

newgold™ Rainy River



Successful dewatering efforts throughout the year

Positioning to have a strong finish in 2022

Rainy River's open pit underwent dewatering following heavy spring rainfall. The district saw record rainfall in April and May, which combined with melting snow to produce flooding region-wide. The pit was flooded, impeding operations in its higher-grade zones.

"The Rainy River team responded with a determined effort to pump the water,

removing it over about two months," said General Manager Gord Simms. The dewatering, along with additional operational improvements to the mine, helped Rainy River production. Simms stated: "We had a tough first couple of quarters but the mine is on track for a strong finish to 2022. We also had our first stope blasted in the Intrepid Zone, a significant milestone for the mine, and we look forward to the continued

Underground mining stepped up

Rainy River's much-anticipated Intrepid underground mine went into production in August after three years of construction and preparation. Commencement follows Intrepid underground development of an additional 833 metres in the third quarter, with the main decline ramp reaching the 200 metres ahead of plan. Underground production proceeded from the Intrepid zone with the first stope blasted on September 13th. Production from the

Intrepid zone will continue to ramp-up over the coming months. New Gold's Rainy River operation contains an open pit and underground mine. The pit is approximately 250 metres deep, while the underground is a tunnel nearby the pit that descends to about 350 metres below ground.

"We are delighted to have the underground mine up and running," said Gord Simms, General Manager.

ramp-up in underground production over the coming months. The rain was of course disruptive, but the gold ounces are in the ground and are being mined," he added.

Wake of the flood

With mine production in full swing, daily tonnes mined reached 112,055 for the third quarter. Gold equivalent production was 60,319 ounces or (58,719 ounces of gold and 120,000 ounces of silver) on average daily tonnes milled of 24,439. The operation remains on track to meet its updated annual gold equivalent production guidance of 230,000 to 250,000 ounces.

60,319 eq. oz.

Q3 gold production

(equivalent ounces)



An earthmover operating in the Intrepid underground component.

A Message From Gord Simms, Rainy River General Manager

It has been a challenging quarter, but we are back on track here at the mine. Historic rainfall flooded the Rainy River district and the mine pit in the spring, and mine production took a hit. Our team stepped up to the task and removed a large amount of water. Looking forward, Rainy River is in a better position. In terms of grades, tonnes and milling capacity - New Gold Rainy River is living up to its potential.

I am equally proud of our achievements outside of the mine. These included a partnership with local municipalities to fund a Youth

Grant program, support and participation in the National Day of Truth & Reconciliation event; and sponsorship of Science North to bring science-based programming to local communities.

These are just a few of the many initiatives we have to deliver on our promise to be a positive force in the community. Finally, I want to pay tribute to Suresh Kalathil, our General Manager who passed unexpectedly in October. He was a true leader and force for inspiration here at Rainy River and he will be greatly missed.

In Focus

Fall Ceremony

New Gold held its annual Fall Ceremony on October 12th, at the on-site Roundhouse “Miishikiibinens O’wiigi’aaam” Descending Thunder Bird Lodge.

“The Fall Ceremony is a time to mark the change of seasons and to feast and acknowledge the spirits and the land upon which we operate,” said Renee Boucher, Senior Indigenous Relations Advisor.

The ceremony was conducted by local Knowledge Keeper, Gary Councillor of Naicatchewenin First Nation, 2nd Degree Midewiwin and Helper Harry Morriseau, of Couchiching First Nation. It was attended by New Gold Rainy River employees along with Elders and members from several of our Indigenous partner communities.

A traditional feast of moose meat, wild rice and berries was shared.

Backpacks for Kids

Hundreds of children benefited from Backpacks for Kids, held to coincide with the beginning of the school year. The annual volunteer event, which was temporarily on hold during the pandemic, saw over 200 bags distributed to children in need this year. “It’s a great initiative and more and more backpacks are distributed each year, showing how important this program is for the community,” said Community Coordinator Anne-Marie Rousseau.

New Gold honours excellence at Business of the Year Award

New Gold was honoured to participate in the 25th annual Fort Frances Chamber of Commerce Business Awards in September. New Gold sponsored and presented the Business of the Year award (16+ employees). The awards recognized 10 categories of excellence and constitutes the largest event of its kind in the region. Over 100 attendees were addressed at the Chamber’s first in-person awards event since the COVID-19 pandemic began.

