newgold™ Rainy River

February 8, 2019

Jason Tittlemier
Senior Environmental Officer
Ministry of Environment, Conservation and Parks
808 Robertson St.
Kenora, ON P9N 1X9
Via Email (Jason.Tittlemier@ontario.ca)

Dear Mr. Tittlemier,

RE: COPPER SULFATE 40KG SPILL - SAC REFERENCE # 1661-B8VTYV

Further to the notification to the Spills Action Center (SAC) Reference # 1661-B8VTYV, on January 29, 2019 at 16:09, a copper sulfate spill was noted on the earthen floor of the covered chemical cold storage area east of the Mill on January 29, 2019 at 13:10. The original volume estimate was 25kg, but it has since been corrected to approximately 40kg.

The mill was contacted to arrange clean up on January 29, however cleanup was delayed until January 31 due to extreme cold weather. The spilled material did not migrate from the location of the spill during the delay as it was contained inside of the covered building. It was determined that the tote of copper sulfate had been stacked on top of another and had fallen over causing the tote to break open at some point in the past week. The spilled copper sulfate was placed into another tote, to be used in the process.

During the cleanup, it was discovered that other totes of copper sulfate were damaged and required cleanup as well, which increased the reported estimated spill volume from 25kg to 40kg. Attempts were made to repair/wrap the damaged totes so they could be moved to complete the cleanup however they were unsuccessful. The spill cleanup was completed at end of day February 7, 2019. Fold out spill containment has been utilized to contain the damaged totes until they can be placed in other totes. Photographs of the location of the spill before and after cleanup have been provided as Figures 1 through 3.

To prevent future occurrences, shelving has been ordered for the covered chemical cold storage building to be installed in the spring, which will eliminate the practice of stacking copper sulfate totes. It is also planned to pour a concrete pad for the building to be placed on, which will provide spill containment.

Once you have had the opportunity to review this information please feel free to contact the undersigned or Carolyn Winik (at Carolyn.Winik@newgold.com or 807-709-0115) with any additional questions.

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Regards,

<original signed by>

Amanda Jacobs
Environmental Specialist
New Gold Rainy River
Amanda.Jacobs@newgold.com
807-482-0900 ex 8076

cc:
Matt Hoffmeister, MECP; matt.hoffmeister@ontario.ca
Andrea Doherty, DFO; andrea.doherty@dfo-mpo.gc.ca
CEAA; compliance.conformite@ceaa-acee.gc.ca
Dan McDonell; dan.mcdonell@canada.ca
Michael Bell; michael.bell@canada.ca

Figure 1: Location of copper sulfate spill inside the covered chemical cold storage building east of the Mill

Figure 1: Example of additional damaged totes and spilled copper sulfate discovered during initial clean up.

Figure 3: Cleaned up copper sulfate spill inside the covered chemical cold storage building east of the Mill. Damaged totes placed on fold out spill containment.

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February 25, 2019

Jason Tittlemier
Senior Environmental Officer
Ministry of the Environment, Conservation and Parks
808 Robertson St.
Kenora, ON P9N 1X9
Via email; jason.tittlemier@ontario.ca

Dear Mr. Tittlemier,

RE: KOMATSU EXCAVATOR 450L HYDRAULIC FLUID SPILL - SAC REFERENCE #6704-B9C2VG

During the afternoon of February 12, while loading haul trucks on the 300 bench (photo 1) in phase 2 of the open pit, the Komatsu PC 8000 hydraulic shovel unit# 603 suffered a fracture of the main return line.

