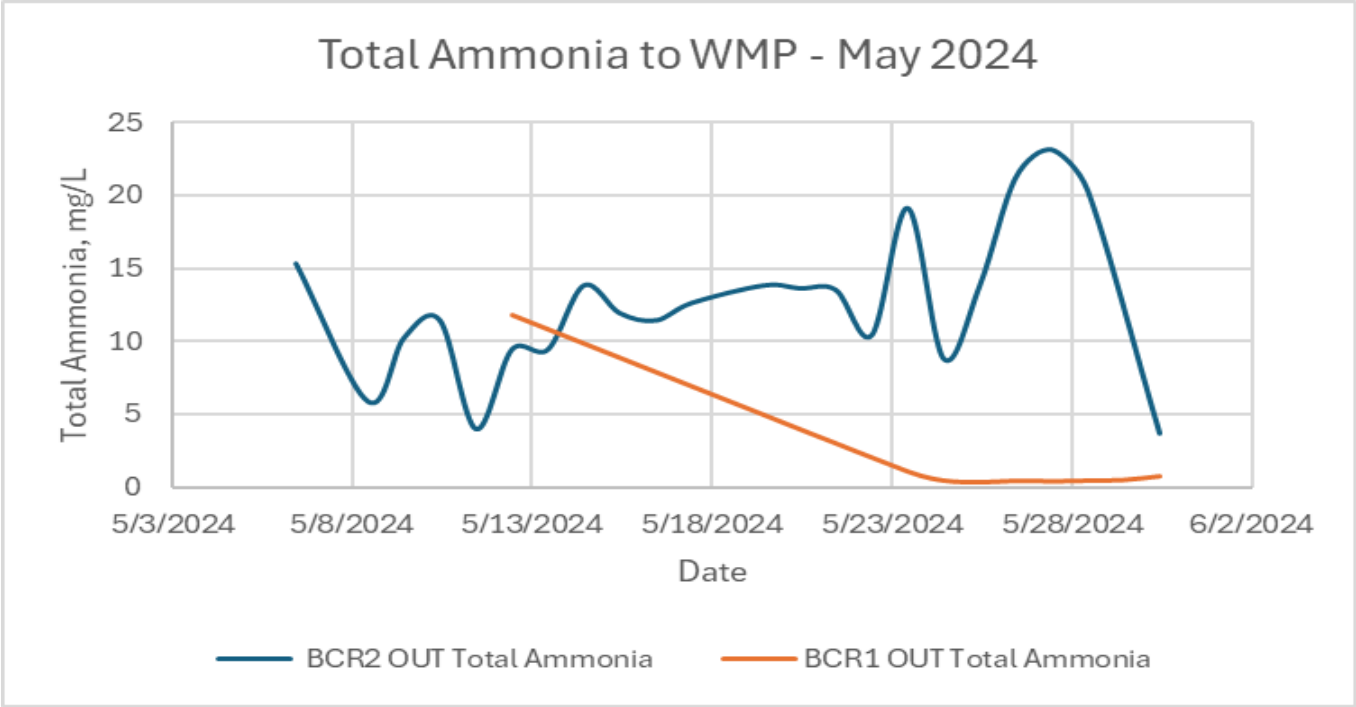


Figure 3

Total Suspended Solids (TSS) was also found to be at 15.7 mg/L at EDL2 for this sample. As New Gold has no to plans to resume discharge for the month of June, this will be a monthly average exceedance of TSS for EDL2. The cause for this heightened TSS level is due to low water levels within the WMP, high winds and rainfall. Figure 4 depicts WMP at low water levels. WMP has clay walls and is susceptible to sediment mobilization during times of low water especially during storm events. To mitigate this issue New Gold is exploring sediment control methods that are either permanent or can be deployed during the above-mentioned conditions.



Figure 4, WMP at low water level

Discharge was active for approximately 40 hours in the month of June 2024 from EDL1/2. EDL1 discharged 56,029 m³ and EDL2 discharged 49,670 m³ during that time. The receiving water body, Pinewood River had a flow of 243,412 m³ at the same time, approximately 43% of the river flow at was mine effluent at exceedance levels for our discharge criteria. There were no downstream effects observed and no cleanup was undertaken as it would be nearly impossible.

Thanks to New Golds internal monitoring program this spill only totaled 105,699 m³ of exceeding effluent being released. Without the internal monitoring program New Gold would not have been aware of this issue for up to a week or more with the potential to release 700,000 to 1,250,000 m³ of mine effluent with ever higher levels of unionized ammonia as the trend continued.

The internal monitoring program will continue, and New Gold is now trialing an email alert system from ALS to improve response times to potential exceedances.

Once you have the opportunity to review this report, please contact the undersigned at (807) 271-3190 or Garnet Cornell at (807) 276-0106 with any questions or concerns.

Regards,



Environmental Supervisor

June 24, 2024

Jason Tittlemier
Senior Environmental Officer
Ministry of the Environment, Conservation and Parks; Kenora Area Office
808 Robertson St.
Kenora, ON P9N 1X9

Dear Mr. Tittlemier,

SUBJECT: NOTIFICATION OF EXCEEDANCES: IRON OF 24-HOUR BENCHMARK 1 VALUE (STANDARD) AT NORTHWEST STATION, DUSTFALL OF MONTHLY TOTAL BENCHMARK 1 VALUE (STANDARD) AT NORTH STATION.

