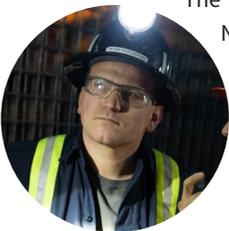




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A NOTE FROM OUR MINE MANAGER



The first quarter of 2019 has been a whirlwind at New Afton. The B3 and C-zone projects have been restarted and our teams are ramping up to meet the challenge. This is a great time to discuss our values: developing our employees, commitment, integrity, teamwork and creativity. These values have been established to guide our business, find clarity, make tough decisions and take actions that serve our purpose.

The Mine Operations department has grown with 54 new employees, 42 of which are new to the industry. Together with the TRU School of Trades and Technology and the BC Center for Training Excellence in Mining we developed a five-week program called Underground Mining Essentials. This program is supported by the Mining Industry Human Resources Council of Canada who have enrolled the participants in the Canadian Mining Certification Program, allowing the employees to work towards their certification, which they can build on and take with them into future mining opportunities. Along with the intake of new employees, many of our experienced miners are stepping up to new equipment or tasks. To stay on track, our Mine Operations employees have been reviewing our key performance indicators monthly; safety statistics, production tonnes, rehab tonnes and development meters. While we started slow in January, we are now exceeding our targets

as a team. This is a great display of our commitment, integrity and teamwork. Looking forward in 2019, our development meters will double by the end of the year. Teamwork will be key to continuing to exceed our targets. In each task we must ask ourselves how we can help our co-workers or the next person in the cycle. It is the combined efforts and expertise of everyone on the team that enables us to succeed.

Looking to the future, leading with innovation and creativity will play a huge role at New Afton. Our autonomous scooptram project is a great example of this. Since implementation in 2018 we have fine tuned the operations to within 5% of a manual operator's shift productivity. Now we are poised to take the next step – moving our operators to surface. This will be a huge improvement for the workplace quality of our operators and will enable 24-hour production even when blasting. I'm excited to see what other innovations we can incorporate into our mining process to make the workplace safer and more productive.

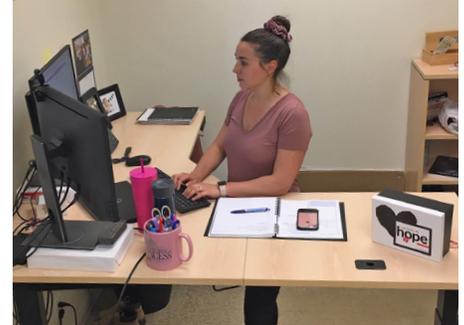
Too often a company's values are strong words that are meaningless compared to their actions. I would like to challenge everyone on site to live our values. By using them to guide our business, I believe we will be successful at New Afton. We have a proud past, a bright future and together we will succeed.

Peter Prochotsky, Mine Manager

PREVENTION IS KEY TO A SAFE AND HEALTHY WORKFORCE

Musculoskeletal Disorders (MSDs), otherwise referred to as strain or sprains, are the most commonly claimed injury type, according to recent WorkSafe BC data. These high percentages are just one of the many reasons why MSD recognition and prevention programs are critical in the workplace.

At New Afton, our comprehensive MSD Recognition and Prevention Program has been in place since 2013 with regular updates and additions over the years. This program is focused on educating our workers in the principles of MSD prevention through on-boarding orientations, site wide refresher training sessions every two years, ongoing ergonomic evaluations, communications, hazard assessments, five point safety cards and through our recent “Stretching Leaders” program. Each year, a number of ergonomic improvements are made on site to aid in musculoskeletal injury prevention, whether it be through the outcome of an assessment, investigation or through the innovative ideas of our workforce. The Ministry of Energy and Mines has completed two Ergonomic Inspections on site in the past 3 years, both of which have had excellent feedback, resulting in only one minor ergonomic-related order.



A New Afton employee utilizes a stand-up desk to minimize time spent sitting.