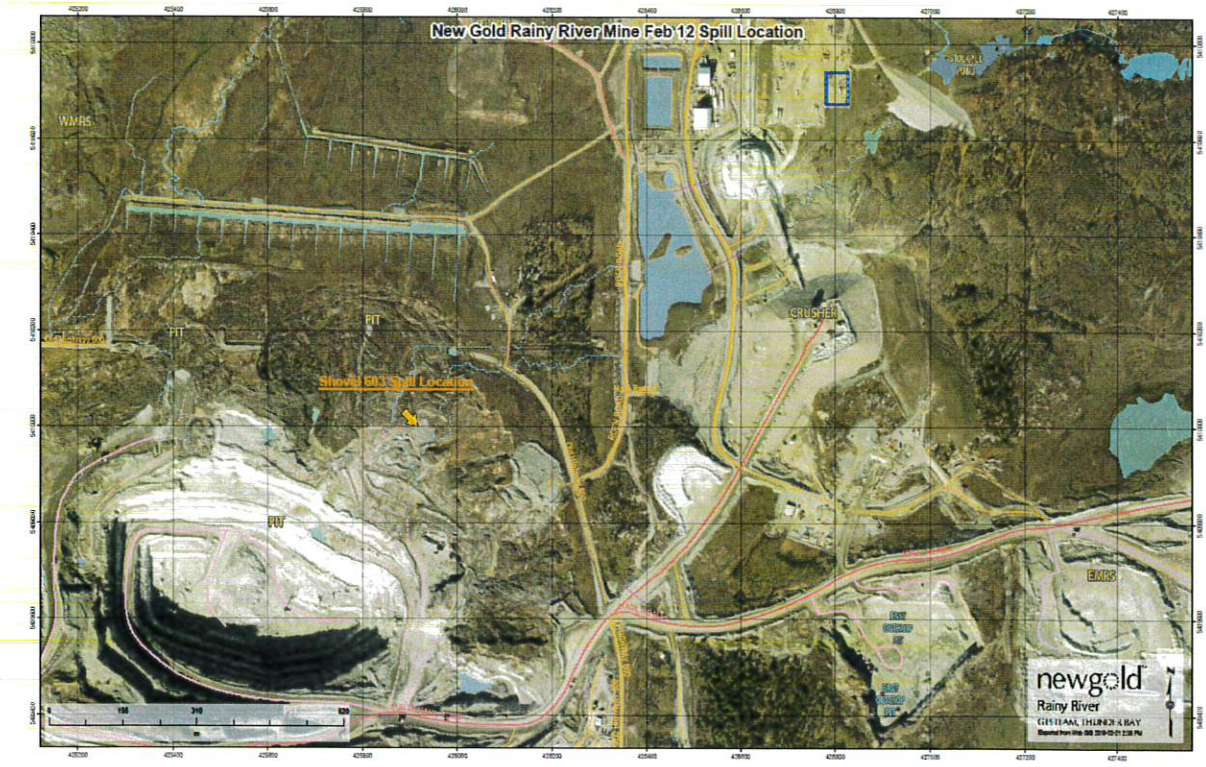

Photo 1. GIS image of Phase 2 of the Open Pit in relation to the plant and mine site. Yellow arrow indicates location of shovel and hydraulic fluid spill.

Leaking hydraulic fluid was noticed by the operator who immediately began to shut down the shovel. During the shutdown process approximately 450 L of hydraulic fluid escaped from the fractured hose line and spilled onto the pit floor. The leak was stopped, and cleanup of the spill began. (Photo 2).

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Photo 2. Spill cleanup pads, coils and trays used to contain and clean up hydraulic fluid spill.

Ponding hydraulic fluid was contained within a berm area (Photo 3). Mine Maintenance used a lubricant and service truck to collect the pooled hydraulic fluid and disposed of it in a used oil tank located on the plant site.

Photo 3. Hydraulic fluid collected in a berm area on floor of 300 bench.

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Used waste oil is collect in a tank situated along the west side of the Truck Shop. GFL Environmental Inc., a registered hazardous waste company, is contracted to remove and transport waste oil from the Rainy River Mine site to their Thunder Bay facility for processing. The spill was confined within boundaries of the open pit, thus minimizing any environmental risk to surrounding waterbodies.

Corrective actions include continuing with a regular preventative maintenance program, which is designed to identify and replace defective equipment before failures occur.

Notification was made to the Ministry of the Environment, Conservation and Parks as well as to the Spills Action Centre (SAC) (Reference #6704-B9C2VG) as defined in Ontario Regulation 675/98, condition 11(4) of Environmental Compliance Approval No. 5178-9TUPD9 and in the New Gold Internal Environmental Standard Operating Procedure (ENV-SOP-0002).