Please see attached Notification of Exceedance regarding an iron exceedance of the Standard Benchmark 1 value of 100.94% on April, 2024 at the New Gold Rainy River Mine (RRM) Northwest Station, and a dustfall exceedance of the Standard Benchmark 1 value of 100.003% at the RRM North Station.

During the review of the April air quality results, it was noted that on April 24, 2024, the concentration of iron at the Northwest Station was $4.04 \mu\text{g}/\text{m}^3$, exceeding the ministry approved limit of $4.00 \mu\text{g}/\text{m}^3$. The wind rose from the Barron Weather Station shows the wind direction varied over the day, with wind coming from the Northeast and South. This indicates a combination of dust originating from the Tailings Management Area (TMA) and road dust from Highway 600 containing a high proportion of iron.

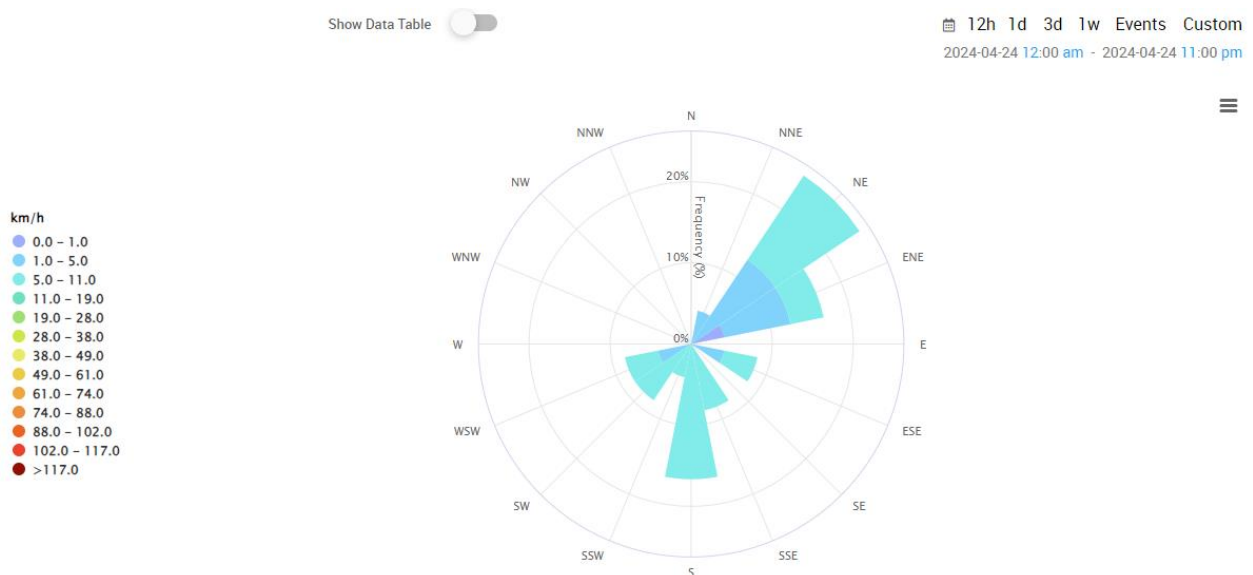


Figure 1: Barron weather station wind rose from April 24, 2024.

Over the month of April, the total dustfall at the North Station was $7.02 \mu\text{g}/\text{m}^3$, or 100.003% of the ministry approved limit of $7.00 \mu\text{g}/\text{m}^3$. The fixed dustfall result for this sample was 2.25

ug/m³, and there was contamination from organic matter in the sample (Figure 2), indicating the high particulate concentration in this sample was not due to activities at the mine site.



Figure 2: Contents of North Station Dustfall Jar collected on April 28, 2024, contaminated with organic matter.

Should you have any questions or concerns, please contact the undersigned at (807) 276-0106.

Regards,

Garnet Cornell
Environment Manager

July 5, 2024

Jason Tittlemier
Senior Environment Officer, Kenora Area
Ministry of the Environment, Conservation and Parks
808 Robertson Street
Kenora, ON P9N 1X9
Via email; Jason.Tittlemier@ontario.ca

Dear Mr. Tittlemier,

RE: Notice of Water Discharge Pond NOWL Exceedance

As per condition 4 (12) of ECA #2290-CAVKGN, the purpose of this letter is to formally notify the Ministry about the Water Discharge Pond (MRP) NOWL exceedance and the plan to return the water levels below the NOWL.

As of July 3, 2024, the water level at WDP exceeded the NOWL. The exceedance was found on July 4, 2024 when the level logger in the WDP was brought online after having been offline since June 28, 2024. The following provides an explanation of why the level logger was offline.

- The Marr2 Hub was maxed out and not functioning properly, requiring a software “code” update from RST.
- NGI collaborated with RST to prepare the new code.
- The new code was uploaded to the hub on Friday evening June 28, 2024.
- Unfortunately, the new code caused the hub to stop working entirely.
- RST personnel assisting with the issue were unavailable due to the long weekend until Tuesday, July 2nd, 2024.
- Connecting this instrument to a different hub was not feasible due to low elevation and long distance, resulting in poor signal strength.
- On the morning of July 2 2024, around 10 AM, RST provided NGI with the updated code.
- The new code was successfully uploaded, and the hub became fully operational.
- The data was reprocessed on July 4, 2024, finally showing accurate data

The water level will be brought below the NOWL as soon as possible via a diesel pump with the capacity to pump over 20,000 m3/day. Before the pump was started, the WDP contained a volume of 38,478 m3. Therefore, the volume should be below the NOWL in less than a day.