Our MSD Prevention Program here at New Afton has been successful because of the dedication and commitment of our workforce. MSD hazard reporting, participation in prevention programs (i.e. Stretching Leaders), and inventive ideas on ways to improve our current processes are all excellent prevention factors that can be seen regularly by our workers here on site. Excellent work team, let’s keep it up!

SAFETY CHAMPION

CHRIS STRICKLAND, MILLWRIGHT



Each quarter, members of New Afton’s Joint Occupational Health and Safety Committee review nominations for the New Afton Safety Champion. The first quarter Safety Champion award was presented to Chris Strickland from the Mill Maintenance team! Chris has shown consistent safety leadership over the years and has been most recently recognized for numerous improvements that have been made to the screen deck replacement task in the mill to make it safer and increase efficiency. He has participated in focus groups to improve safety on various higher risk jobs and his contributions have been greatly appreciated. Chris always looks for ways to make safety improvements, not just for his team, but for the entire site. Congratulations, Chris! Thank you for being a Safety Champion at New Afton.

BY THE NUMBERS

PRODUCTION PERFORMANCE

OUTPUTS (3 months ended March 31)	2019	2018
Ore Processed (thousand tonnes)	1,328	1,290
Tailings Produced (thousand tonnes)	1,298	1,253
Average gold grade of ore (g/tonne)	0.50	0.57
Average copper grade of ore (%)	0.80	0.94
Copper Produced (million pounds)	19.5	22.2
Gold Produced (ounces)	17,841	19,988

ENVIRONMENTAL PERFORMANCE

ENVIRONMENTAL SCORECARD

INCIDENTS (3 months ended March 31)	2019	2018
Environmental Non-Compliances	1	0
Externally Reported Spills	0	1
Number of Fines Incurred	0	0

The environmental non-compliance relates to use of waste rock for construction that did not meet a required neutralization potential threshold.

THE PATH TO A CAREER FOR WOMEN IN TRADES

NEW AFTON EMPLOYEE SHARES HER STORY WITH GIRLS EXPLORING TRADES AND TECHNOLOGY

According to a study by the Canadian Manufacturers & Exporters Association, women accounted for just 4.5% of skilled trade workers in Canada in 2017. In an effort to remove barriers and create opportunities for more women to work in trades, School District #73 invited girls in grades seven, eight and nine to participate in a two day program at the School of Trades and Technology at Thompson Rivers University. “Girls Exploring Trades and Technology” provided participants with the opportunity to get a taste of four different trades over the span of the program, combining elements of hands-on activities with presentations from women working in trades and technology. New Gold’s Maintenance Planner, Lisa Newman, spoke to the group of more than 70 girls, sharing her experiences and offering some advice. She has both her electrical and instrumentation red seal tickets. Lisa told the group about her time at TRU (formerly University College of the Cariboo), where, for the majority of her program, she was the only woman in the class.

“I felt more committed to do it because there were so few women in trades to begin with. I felt like I had to prove something and show them that anything is possible, no matter your size, gender or background.”

Lisa Newman, Maintenance Planner



UBC MINE RESCUE SHINES AT COMPETITION

TEAMS TRAINED AT NEW AFTON MINE

The UBC Mine Rescue Team has made a name for themselves in the competition circuit with a number of successes at the Mine Emergency Response Development competition at the Colorado School of Mines in February. Students from around the world compete in a number of categories including an underground portion, first aid, incident command and more. The underground and incident command portions were held in the Edgar Experimental Mine in Idaho Springs, Colorado, with the remainder of the events being held at the Colorado School of Mines campus. The UBC Mine Rescue men’s and women’s teams were one of seven school groups competing. The women’s team won 1st overall, 1st in First Aid, 2nd in Underground and 2nd in Technician while the men’s team won 2nd Overall, 2nd in First Aid, 3rd in Technician and 3rd in Underground.



“To come to New Afton and have a week straight of learning what’s important - it was unbelievable.”