The Mine



Intrepid Underground

The underground mine is in production after three years of construction. Located near the open pit of Rainy River mine, the much-anticipated underground portion is associated with higher-grade mineralization.

Community

New Gold participated in the National Day for Truth and Reconciliation walk in September 2022. New Gold staff wore orange shirts to mark the event and a donation was given to support activities.



Mill

The mill has improved its cyanide destruction through the addition of one new tank. With a total of two tanks, New Gold reduced consumption of copper sulphate and sulphur dioxide.

Courage to Care campaign launched at Rainy River

A major safety campaign was launched in late summer by Chief Executive Officer Patrick Godin at New Gold. The Courage to Care program empowers employees at all levels of the organization to report and respond to safety issues.

According to Rick Francoeur, Health and Safety Manager, the ‘bottom up’ strategy follows the principles of the Internal Responsibility System (IRS) that makes every employee responsible for safety and enables them to speak up. “Workers on the ground have a good understanding of the challenges they face. If something looks wrong, they are often the first ones to detect it,” said Francoeur. The system has three components, said Kevin Mihalicz, Corporate Health and Safety Manager: standardizing health and safety management systems, empowering people, and modeling visible felt leadership. Increasing near-miss reporting, improving investigation processes, and encouraging meaningful interactions in the workplace are also parts of the program.

Creating a culture where workers are confident to share safety issues is at the heart of Courage to Care, said Francoeur. “We are creating a safe space for everyone to report and act on safety issues. If workers feel they can’t speak up, hazards go uncorrected, and that puts everyone at risk.”

The campaign includes the reintroduction of the PASS system to daily pre-shift safety ‘toolbox’ sessions where workers and supervisors discuss operational safety decisions for the upcoming



shift. Additional resources are committed to development of the Joint Health and Safety Committee and improving their involvement and visibility around site.

National Day for Truth and Reconciliation

Event brings in record crowds

New Gold and other local organizations participated in events to support The National Day for Truth and Reconciliation on September 30th in Fort Frances. It was marked by a four-mile walk along the town’s waterfront to the Nanicost building on Agency-One lands; the former St. Margaret’s Residential School site. New Gold employees showed support by wearing orange shirts and participating in the days events. New Gold contributed to the commemorations, which included a Pow Wow at the Nanicost grounds.

“We are honoured to be participating in this important day that brings communities together to encourage healing and understanding,” said Indigenous Community Coordinator Shannon Stone.

The Mine

Tech Services

New Gold is now using a technology called Ore Pro 3D, to improve monitoring of blast movement. The new method complements previous analogue systems using blast movement monitors.



Maintenance

Overhaul on one of the mining industry's largest loaders was completed in September. The Cat 994 loader was separated in half and repaired over eight days. It weighs 534,000 lbs and is the largest loader at New Gold.

Mine Operations

Tonnes mined has consistently improved after spring flooding. Our third-quarter results have been especially promising with an average 122,055 tonnes mined per day. By achieving the target ex-pit tonnes per day the mine is well-positioned to release the high grade ore needed to feed the mill for Q4.



Health and Safety

New Gold has launched the PASS program to boost safety awareness and practices at the mine. PASS takes a grassroots approach to safety that encourages every worker to consider safety in all aspects of their duties.

Environment

New Gold has been nominated for the Sustainability Award by PDAC, one of the leading global mining associations. The award recognizes outstanding initiative, leadership and accomplishment in protecting and preserving the natural environment.

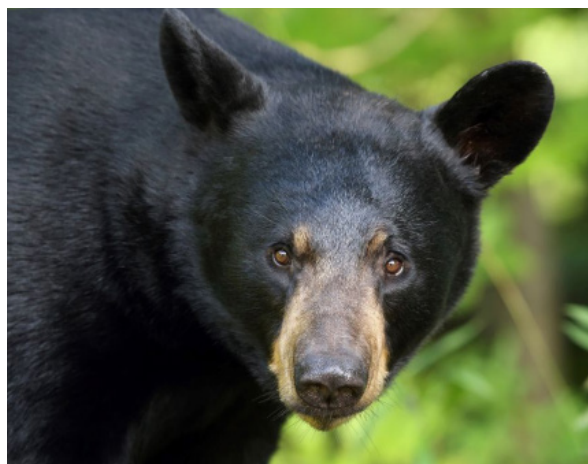


Bear Essentials

New Gold's environment team stepped up bear awareness as autumn hibernation approached. In the final weeks of summer, bears often stray into human habitat to find food to fatten them up for the winter.