The new NOWL as per the January 2024 OMS has proven to be challenging to maintain. New Gold is working on solutions for managing the water level in the WDP by potential changes to the infrastructure. In the meantime, New Gold will implement daily manual surveys of the WDP if the water level sensor is offline in the future, to ensure compliance with the NOWL.

If you should have any questions regarding this notification, or require further information, please contact the undersigned at 807-234-8170, or at Garnet.Cornell@newgold.com.

Sincerely,



Garnet Cornell
Environment Manager
New Gold, Rainy River Mine

CC: Mathieu Trudelle, Carl Johansson, IAAC
Jason Tittlemier, MECP

2025-01-03

Jason Tittlemier
Senior Environment Officer, Kenora Area
Ministry of the Environment, Conservation and Parks
808 Robertson Street
Kenora, ON P9N 1X9
Via email: Jason.Tittlemier@ontario.ca

Dear Mr. Tittlemier,

RE: Unauthorized Deposit of Treated Mine Effluent SAC Reference #1-EYQHAV

On Tuesday 17th December 2024, a hydrovac truck was observed discharging unused water at Korpi laydown which is outside our site containment. At the time of discovery, the water being discharged by the hydrovac truck was assumed to be from the Water Management Pond (WMP) via the truck wash. The amount of water discharged from the hydrovac truck was estimated to be 100L (figure 1).

To mitigate this issue, the hydrovac truck operator was directed to clean up the spill immediately using the same truck. An estimated 70 percent of the spill was vacuumed into the truck as the spill was on icy ground leaving about 30 percent frozen. Furthermore, the location of the spill is about 180m away from the closest fish bearing waterway (as shown in figure 4). Therefore, there is little chance this remaining water will reach fish habitat.

The hydrovac truck was directed to discharge the remaining water in the truck at an approved pond within the mine site.

Water samples were collected from the source of the water at truck wash shop and sent to ALS labs in Thunder Bay for analysis including acute toxicity. The most recent preliminary data available is presented in the table below.

Truck Wash Supply Water Sample				
Analyte	Unit	ECA Monthly	ECA Daily	Result
Ammonia, Un-ionized as N	mg/L	0.04	0.08	<0.001
Arsenic	mg/L	0.017	0.034	0.00157
Copper	mg/L	0.014	0.028	0.00140
Cyanide Free	mg/L	0.01	0.02	< 0.002*
Cyanide, Total	mg/L	0.05	0.1	< 0.002*
Escherichia Coli	MPN/100mL	100		<1
Field pH	pH Units	9.5	9.5	7.31
Lead	mg/L	0.015	0.03	0.000701
Nickel	mg/L	0.047	0.094	0.00368
Phosphorus	mg/L	0.1		< 0.05
Total Suspended Solids	mg/L	15	30	3.6
Zinc	mg/L	0.174	0.348	1.09
Acute Toxicity (Rainbow Trout/ <i>Daphnia Magna</i>)	Pass/Fail	<50% mortality		Pass
*results pending, most recent WMP result used.(2024-12-13)				

Heightened levels of zinc are suspected to be from the piping and fittings of the truck wash system where galvanized piping is used. Zinc levels in the WMP as of 2024-12-13 are 0.0069 mg/L.



Figure 1: Spill location



Figure 2: Spill cleanup process



Figure 3: Spill location after cleanup



Figure 4: Spill Location Overview.

Certificates of Analysis relevant to this matter will be forwarded once they have been received.

Once you have the opportunity to review this report, please contact the undersigned at (807) 271-3190 or Garnet Cornell at (807) 276-0106 with any questions or concerns.

Regards,

Environmental Supervisor

2024-07-19

Jason Tittlemier
Senior Environment Officer, Kenora Area
Ministry of the Environment, Conservation and Parks
808 Robertson Street
Kenora, ON P9N 1X9
Via email; Jason.Tittlemier@ontario.ca

Dear Mr. Tittlemier,

RE: Unauthorized Discharge of Water into the West Creek Diversion Via the South Dam Seepage Collection Sump 2 Spillway SAC Reference # 1-8HRIDF

During review of the onsite pond water levels triggered by the email notification system, it was identified that the South Dam Seepage Collection Sump 2 pond reached the MOWL elevation of 354.6 m on July 2, 2024, at 05:00 as it was continuing to rise, after a steep incline over the trigger elevation of 354 m on July 1, 2024, at 15:00. Over the course of July 1, 2024, 00:00 to July 2, 2024, 24:00 there was precipitation of 69 mm recorded on site. After investigation of the incident, the pump selected for this location did not meet the required head of 600 m³/hr to manage the 25-year return period, 24-hour storm event condition in ECA 2290-CAVKGN, due to the continual raising of the dam since initial installation. The selected pump was only able to manage approximately 100 m³/hr pumping rate during the time of the incident.