Jillian Newell, UBC Mine Rescue President

Both the men’s and women’s teams spent several days on site at New Afton training with Fire and Mine Rescue members Brandon Moe and Chris Gamble. Training included use of an outdoor maze meant to simulate confined underground spaces. In fact, one of the scenarios practiced at New Afton, a flood in a drift, was included in the competition in Colorado. Our congratulations to both the men’s and women’s teams for their incredible showing at the Mine Emergency Response Development competition in February!

INDEPENDENT TAILINGS REVIEW BOARD

TAILINGS TRANSPARENCY AND OVERSIGHT AT NEW AFTON

In mining, tailings are the leftover materials after minerals are extracted from ore. At New Afton, a hard-rock underground mine, this is done by breaking up and reducing the size of the ore through blasting and milling, then using chemical reactions and processes to separate the valuable minerals from the leftover ore. Following this process, the tailings need to be stored. New Afton is committed to ensuring tailings are stored as safely and responsibly as possible. Following the Mt. Polley tailings incident in 2014, the provincial government mandated Independent Tailings Review Boards (ITRB) for mines with tailings impoundments to ensure appropriate oversight.



New Afton’s ITRB consists of recognized senior experts in the areas of geotechnical engineering, hydrogeology and geochemistry. Unique to New Afton’s ITRB is one member with specific knowledge and experience with underground block cave mining – the method used at New Afton. This helps to ensure that the feedback and knowledge gained from the board is specific to the unique challenges and opportunities faced by our operation. This group focuses largely on reviewing dam construction, site investigations, design, maintenance, water management in addition to reviewing long term closure planning. The ITRB is an observational oversight body that reviews presented information and makes recommendations to New Afton personnel on areas that it feels warrant further investigation or attention. During the multiday meetings, staff from New Afton and its consultants present on current construction activities, quality control results, site water balance and results from dam safety inspections, among other topics. Included in the meetings are New Afton’s Engineers of Record – third party professional engineers with the responsibility of ensuring that tailings storage facilities and dams are designed, constructed and maintained in adherence with industry best practices.

Following each meeting, the ITRB issues a report that summarizes their findings and details their recommendations. The ITRB reports go to New Gold’s President and CEO who provides regular reports to New Gold’s Board of Directors on ITRB findings. New Afton staff manage the recommendations using an action log to ensure responsibility is assigned and proper implementation and follow-up completed. New Afton is committed to managing our operational impacts safely, responsibly and transparently.

EMPLOYEE SPOTLIGHT

KURT LEONARD



Kurt was born and raised in Kamloops and is a proud member of the Tk’emlúps te Secwépemc. He started with the New Gold team back in 2009, when he was hired as an Underground Miner Trainee. This year Kurt celebrates his 10-year anniversary with New Gold. During his employment, Kurt had the opportunity to attend Thompson Rivers University and complete the Heavy Equipment Operators course. With the training, Kurt was able to apply his knowledge and transition from development into production and learn about the new tasks of the mine. Over the last 10 years, Kurt has assisted our Mine Operations Team and is a versatile team member who ensures the roads underground are well maintained, is efficient at running the production equipment underground, and will be working towards his blasting ticket in 2019. His past shifter, described Kurt as someone who is always willing to fill in when needed to get the job done for the team. When not working, Kurt likes to spend time with his children, Brooke and Lucas, and wife, Kaylea. In addition to spending time with his family you can find Kurt out on the land hunting and fishing. He takes advantage of his seven days off to be productive on their property or provide food for their table. Kurt is grateful for the opportunity to be a part of the New Gold team and looks forward to the future of New Afton.

OUR PEOPLE

Three months ended March 31	2019	
	Total # of Employees on Payroll	446
Employees from BC	413	93%
Employees hired from Kamloops region	356	80%
Employees hired from BC, outside Kamloops	57	13%
Employees from outside BC	29	6%
First Nations Employees	100	22%
First Nations Employees from Tk'emlúps te Secwépemc and Skeetchestn Indian Band	31	7%
Female Employees	60	13%
Male Employees	386	86%
Average Age	41	-



For information on current employment opportunities, please visit our website at www.newgold.com.

