

TSM Performance by Company

New Gold Inc.



New Gold is an intermediate gold producer with operating mines in Canada (New Afton Mine - British Columbia and the Rainy River Mine - Ontario), the United States (Mesquite Mine), and Mexico (Cerro San Pedro Mine). In addition, New Gold's principal development project is its 100% owned Blackwater project in British Columbia. New Gold sold its operation in Australia, the Peak Mine, in early 2018.

New Gold is committed to excellence in corporate social responsibility. We consider our ability to make a lasting and positive contribution to our host communities a key driver to achieving a productive and profitable business. At New Gold, we contribute to sustainable development by ensuring we have a detailed understanding of the impacts, and potential impacts, of our activities on communities and the environment. With this understanding we can minimize or prevent these impacts. We apply this risk-based approach throughout the mine life cycle, from early exploration through development and operation, to decommissioning and mine closure.

New Gold believes in positively contributing to the mining industry. As part of this commitment, New Gold is an active member of the World Gold Council, Business for social responsibility, the Mining Association of Canada, the Prospectors and Developers Association of Canada, the Mining Association of Ontario and the Mining Association of British Columbia. We also take part in the Mexican Mining Chamber, the Canadian Chamber of Commerce in Mexico and the American Exploration and Mining Association in the United States. We are also committed to the United Nations Global Compact's principles on human rights, labor standards, the environment and anti-corruption.

New Gold is committed to achieving the highest possible level of performance with regards to safety, environmental protection and sustainable community development. This commitment drives New Gold to seek out those standards, Protocols and performance indicators that assist our operations in achieving these goals. As a result, New Gold has adopted the following standards and added them to the New Gold *Environmental Management Standards and Community Management Standards*:

- The International Cyanide Management Code
- ISO 14001:2015 Environmental Management



- The Mining Association of Canada's *TSM*
- ISO 26000 – Social Responsibility.

New Gold also adopts the UN Global Compact 10 Principles and follows the guidelines of the Global Reporting Initiative and the Carbon Disclosure Project for both carbon and water disclosures to ensure relevant information is made known to its communities of interest. As part of the World Gold Council, New Gold fulfills its obligations under the *Conflict-free Gold Standard*.

New Afton enthusiastically adopted *TSM* Protocols, in addition to implementing ISO 14001, as it moved from the project development phase through commissioning and into production in July 2012. 2013 was the first full year of operation at New Afton and the first year of mandatory *TSM* reporting. New Gold has used *TSM* as a tool of disclosure to assure our local communities and First Nations partners that there has been progress and improvement in the areas that are important to them.

This is New Afton's fifth year of reporting to *TSM* and the site conducted a self-assessment against the Protocols. We look forward to verifying these self-assessed results in the future.

The results have shown improvement in several key areas, namely:

- Tailings Management; moved from A to AAA for the OMS Manual indicator.
- Energy Use and GHG Emissions Management; all indicators moved to AAA.
- Biodiversity Conservation Management; two of the three indicators moved to AAA.
- Aboriginal and Community Outreach; moved from AA to AAA for COI engagement.
- Health and Safety; two indicators moved to AAA making it three in total.

In 2013, New Afton made significant progress toward a vision of sustainable energy management and in early 2014, it was the first mine in North America to be certified under ISO 50001 - Energy Management Systems. We have met the criteria for AAA across the entire Protocol, but more importantly we have met or exceeded our energy targets which leads to dollar savings and lower GHG emissions and has yielded 35 GWh in energy conservation, enough to power 3,500 homes for a full year. In 2018, New Afton won a Canadian Industry Partnership for Energy Conservation (CIPEC) Leadership Award for Employee Awareness and Training.