At approximately 08:40, July 2, 2024, the New Gold Environmental team was dispatched and confirmed that the spillway was active. Once the water crossed the rock ridge it moved through the culverts under Roen Road, mixing with Marr Diversion freshwater and into the West Creek Diversion. The effluent was further mixed with water coming from upstream West Creek Diversion. See Figure 1, 2, and 3.

Water samples were collected and sent to ALS labs in Thunder Bay for analysis, including acute toxicity at the location of the spillway and rock ridge before there was dilution. Downstream surface water samples were collected at SW25 and SW26 along the West Creek Diversion. The preliminary Certificate of Analysis (COA) from ALS for the effluent sample indicated that there were no exceedances of the daily ECA Effluent Limits and the acute lethality test results for Rainbow Trout and *Daphnia magna* were both considered a pass. The Total Suspended Solid were elevated at 22.6 mg/L which was over the monthly ECA Effluent Limit of 15 mg/L as well as the *Escherichia coli* (E. coli) over the monthly limit of 100 organisms/100 mL with a value of 341 organisms/100 mL. The E. coli exceedance was deemed to be mobilized into the system from the rainfall travelling through animal feces upstream. No elevated E. coli has been noted in the Tailings Management Area year-to-date. See Figure 5 and 6.

Along with pumping the water down, a clay plug was placed on July 2 at approximately 18:00 to prevent the movement of water out of the Seep Collection Sump 2 Spillway. See Figure 4.

Based on a thirteen-hour timeframe of reaching the MOWL elevation and until the clay plug was in place the estimated flow of 457 m³/hr resulted in a worst-case scenario of 5,942.17 m³ of effluent released to the environment.

No negative downstream effects were observed during the time of the incident or the next morning after the plug was installed.

To mitigate future incidents of this nature at this sump, a larger electric pump capable of pumping water at a minimum of 600 m³/hr over the Life-of-Mine dam height is being sourced to replace the current pump. Additionally, all other seepage ponds around the Tailings Management Area will have their pumping rates reviewed against Life-of-Mine dam height to ensure they align with the 25-year return period, 24-hour storm event condition in ECA 2290-CAVKGN.

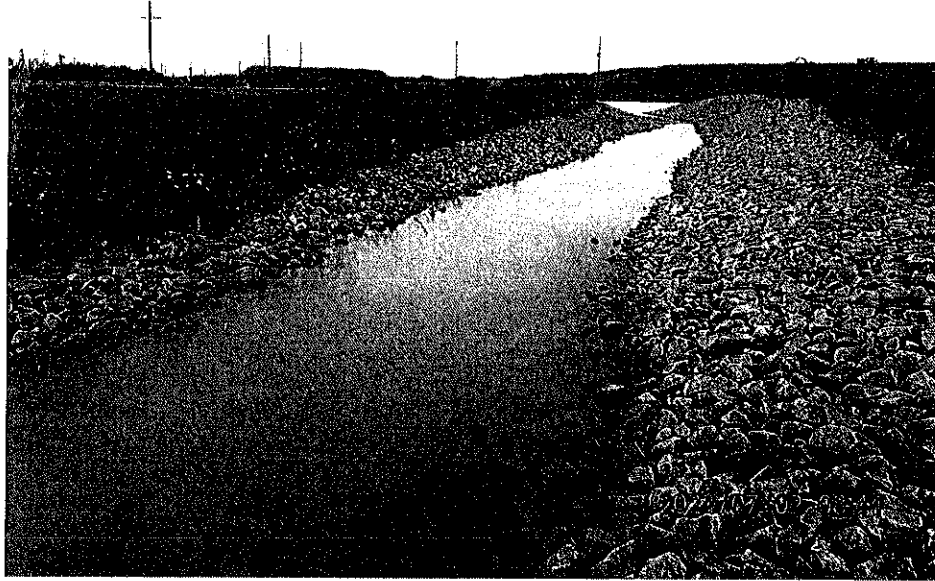


Figure 1 Activated spill way from the South Dam Seep Collection Sump 2 pond.