Once you have had the opportunity to review this document, please contact me at (807) 708-2407 with any questions or concerns.

Regards,

<original signed by>

Twila Griffith
Sr. Environmental Specialist
New Gold Inc.
Rainy River Mine
5967 Highway 11/71, P.O. Box 5, Emo
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cc. Sylvie St.Jean (Sylvie.st.jean@newgold.com)
Mitch Lepage (mitch.lepage@newgold.com)

Dated: 25/2/19

<original signed by>

Spill Reporting Department Manager

<original signed by>

Environmental Manager

<original signed by>

General Manager

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March 06, 2019

Jason Tittlemier
Senior Environmental Officer
Ministry of the Environment, Conservation and Parks
808 Robertson St.
Kenora, ON P9N 1X9
Via email; jason.tittlemier@ontario.ca

Dear Mr. Tittlemier,

RE: COPPER SULPHATE 30KG SPILL - SAC REFERENCE # 2828-B9SKZ5:

Further to the notification to the Spills Action Center (SAC) Reference #2828-B9SKZ5; on February 27, 2019 at 08:50 hours, a copper sulphate spill was noted on the gravel/clay floor of the covered chemical cold storage tent east of the Mill (Figure 1). The original volume was estimated at 200 kg, but it has since been corrected to approximately 30 kg.

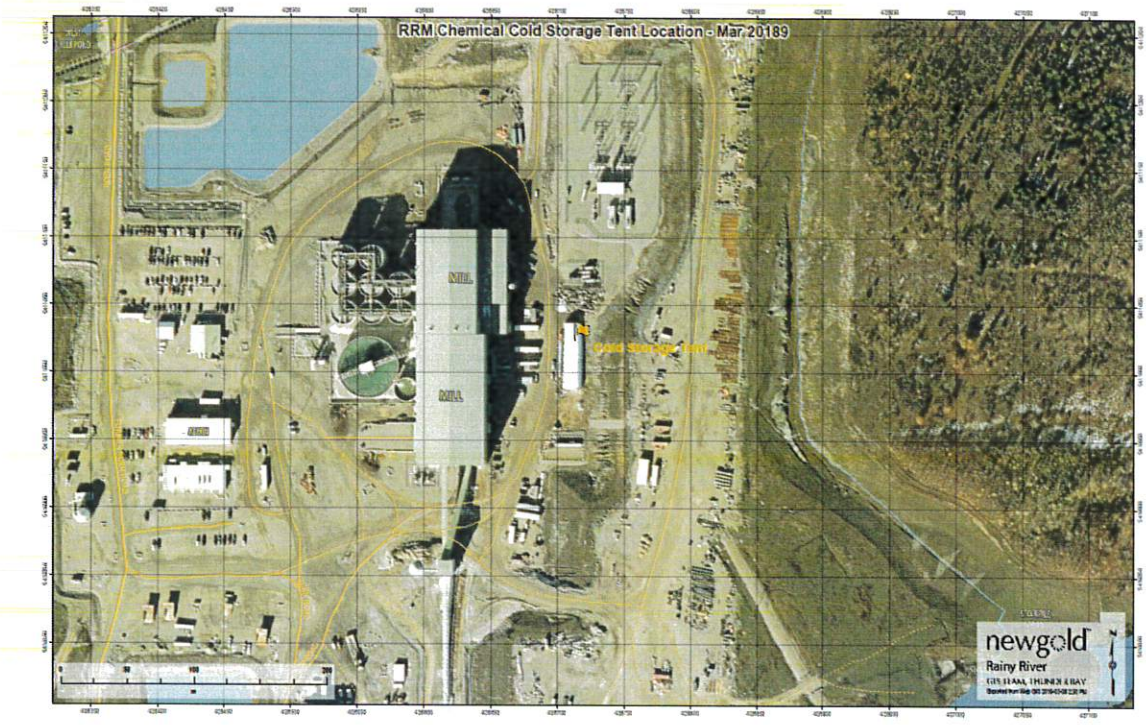

Figure 1. Plan view of plant site showing location of Mill and covered chemical cold storage tent.