CREW UPDATE SESSIONS



With a workforce as large as New Afton's, it is important to ensure employees are regularly updated on the operation's successes, opportunities and future plans. This is achieved through Crew Updates, large-scale mandatory presentations delivered to each and every employee at least once annually. For the latest session, New Afton's Management team served employees a buffet meal as a show of appreciation for achieving one million hours lost time injury-free.

From health and safety discussions focused on the importance of incident reporting and root cause investigations to observing trends in environmental hazard identification, these update sessions give employees the opportunity to see a high-level snapshot of New Afton and learn more about the projects that departments have been working on. Because there are a variety of different shifts and work schedules, ensuring that each employee is able to attend at least one sessions requires five separate presentations over two days.

During the Crew Updates in March, New Afton's General Manager John Ritter shared information on the current B3 and C-zone production schedule, as well as operational and capital expenditure goals to ensure continued viability as an operation. The presentation detailed a 2019 target of six or fewer reportable injuries (lost time, medical treatment and restricted duty) while highlighting the importance of looking out for each other when it comes to ensuring a safe and healthy workplace. The update also emphasized the importance of permitting over the next several years, as well as a commitment to increase commingled recycling by 25%. Employees learned about current exploration activities, the first blasts for C-zone development and plans for new or improved site maintenance and building facilities.



A NEW GENERATION OF MINERS

PARTNERSHIP BETWEEN TRU AND NEW GOLD

The Underground Mining Essentials program is a five-week paid training program that was delivered collaboratively between Thompson Rivers University and the New Afton Mine site through classroom, workplace, and online components. The first cohort, consisting of 12 participants, completed the program on April 19th, and have since begun working on their newly designated crews. This program will support a strong, innovative partnership between industry, community, and post-secondary training providers for underground mining related labour needed in British Columbia. The



“Having been given the opportunity to have hands on training with tools and equipment before my first shift, it gave me the confidence in not only my ability to feel safe, but the knowledge to know how to do the job right...as a female underground miner I couldn’t have asked for a better experience in a new career of mining.”

Christine Christensen

need for the training collaboration in this community is a result of the expansion of development at New Afton Mine and the shortage of locally trained underground miners. This program will help labour shortages and improve access for people to receive gainful employment in our community. The Cohorts will provide opportunities for local community members and Stk’emlúpsenc te Secwépemc Nation (SSN) members, who lack previous underground mining experience, to gain the fundamental skills necessary to pursue entry level positions within the Mining Industry. Skills gained in the program are directly transferable to entry level positions in operations specific to underground mining, surface mining, open cast mining, strip mining and rock quarry sites, as well as being transferable to other natural resource industries.

MICHELLE POCKEY AWARD

SHOWING LEADERSHIP AT NEW AFTON



As a tireless advocate for women in business and law, Michelle Pockey’s legacy is an important one. Her work focused on global energy, mining, aboriginal and environment and sustainability issues. Sadly, she passed away in 2016. The award in her name is presented to women who have faced adversity in the pursuit of post-secondary education and is meant to further their long-term career and leadership opportunities.

New Gold’s Senior Advisor - Indigenous Relations, Martha Manual, received the award at Business In Vancouver’s Influential Women in Business Awards ceremony in March.

Martha has been with New Gold since 2008, working closely with our partners the Stk’emlúpsenc Te Secwépemc Nation (SSN) to ensure the successful implementation of the Participation Agreement between New Gold and the SSN. Martha is a member of the Neskonlith Indian Band, located in the traditional territory of the Secwépemc people. The award will support Martha as she works to complete the executive MBA Indigenous leadership program at Simon Fraser University.

THERE’S AN APP FOR THAT!

Earlier this year, the New Afton Human Resources and Community team launched an app for employees to stay up-to-date on important site-level information, learn more about safety and environmental issues, read up on news and highlights from New Gold’s corporate office and even access stories from this newsletter. As more and more communication takes place using smartphones, New Afton hopes to provide more effective and agile communication to employees.