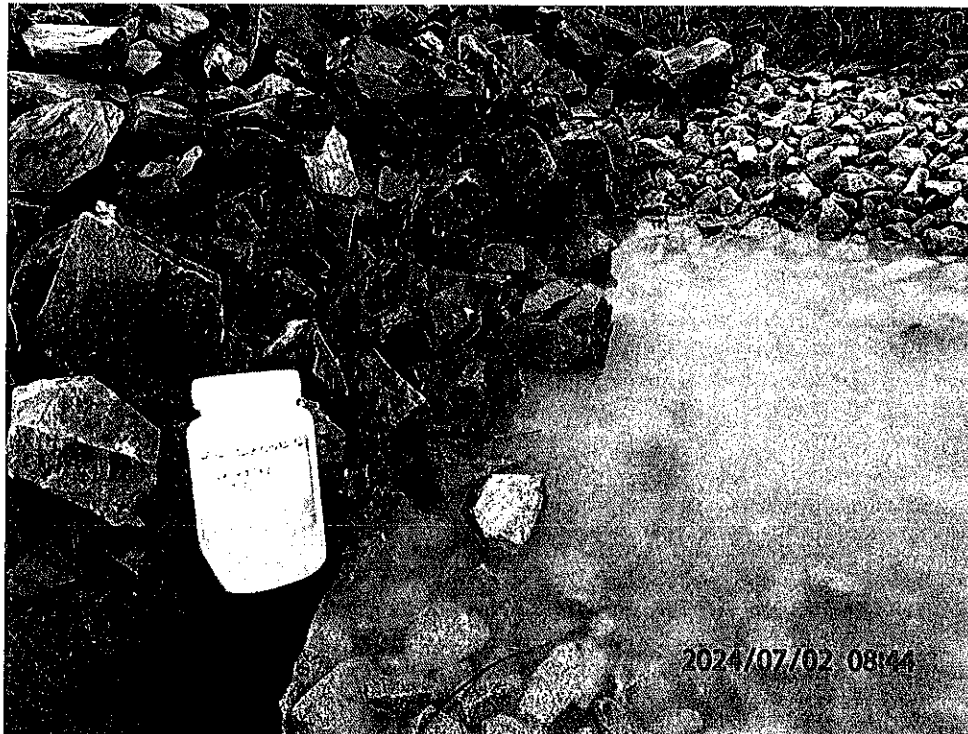


Figure 2 Water passing through the rock ridge at the end of the spill way.

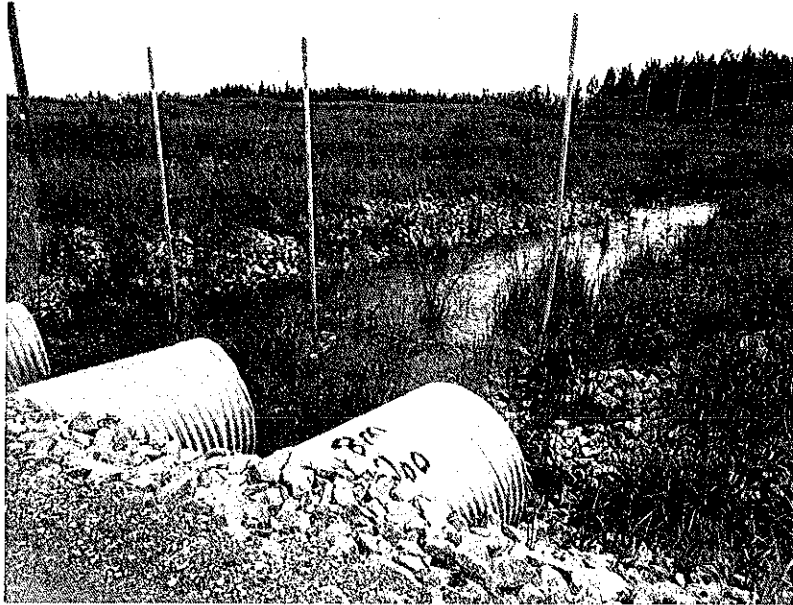


Figure 3 Water passing through the Marr Diversion culverts entering the West Creak Diversion.

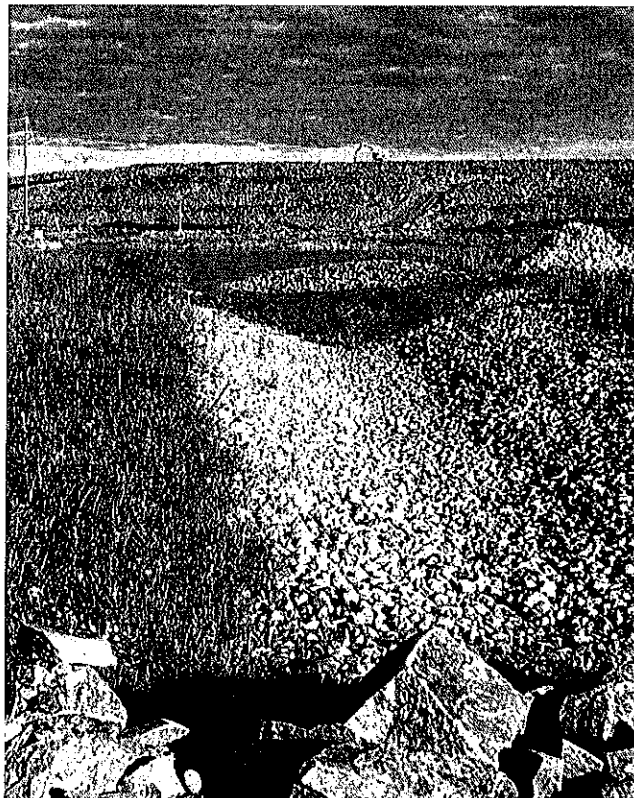


Figure 4 Placement of clay plug within the spillway.