The Environment team patrols sites when necessary for food waste and unsecured garbage bins that could have attracted brown bears, which are common in northwestern Ontario. The mammals can weigh up to 500 lbs, but rarely attack humans.

The first step if a bear is sighted near the mine is to address the root causes. The Environment team looks for anything that could be attracting the animal and removes it. If the animal continues to visit, 'bangers' - or loud fireworks are fired in the air to scare them off. As a last resort the animals are humanely relocated by licensed professionals.



What are recovery rates?

Recovery rates are the percentage of gold recovered through ore refining. For example, New Gold's recovery rates are often around 90%, where just 10% of gold is lost in the process.

NEW AFTON UPDATE

New Gold's Kamloops mine celebrates 10 years

New Afton mine near Kamloops, British Columbia celebrated its 10th anniversary on September 10 with an employee event. Each department prepared interactive booths on mine operations, equipment and other operations at the site.

Games and prizes were a feature of the event, including 'exploring our fire truck', 'virtual reality fire extinguishing', 'equipment automation station', and 'BEV demonstration'. There was an ice cream truck and a station making bannock - an Indigenous bread.

Another highlight was the 'digging for gold in the sand', activity where participants searched for gold nuggets in a pile of sand.



New Afton drilling reveals high-grade mineralization

New Afton released exploration data from their drill program, highlighting high grade copper and gold. According to a September 7 news release, over 1.75 grams per tonne, 1.75% copper were uncovered in lengths exceeding 20 metres. One hole contained 3% copper over 80 metres - a result that was greeted favourably by the market.

"I am very encouraged by the results to date on New Afton's underground exploration program," stated senior management.

New Afton is New Gold's gold and silver underground mine that began operating in 2012 and is located 10 km west of Kamloops.

Third Quarter in Numbers

58,719

ounces of gold
produced

\$1,729

average realized
Q3 gold price

Community Investment

New Gold's Community
Investment Program
proudly supported:

Rainy River 4-H

West Rainy River New Gold
Youth Grant

National Day for Truth and
Reconciliation Event

Culturama

Tour de Fort Canadian
Concert Series

Riverside Foundation
for Healthcare

Emo Public Library

Fun in the Sun Fireworks

Mine Celebrates 5 Years of Commercial Production

In October 2022, Rainy River Mine celebrated its fifth year of commercial production. This marked a significant milestone since Rainy River began commercial production in October 2017. Without the hard work and dedication of every employee, reaching this milestone would not have been possible.

To commemorate this event, the management team hosted an employee appreciation barbeque event. Employees had the opportunity to have their photo taken with a gold bar. A token of appreciation was presented to all employees to recognize their contribution to the success of the mine.

Rick Francoeur, Health and Safety Manager, and Lei Wu, Finance Controller.



Overdose Awareness Walk

New Gold participated in the annual Overdose Awareness Walk in Fort Frances on August 10th. Attendees wore purple shirts and met at the Couchiching First Nation Multi-use Centre to raise awareness about the opioid crisis that has killed 7,362 in 2021, up from 3747 in the previous year, according to Canadian government figures.

“There are too many local families being impacted by the opioid crisis, but events like this are an important opportunity to acknowledge and to spread awareness,” said Alex Bruyere, Business Development Officer.

