

March 15, 2021

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 Rainy River Mine - Towards Sustainable Mining (TSM) Verification

New Gold Inc.'s Rainy River Mine (Rainy River) completed its third year of commercial production in 2019 and had an external verification completed with respect to the implementation of the Mining Association of Canada ("MAC") Towards Sustainable Mining ("TSM") Performance Indicators.

The "TSM Verification Process" included an independent review performed by Neil Allen of Envirochem Services Inc. (Envirochem). The Verifier reviewed the process developed and implemented by Rainy River for the year ended December 31, 2019 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, Water Stewardship, Safety and Health, Aboriginal and Community Outreach, and Preventing Child and Forced Labour. 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 Rainy River Management's assertion of conformance to the requirements of the *TSM Performance Indicators*.

Review by Envirochem confirmed that the TSM self-assessment results for the period ending December 31, 2019 fairly state the company's performance, except for evaluation of the following:

Lowered Assessments:

The following Indicator was downgraded after reviewing the available information:

Safety and Health Protocol

- › **Indicator 4 – Monitoring and Reporting**, which Rainy River Self-Assessed as A, but which Envirochem lowered to B based on a review of the available information. That is, suitable evidence was not available during the Verification to demonstrate that a fully documented and comprehensive health and safety audit program was in place for the Facility in 2019 with compliance audits and management system audits conducted on a regular basis as required in accordance with an audit plan.

Upgraded Assessments

The following Indicators were upgraded after reviewing the available information:

Energy Use and Greenhouse Gas Emissions Management:

- › **Indicator 1 – Energy Use and Greenhouse Gas Emissions Management Systems**, which Rainy River self-assessed as B, but which Envirochem upgraded to A based on a review of the available information.
- › **Indicator 3 – Energy and Greenhouse Gas Emissions Performance Targets**, which Rainy River self-assessed as C, but which Envirochem upgraded to A based on a review of the available information.

The remaining indicator self-assessments were consistent with the Verifier's assessment. Action plans are currently being prepared for indicators which were scored at the B level or for the Crisis Management and Communication Planning Protocol received a No. These action plans will be submitted to MAC as soon as they are finalized.

Prepared by:



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President and Chief Executive Officer

cc:

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