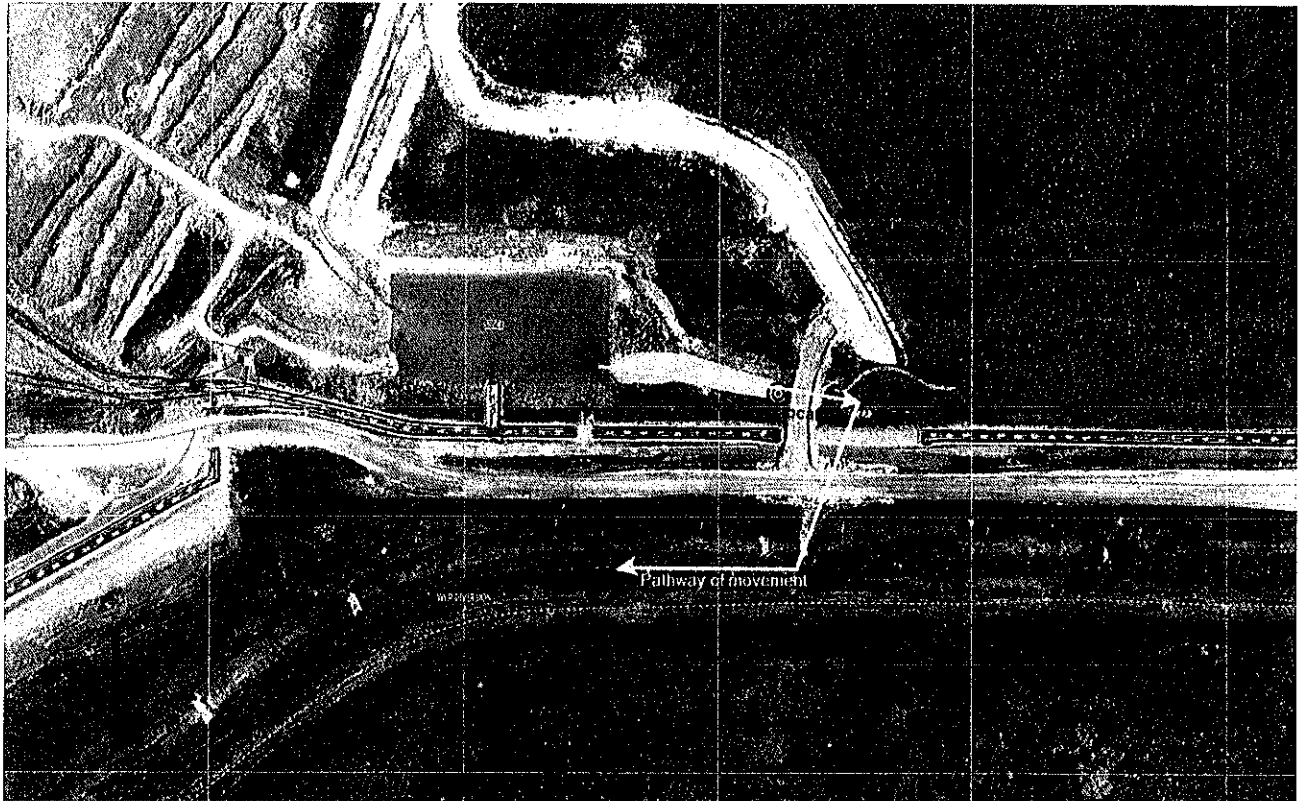


Figure 5 Incident Location Overview; showing the pathway of travel of the discharge along with the location of sampling for acute toxicity.