It was determined that during movement of a tote bag of copper sulphate, a forklift contacted an adjacent bag, and tore it open (Figure 2). The spilled copper sulphate was collected and placed into another tote. Granular copper sulphate did not migrate from the spillage area and was contained inside the covered building.

Figure 2. Copper sulphate tote bag with tear and spillage onto cold storage tent floor.

The mill was contacted, and spill cleanup completed by the end of the next day. Gravel, clay and wood particles mixed in with the spillage, prevented the mill from using the copper sulphate in the process. The contaminated mixture will be added into the Cyanide Destruction (CND) circuit and consumed. Disposal is planned for the spring of 2019.

Figure 3. Spillage bag containing materials removed from the cold storage tent floor. Bag contains mixture of granular copper sulphate, gravel, clays and wood.

Remaining copper sulphate tote bags were removed from the cold storage tent (Figure 4) and placed in the Mill building. Photograph of the location of the spill after cleanup is provided as Figure 5. To prevent future occurrences, copper sulphate totes will be stored in the mill building until a suitable structure, with secondary containment, is constructed.

Figure 4. South end of cold storage tent where copper sulphate tote bags were previously stored.

Figure 5. Floor of cold storage tent showing successful clean-up of copper sulphate spillage.

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Notification was made to the Ministry of the Environment, Conservation and Parks as well as to the Spills Action Centre (SAC) (Reference #2828-B9SKZ5) as defined in Ontario Regulation 675/98, condition 11(4) of Environmental Compliance Approval No. 5178-9TUPD9 and in the New Gold Internal Environmental Standard Operating Procedure (ENV-SOP-0002).

Once you have had the opportunity to review this document, please contact me at (807) 708-2407 with any questions or concerns.

Regards,

<original signed by>

Twila Griffith M.Sc.
Sr. Environmental Specialist
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cc. Sylvie St.Jean (Sylvie.st.jean@newgold.com)
Mitch Lepage (mitch.lepage@newgold.com)

Dated: Mar. 7/19

<original signed by>

Spill Reporting Department Manager

<original signed by>

Environmental Manager

<original signed by>

General Manager

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Matt Hoffmeister
Senior Environment Officer, Kenora Area
Ministry of the Environment and Climate Change
808 Robertson Street
Kenora, ON P9N 1X9
Via email; Matt.Hoffmeister@ontario.ca

Dear Mr. Hoffmeister,

RE: High Calcium Quick Lime Spill 25 Kg – SAC Reference #8023-BA8L4D

At 17:30 hours on March 12th the mill was receiving a shipment of high calcium quick lime from a transport truck directly into the lime silo. The transfer hose became obstructed due to damp conditions and kinking. When the transport truck operator uncoupled the transfer hose pressure had built up in the line causing approximately 25 kilograms of lime to be spilled. See photo below (lighter areas are snow).

The mill shift supervisor was informed of the situation and contained the area until clean up could begin. The area was cleaned up by collecting as much of the contaminated snow and gravel as possible, then placing it in within the mill sumps. All collected material will be consumed in the mill process.

To prevent another similar event from occurring in future, modifications will be made to the lime silo. The loading pipe will be raised to prevent kinks from forming in the transfer hose which is suspected to have contributed to the blockage.

Notification was made to the Ministry of the Environment, Conservation and Parks as well as to the Spills

Action Centre (SAC) (Reference #8023-BA8L4D) as defined in Ontario Regulation 675/98, condition 11(4) of Environmental Compliance Approval No. 5178-9TUPD9 and in the New Gold Internal Environmental Standard Operating Procedure (ENV-SOP-0002).

Once you have had the opportunity to review this document, please contact me at (807) 271-3190 with any questions or concerns.