CONSERVING BC'S HEART OF GOLD

NATURE CONSERVANCY OF CANADA AND NEW GOLD WORK TOGETHER TO PROTECT BC'S GRASSLANDS

SUBMITTED BY THE NATURE CONSERVANCY OF CANADA

British Columbia's grasslands are a rarity in the midst of a province typified by forest, mountain and coastline, accounting for less than one percent of BC's natural environment. And yet, despite their small footprint, an impressive diversity of plants and animals has come to rely on grasslands habitat for at least part of their life cycle.

Grasslands are also a magnet for humans — we are attracted to their agriculture potential, ease of development and aesthetic qualities. Because of this, our impact on these landscapes has been extensive, however we can make choices that help to balance our footprint in these important areas.

The Nature Conservancy of Canada (NCC) has partnered with New Gold on many conservation initiatives in the Nicola Valley that aim to conserve the grassland habitats that countless unique plants and animals need for their ongoing survival. New Gold contributed directly to the creation of the Warner Philip Conservation Area (2011) and Napier Lake Ranch Conservation Area (2014), which together permanently conserve close to 800 hectares (close to 2,000 acres) of natural grasslands and important associated ecosystems.

New Gold's support for conservation in the southern interior helps NCC with the ongoing stewardship and management of these precious lands. These activities span managing invasive plants, fencing wetland areas and monitoring their recovery, working with ranchers to allow for cattle grazing in a rotation that respects biodiversity values, and



creating a sustainable approach to public access.

NCC is also pleased to support conservation research on our conservation areas in order to contribute to the growing body of knowledge about ecological processes, wildlife populations along with best management practices for ecological restoration and habitat enhancement. This research engages students from Thompson Rivers University, independent conservation scientists and provincial biologists, with information being shared throughout the conservation industry.

“New Gold has been a leader in demonstrating how industry and conservation can work together. By providing both targeted and unrestricted funding, New Gold has enabled NCC to effectively pursue and manage unique opportunities,” says Barb Pryce, Southern Interior program director for NCC. “Thanks to this partnership, thousands of acres of native grasslands in the Nicola Valley have been conserved for nature, for now and forever.”

By helping to create real, on-the-ground conservation results, New Gold is taking steps to offset their mine activities that result in disturbance of former grasslands on the mine site. There is more conservation to be done in this region. NCC is in confidential negotiations for additional direct land conservation, and we hope that when these projects move to a public phase, many will be inspired to follow New Gold's lead and support the conservation of BC's rare and important grasslands.

Find out more at www.natureconservancy.ca/bc.

Submitted by the Nature Conservancy of Canada

SUPPORTING OUR COMMUNITY

NEW AFTON EMPLOYEES DONATE THOUSANDS TO LOCAL ORGANIZATIONS



Each year, employees at New Afton raise thousands of dollars to support community organizations in Kamloops. Through raffles and donations at our annual holiday party, funds are raised that are then provided to non-profit organizations that are voted on by the entire workforce. This year, employees raised more than \$17,000 to be split between the Kamloops Food Bank and the Kamloops Boys and Girls Club. These funds are important in ensuring that these organizations are able to continue to provide vital services to members of our community. Thank you to all New Afton employees who made this year's contribution so significant!

NEW AFTON WELCOMES YOUR FEEDBACK ON OUR NEWSLETTER

CALL US AT (250) 377-2100 OR EMAIL SAMUEL.NUMSEN@NEWGOLD.COM
FOR A CHANCE TO WIN A PRIVATE TOUR UNDERGROUND!

1. Was the report clear and understandable?
2. Number 1 to 5 (one being highest your level of interest in the following) : Production, Health & Safety, Environment, Our People and Community Relations.
3. Did the report provide adequate information for your top two interests?
4. Any other comments.

FURTHER INFORMATION

 @NewAfton

If you have any comments on this report or would like further information on the New Afton Operation, please contact either of the following:

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New Afton welcomes your feedback: Call us at 250.377.2100 or email us at info@newgold.com

To learn about New Afton's current career opportunities please visit: www.newgold.com under the careers link.

While every effort has been made to ensure accuracy of the information presented, please note that all figures are unaudited.