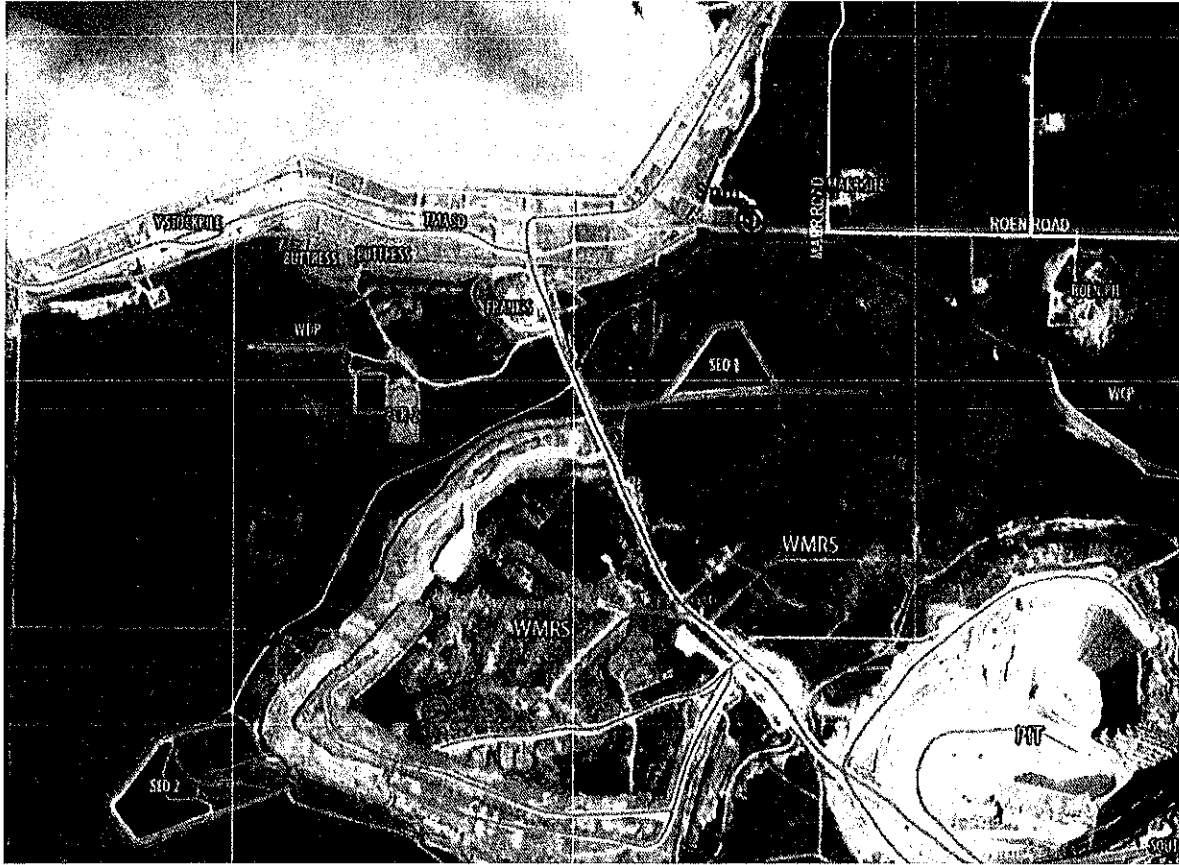


Figure 6 Incident Location Overview; showing the initial spill location and the downstream locations that were sampled.

Certificates of Analysis relevant to this matter will be forwarded once they have been received.

Once you have the opportunity to review this report, please contact the undersigned with any questions or concerns.

Respectfully submitted,

Garnet Cornell
Environment Manager

New Gold Inc.
Rainy River Mine
Garnet.Cornell@newgold.com
www.newgold.com
TSX/NYSE MKT:NGD

Gord Simms (Jul 19, 2024 08:34 CDT)

Gord Simms
General Manager

New Gold Inc.
Rainy River Mine
Gord.Simms@newgold.com
www.newgold.com
TSX/NYSE MKT:NGD

Several mitigation measures for the Tailings Management Area (TMA) are currently being considered. A perforated piping network is expected to be operational by October, allowing for water deposition on top of tailings. Additional measures being explored include a chemical suppressant. Several products have been tested and deemed unviable, and the feasibility of an additional chemical suppressant, Erosion Crust, is being considered. Snow fencing is planned for trialing later in 2024. An evaluation of the water level in the TMA is being completed to cover more exposed tailings.

Increased monitoring methods around the TMA are planned for 2024. Three continuous air monitors will be installed around the TMA to monitor particulate levels. An online dashboard is being developed to monitor beach treatment in the TMA, including indicators of where dust is coming from, and assessing risk of upcoming conditions are using weather forecasting.

Should you have any questions or concerns, please contact the undersigned.

Respectfully submitted,



Garnet Cornell
Environment Manager

New Gold Inc.
Rainy River Mine
Garnet.Cornell@newgold.com
www.newgold.com
TSX/NYSE MKT:NGD



Gord Simms (Jul 23, 2024 11:09 CDT)

Gord Simms
General Manager

New Gold Inc.
Rainy River Mine
Gord.Simms@newgold.com
www.newgold.com
TSX/NYSE MKT:NGD

August 06, 2024

Jason Tittlemier
Senior Environmental Officer
Ministry of the Environment, Conservation and Parks; Kenora Area Office
808 Robertson St.
Kenora, ON P9N 1X9

Dear Mr. Tittlemier,

SUBJECT: NOTIFICATION OF EXCEEDANCE: DUSTFALL OF MONTHLY TOTAL BENCHMARK 1 VALUE (STANDARD) AT NORTH STATION AND SOUTH STATION.

Please see attached Notification of Exceedance regarding a dustfall exceedance of the Standard Benchmark 1 value of 159% over the month of June, 2024 at the New Gold Rainy River Mine (RRM) North Station, and 119% over the month of June, 2024 at the RRM South Station.

During the review of the June air quality results, it was noted that for the month of June, 2024, the total concentration of dustfall at the North Station was $11.16 \mu\text{g}/\text{m}^3$, and the total concentration of dustfall at the South Station was $8.31 \mu\text{g}/\text{m}^3$, exceeding the ministry approved limit of $7.00 \mu\text{g}/\text{m}^3$. Photos from time of collection (Figure 1 and Figure 2) show that the samples were contaminated with organics (bird dropping, bugs, etc.), biasing the results. The proportion of fixed dustfall for North and South Stations were $3.00 \mu\text{g}/\text{m}^3$ and $3.51 \mu\text{g}/\text{m}^3$ respectively.



Figure 1: North Station Dustfall jar, collected on June 30, 2024.



Figure 2: South Station Dustfall Jar, collected on June 30, 2024.

Should you have any questions or concerns, please contact the undersigned.

Respectfully submitted,

Garnet Cornell
Environment Manager

New Gold Inc.
Rainy River Mine
1361 Roen Road
Chapple, Ontario, Canada, P0W 1A0
Garnet.Cornell@newgold.com
www.newgold.com
TSX/NYSE MKT:NGD

Gord Simms (Aug 6, 2024 16:17 CDT)

Gord Simms
General Manager

New Gold Inc.
Rainy River Mine
1361 Roen Road
Chapple, Ontario, Canada, P0W 1A0
Gord.Simms@newgold.com
www.newgold.com
TSX/NYSE MKT:NGD

September 13, 2024

Jason Tittlemier
Senior Environmental Officer
Ministry of the Environment, Conservation and Parks; Kenora Area Office
808 Robertson St.
Kenora, ON P9N 1X9

Dear Mr. Tittlemier,

SUBJECT: NOTIFICATION OF EXCEEDANCE: DUSTFALL OF MONTHLY TOTAL BENCHMARK 1 VALUE (STANDARD) AT NORTH STATION AND SOUTH STATION.

