

May 29, 2019

Mining Association of Canada  
1105 – 350 Sparks Street  
Ottawa ON K1R 7S8

**ATTENTION:** Mr. Pierre Gratton, President and Chief Executive Officer, Mining Association of Canada

**REFERENCE: New Gold Inc.'s New Afton Mine - Towards Sustainable Mining (TSM) Verification**

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New Gold Inc.'s New Afton Mine (New Afton) has a process in place to verify the information provided to the Mining Association of Canada ("MAC") with respect to its Self-Assessed Towards Sustainable Mining ("TSM") Performance Indicators.

The "TSM Verification Process" included an independent review performed by Neil Allen of SNC-Lavalin Inc. (SNC-Lavalin). The Verifier reviewed the process developed and implemented by New Afton for the year ended December 31, 2018 with respect to the TSM self-assessment information entered into the Mining Association of Canada's Towards Sustainable Mining ("TSM") online database. The Verifier assessed the company's reported TSM performance indicator results as measured against the requirements of MAC's *Towards Sustainable Mining Performance Indicators*.

The scope of the review included the Company's TSM verification processes for Crisis Management and Communications Planning (Corporate and Facility), Energy Use and Greenhouse Gas (GHG) Emissions Management, Tailings Management, Biodiversity Conservation Management, Safety and Health, and Aboriginal and Community Outreach. The verification did not include a review of any other processes that the Company has in place.

The review was conducted in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of interviews, data analysis, and examining, on a sample basis, other evidence relevant to New Afton Management's assertion of conformance to the requirements of the *TSM Performance Indicators*.

Review by SNC-Lavalin confirmed that the TSM self-assessment results for the period ending December 31, 2018 fairly state the company's performance, except for evaluation of the following:

## **Lowered Assessments:**

### **Crisis Management and Communications Preparedness (Corporate):**

- › **Indicator 1 – Crisis Management and Communications Preparedness**, which New Afton Self-Assessed as “Y”, but which SNC-Lavalin lowered to “N” based on a review of the available information available from New Gold’s Corporate office (New Gold Inc.). That is, suitable evidence was not available during the Verification to demonstrate that a crisis control centre had been established and equipped for the Corporate office in 2018 as required, and that a media spokesperson had been trained at the Corporate level as required.

## **Upgraded Assessments**

The following Indicators were upgraded after reviewing the available information:

### **Biodiversity Conservation Management:**

- › **Indicator 3 – Biodiversity Conservation Reporting**, which New Afton self-assessed as A, but which SNC-Lavalin upgraded to AA based on a review of the available information.

### **Safety and Health:**

- › **Indicator 2 – Planning, Implementation and Operation**, which New Afton self-assessed as A, but which SNC-Lavalin upgraded to AAA based on a review of the available information.
- › The remaining indicator self-assessments were consistent with the Verifier’s assessment.

Prepared by:



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Renaud Adams

President and Chief Executive Officer

cc:

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- Scott Davidson, Manager ELP
- Kevin Mihalicz, Manager, Safety and Training