Regards,

<original signed by>

Environmental Specialist –Wildlife

New Gold Inc.
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Dated: 2019-03-21

<original signed by>

Spill Reporting Department Manager

<original signed by>

Environmental Manager

<original signed by>

General Manager

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March 13, 2019

Jason Tittlemier
Senior Environmental Officer
Ministry of the Environment, Conservation and Parks
808 Robertson St.
Kenora, ON P9N 1X9
Via email; jason.tittlemier@ontario.ca

Dear Mr. Tittlemier,

RE: TOTAL SUSPENDED SOLIDS SPILL - SAC REFERENCE # 4364-BA7QQW:

Further to the notification to the Spills Action Center (SAC) Reference #4364-BA7QQW; on March 12, 2019 at 12:00 hours, turbid water was sighted flowing through a culvert under Roen Road. Mitigation measures were installed, and the turbid water cleared up by 16:15 hours.

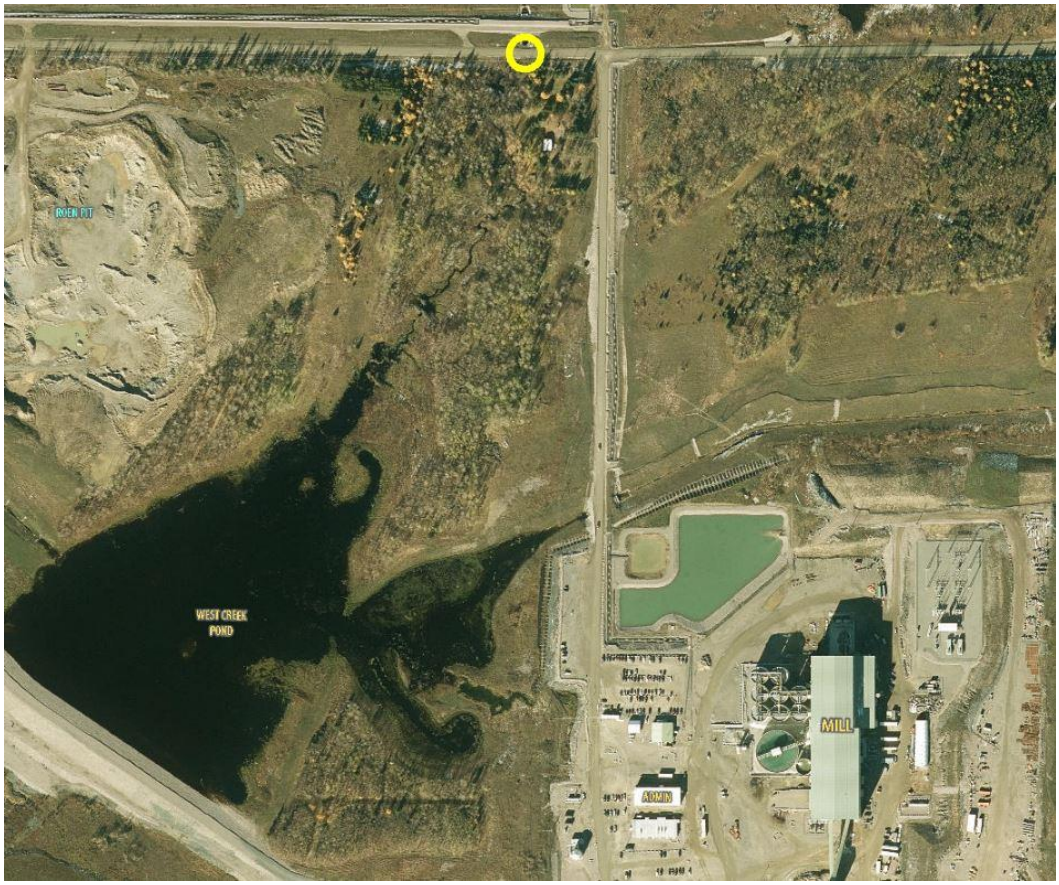

Figure 1. Plan view of plant site and West Creek Pond showing location of where the turbid water was spotted flowing under Roen Road.