As part of our commitment to being a socially responsible partner of choice, New Gold has adopted *TSM* at all of our sites, including those in other countries. In 2017, our Cerro San Pedro Mine received a *TSM Leadership Award* from the Mining Association of Canada for reaching a minimum of Level A across all indicators during external verification. As the site is undergoing a phased closure due to exhaustion of ore, one particularly pleasing aspect of the results was the achievement of AAA across all indicators of the *Aboriginal and Community Outreach Protocol*. Cerro San Pedro has maintained the good results that it achieved for the last reporting period. Although this will be the last time Cerro San Pedro will report its *TSM* results externally, the site will continue to use the *TSM* Protocols to guide activities through the remainder of the closure process.

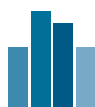
Mesquite Mine, in eastern California, also self-assessed against the Protocols. While the site scored particularly high in *Safety and Health*, it unfortunately saw a drop in other results, including: *Aboriginal and Community Outreach*, *Energy Use and GHG Emissions Management* and *Biodiversity Conservation Management*. The results have been reviewed and action plans compiled to address the priority areas that saw a reduction in performance indicator scores.

The increase in scores in safety and health is particularly pleasing for New Gold and the Level AAA rating for every indicator is reflective of the great efforts of the Mesquite team. The site was able to achieve six consecutive months without a single safety incident.

With Rainy River Mine now operating, New Gold intends to implement *TSM* and report on performance next year as part of consolidated data. External reporting of the results will commence in two years.

🔗 For more information, please visit www.newgold.com or contact Dennis Wilson: dennis.wilson@newgold.com





2017 TSM Results

New Gold Inc.

Crisis Management and Communications Planning Assessment

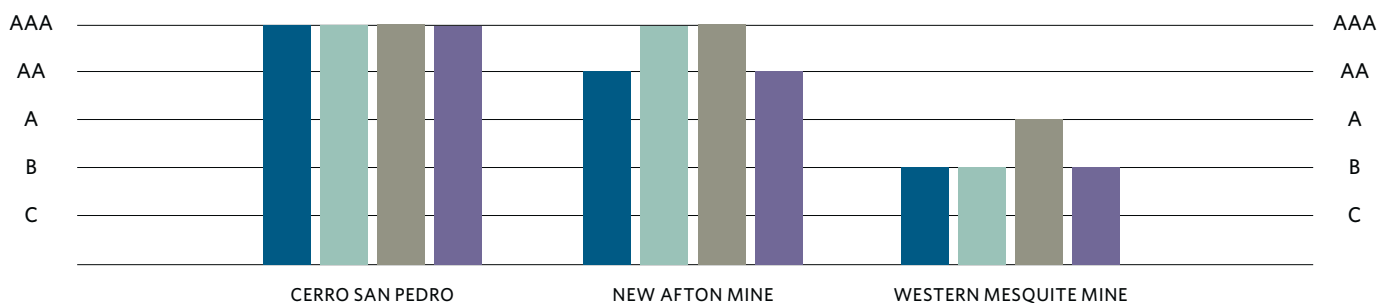
FACILITY	PREPAREDNESS	REVIEW	TRAINING
CORPORATE	✓	×	×
CERRO SAN PEDRO	✓	✓	✓
NEW AFTON MINE	✓	✓	✓
WESTERN MESQUITE MINE	✓	✓	✓

Preventing Child and Forced Labour

FACILITY	PREVENTING FORCED LABOUR	PREVENTING CHILD LABOUR
CERRO SAN PEDRO	✓	✓
NEW AFTON MINE	✓	✓
WESTERN MESQUITE MINE	✓	✓