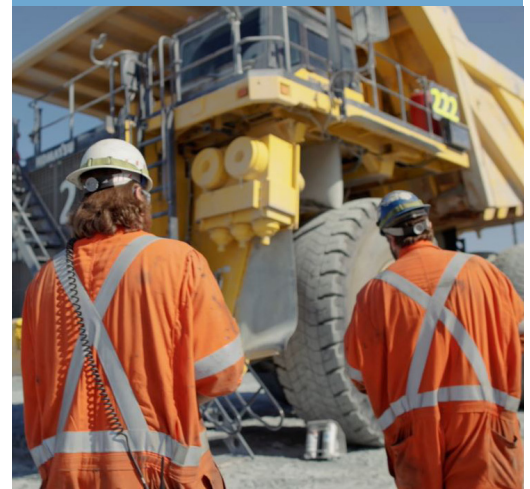


Left to right: Shannon Stone, Community Coordinator, Alex Bruyere, Business Development Officer, Autumn Windego, Community Coordinator

Employment Statistics

As of December 31, 2022

Total employees	814
Local employees	69.9%
Indigenous employees	21.6%
Female employees	17.3%



We welcome and encourage your feedback!

We value community feedback to improve our public reporting, engagement, and operations. If you are in the Emo area, please stop by our office to speak to one of our Community Relations team members. You can also call or email below. If you would like to confidentially self-identify as a community or interest group, please indicate in your message.

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newgold™ Rainy River

Cautionary note regarding forward-looking statements

Certain information contained in this newsletter are “forward-looking”. All statements in this newsletter, other than statements of historical fact, which address events, results, outcomes or developments that New Gold expects to occur are “forward-looking statements”. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the use of forward-looking terminology such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “targeted”, “estimates”, “forecasts”, “intends”, “anticipates”, “projects”, “potential”, “believes” or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will be taken”, “occur” or “be achieved” or the negative connotation of such terms. Forward-looking statements in this newsletter include, among others, statements with respect to: being positioned to have a strong finish to 2022; expectations regarding annual gold equivalent production guidance and 2022 being a strong year for Rainy River; the anticipated continued ramp-up in underground production over the coming months; expectations that the Rainy River mine is in a better position moving forward and is living up to its potential; the higher-grade mineralization associated with the underground portion of the mine; and the projected release of high grade ore for feeding the mill in Q4.

All forward-looking statements in this newsletter are based on the opinions and estimates of management that, while considered reasonable as at the date of this newsletter in light of management’s experience and perception of current conditions and expected developments, are inherently subject to important risk factors and uncertainties, many of which are beyond New Gold’s ability to control or predict. Certain material assumptions regarding such forward-looking statements are discussed in this newsletter, New Gold’s latest annual management’s discussion and analysis (“MD&A”), annual information form (“AIF”) and technical reports on the Rainy River Mine filed on SEDAR at www.sedar.com and on EDGAR at www.sec.gov. In addition to, and subject to, such assumptions discussed in more detail elsewhere, the forward-looking statements in this newsletter are also subject

to the following assumptions: (1) there being no significant disruptions affecting New Gold’s operations other than as set out herein; (2) political and legal developments in jurisdictions where New Gold operates, or may in the future operate, being consistent with New Gold’s current expectations; (3) the accuracy of New Gold’s current mineral reserve and mineral resource estimates and the grade of gold, silver and copper expected to be mined and the grade of gold, copper and silver expected to be mined; (4) the exchange rate between the Canadian dollar and U.S. dollar, and to a lesser extent, the Mexican Peso, and commodity prices being approximately consistent with current levels and expectations for the purposes of 2022 guidance and otherwise; (5) prices for diesel, natural gas, fuel oil, electricity and other key supplies being approximately consistent with current levels; (6) arrangements with First Nations and other Indigenous groups in respect of the Rainy River Mine being consistent with New Gold’s current expectations; and (7) there being no material disruption to the Company’s supply chains and workforce that would interfere with the Company’s anticipated course of action at the Rainy River Mine.

Forward-looking statements are necessarily based on estimates and assumptions that are inherently subject to known and unknown risks, uncertainties and other factors that may cause actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking statements, including the “Risk Factors” included in New Gold’s most recent AIF, MD&A and other disclosure documents filed on and available on SEDAR at www.sedar.com and on EDGAR at www.sec.gov. Forward looking statements are not guarantees of future performance, and actual results and future events could materially differ from those anticipated in such statements. All forward-looking statements contained in this newsletter are qualified by these cautionary statements. New Gold expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, events or otherwise, except in accordance with applicable securities laws.