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The water flowing through the culvert appeared to be picking up sediment from road material that had thawed, eroded holes through the road bed and entered the watercourse at the upstream end of the culvert. Upon discovery of the turbid water, an in-field turbidity analyses was completed which determined the turbidity to be 77.9 NTU. Another sample was collected that was send to a licensed external laboratory for total suspended solids and turbidity analyses which were determined to be 24.0 mg/L and 78.3 NTU, respectively.

Figure 2. Eroded hole in Roen Road allowing turbid water from road to enter West Creek (left). Condition of road when mitigation measures were being installed by loader (right).

Water Management General Foreman was contacted and dispatched a loader and supervisor to install mitigation measures. Clean crushed rock was dumped and packed into the eroded holes by hand. This was then reinforced with sand and packed in with the loader. The loader continued to clean up the road by creating three punch outs on the north side and three punch outs on the south side of Roen Road. Small swales were built with shovels to promote water relay to ditches.

Figure 3. Punch out created on north side of Roen Road (left). Small swale made with shovel to help promote water-shedding from Roen Road (right).

Once mitigation measures were installed, turbid water began to clean up immediately. An in-field turbidity sample was collected at 16:15 and measured the turbidity to be 7.1 NTU. A sample was then taken and sent to a licensed external laboratory for total suspended solids and turbidity analyses which were determined to be 5.5 mg/L and 13.3 NTU, respectively.

The punch-outs created during this event will be inspected and maintained through the freshet. A site wide inspection will also occur to identify other locations that may require punch-outs to be installed. This will help mitigate any future total suspended solid exceedances from site roadways.

Notification was made to the Ministry of the Environment, Conservation and Parks as well as to the Spills Action Centre (SAC) (Reference #4364-BA7QQW) as defined in Ontario Regulation 675/98, condition 11(4) of Environmental Compliance Approval No. 5178-9TUPD9 and in the New Gold Internal Environmental Standard Operating Procedure (ENV-SOP-0002).

Once you have had the opportunity to review this document, please contact me at (807) 482-0931 with any questions or concerns.

Regards,

<original signed by>

Garnet Cornell
Environmental Specialist
New Gold Inc.
Rainy River Mine
5967 Highway 11/71, P.O. Box 5, Emo
Ontario, Canada, P0W 1E0
T: +1.807.482.0931

cc. Sylvie St.Jean (sylvie.st.jean@newgold.com)
Mitch Lepage (mitch.lepage@newgold.com)

Dated:
<original signed by>
Spill Reporting Department Manager

<original signed by>
Environmental Manager

<original signed by>
General Manager

August 8, 2019

Matt Hoffmeister & Jason Tittlemier
Senior Environmental Officers
Ministry of the Environment, Conservation & Parks
Kenora Area Office
Kenora, ON

SUBJECT: AMBIENT AIR QUALITY – JUNE TOTAL DUSTFALL EXCEEDANCE

Dear Mr. Hoffmeister, Mr. Tittlemier;

On August 7th, shortly after receiving laboratory results from samples from the month of June 2019, I determined that the thirty-day averaging period for total dustfall at the Gallinger Road (North) Air Quality Station exceeded the Ontario Ambient Air Quality Criteria (AAQC) 30-day standard.

Dustfall samples are collected each calendar month (+/- 5 days of a 30-day period) as per Rainy River Mine's Ambient Air Quality Monitoring Plan, accepted by MECP on November 9, 2016. For the month of June, the sample resulted in 13.23 g/m^2/30days, 189% of the AAQC 30-day standard (7 g/m^2/30days).

Upon further analysis of the laboratory results, I determined that 9.99 g/m^2/30-day of the total dustfall was volatile (organic) matter. Tables 1, 2 & 3 outline the laboratory results for this sample. As you can see in Figure 1, the dustfall jar for the month of June collected at least two insects, as well as bird droppings. The elevated total dustfall result is likely cause by these organic sources.