Aboriginal and Community Outreach Assessment

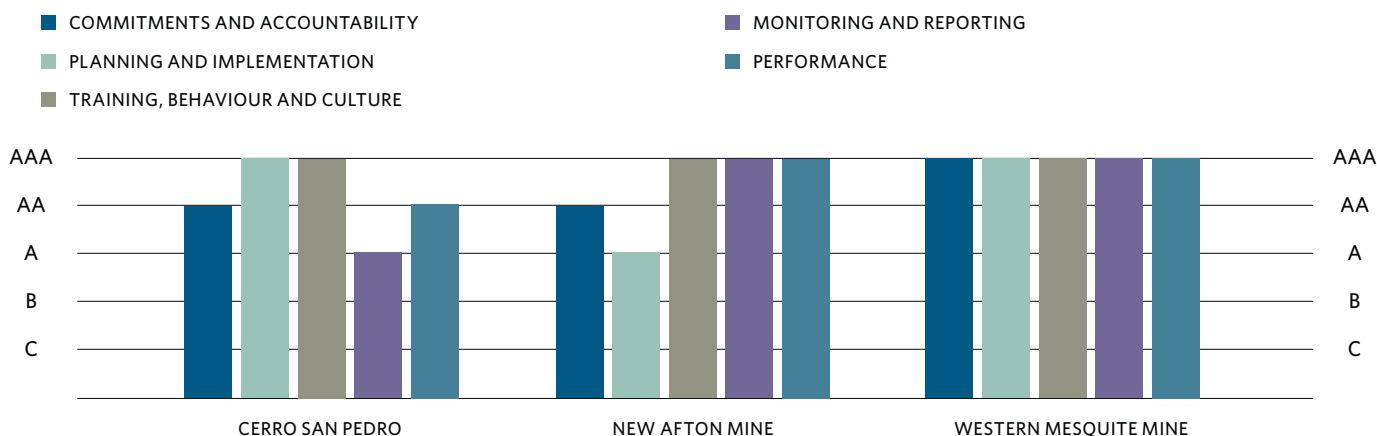
- COMMUNITY OF INTEREST (COI) IDENTIFICATION
- EFFECTIVE COI ENGAGEMENT AND DIALOGUE
- COI RESPONSE MECHANISM
- REPORTING



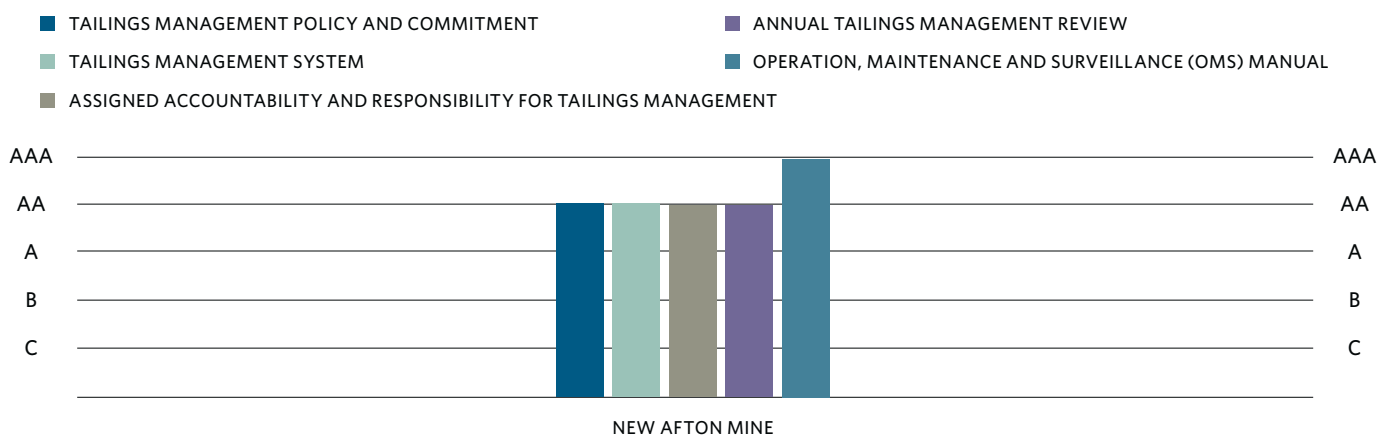
Self-assessed results; last external verification: 2017; next external verification: 2020.