Please see attached Notification of Exceedance regarding a dustfall exceedance of the Standard Benchmark 1 value of 153% over the month of July, 2024 at the New Gold Rainy River Mine (RRM) North Station, and 103% over the month of July, 2024 at the RRM South Station.

During the review of the July air quality results, it was noted that for the month of July, 2024, the total concentration of dustfall at the North Station was $10.71 \mu\text{g}/\text{m}^3$, and the total concentration of dustfall at the South Station was $7.20 \mu\text{g}/\text{m}^3$, exceeding the ministry approved limit of $7.00 \mu\text{g}/\text{m}^3$.

Photos from time of collection (Figure 1 and Figure 2) show that the samples were contaminated with organics (bird dropping, bugs, etc.), biasing the results. The proportion of fixed dustfall for North and South Stations were $3.18 \mu\text{g}/\text{m}^3$ and $2.67 \mu\text{g}/\text{m}^3$ respectively.

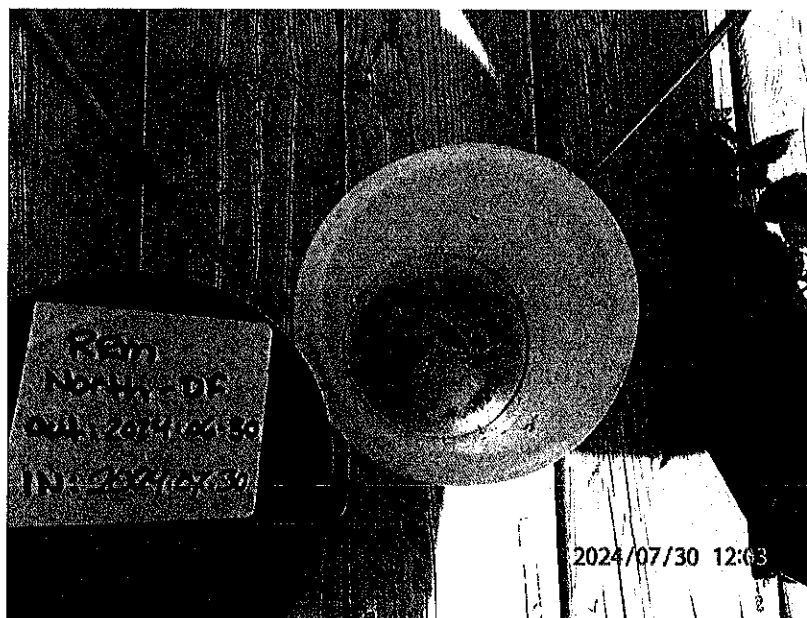


Figure 1: North Station Dustfall jar, collected on July 30, 2024.

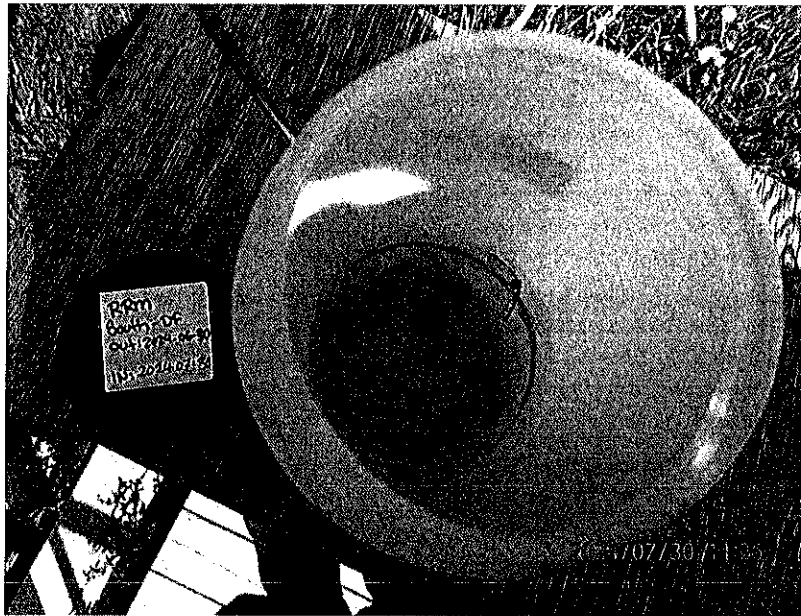


Figure 2: South Station Dustfall Jar, collected on July 30, 2024.

Should you have any questions or concerns, please contact the undersigned.

Respectfully submitted,

Garnet Cornell
Environment Manager

New Gold Inc.
Rainy River Mine
1361 Roen Road
Chapple, Ontario, Canada, P0W 1A0
Garnet.Cornell@newgold.com
www.newgold.com
TSX/NYSE MKT:NGD

Gord Simms
General Manager

New Gold Inc.
Rainy River Mine
1361 Roen Road
Chapple, Ontario, Canada, P0W 1A0
Gord.Simms@newgold.com
www.newgold.com
TSX/NYSE MKT:NGD