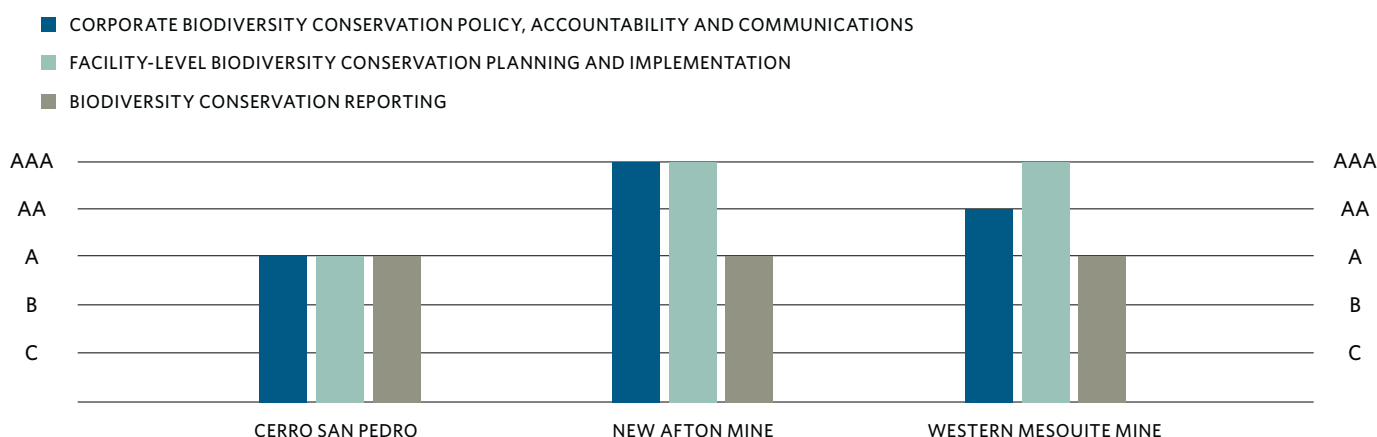
Safety and Health Assessment



Tailings Management Assessment



Biodiversity Conservation Management Assessment

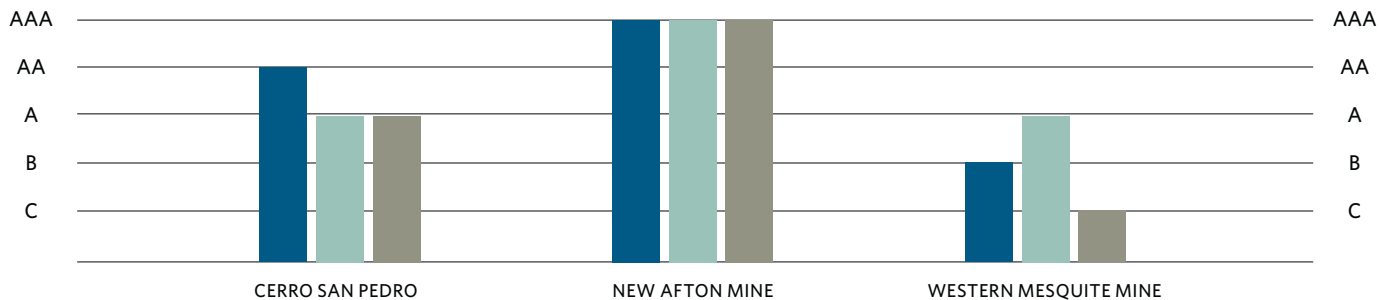


Self-assessed results; last external verification: 2017; next external verification: 2020.



Energy Use and GHG Emissions Management Assessment

- ENERGY USE AND GHG EMISSIONS MANAGEMENT SYSTEMS
- ENERGY USE AND GHG EMISSIONS REPORTING SYSTEMS
- ENERGY AND GHG EMISSIONS PERFORMANCE TARGETS



Self-assessed results; last external verification: 2017; next external verification: 2020.