Table 1. June Total Dustfall Laboratory Results (Gallinger Road Station)	
Parameter	**Result (g/m^2/30-day)**
Total Dustfall	13.23
Total Fixed (non-organic)	3.24
Total Volatile (organic)	9.99

Table 2. June Soluble Dustfall Laboratory Results (Gallinger Road Station)	
Parameter	**Result (g/m^2/30-day)**
Soluble Dustfall	7.89
Soluble Fixed (non-organic)	1.89
Soluble Volatile (organic)	6.00

Table 3. June Insoluble Dustfall Laboratory Results (Gallinger Road Station)	
Parameter	**Result (g/m^2/30-day)**
Insoluble Dustfall	5.31
Insoluble Fixed (non-organic)	1.35
Insoluble Volatile (organic)	3.99

Figure 1. June Dustfall Jar illustrating organic influences.

Attached find the Notification of Exceedance form (NOE) as per our ECA approval number 0412-A2LR4V. Once you have had the chance to review this document and attachment, please contact the undersigned with any questions or concerns.

Respectfully,

<original signed by>

Kelsea Hunsperger
Environmental Specialist
kelsea.hunsperger@newgold.com
(807) 482-0900 ext. 8328

newgold™ Rainy River

August 2, 2019

Matt Hoffmeister
Senior Environmental Officer
Ministry of the Environment, Conservation and Parks
808 Robertson St.
Kenora, ON P9N 1X9
Via email; matt.hoffmeister@ontario.ca

Dear Mr. Hoffmeister,

SUBJECT: DIESEL FUEL SPILL – SAC REFERENCE #7470-BEK4MD

Further to the notification to the Spills Action Center (SAC) Reference #7470-BEK4MD: On July 29, 2019 at 00:30 hours, diesel fuel was sighted flowing out of a ruptured fuel line of an 830 Haul Truck at Outcrop 1 within the open pit. Mitigation measures were put in place and the spill was halted within 5 minutes. The cause of the spill was due to a rock hitting the fuel line of the haul truck. The haul truck has since been repaired.

Figure 1. Location of where spill occurred (Outcrop 1).

A 604 Shovel Operator noticed the diesel fuel spilling out of the fuel line of the haul truck as they were loading. Work stopped, and spill pads were laid down until spill containers could be put into place. Vacuum trucks were called to the scene to remove the fuel until the tank was empty. Approximately 120L of diesel fuel was spilled onto gravel. There are no nearby watercourses.

Approximately 5 yards of contaminated gravel was collected and placed in a contaminated soil bin for removal offsite by a certified hazardous waste hauler. See below photos of the spill area cleaned up. The area was returned to the original grade.

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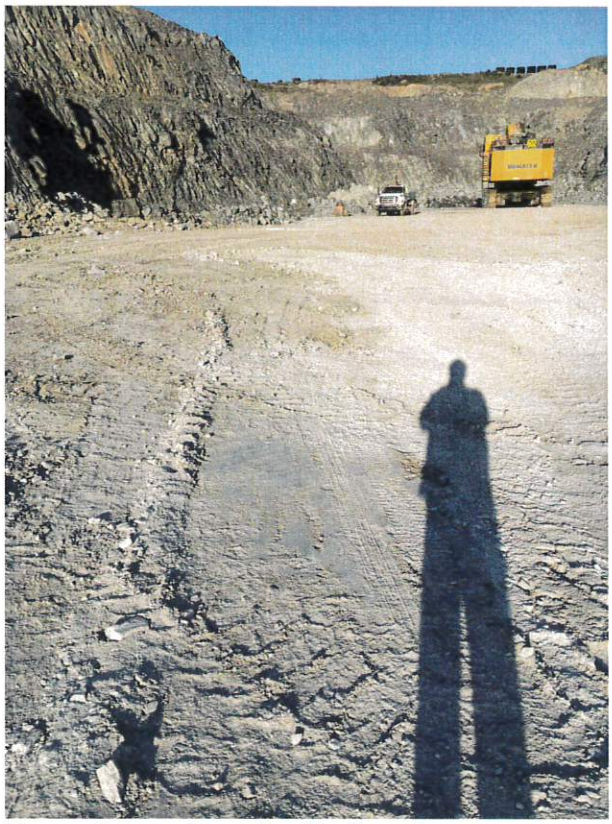

Figure 2. Location of spill after cleanup.

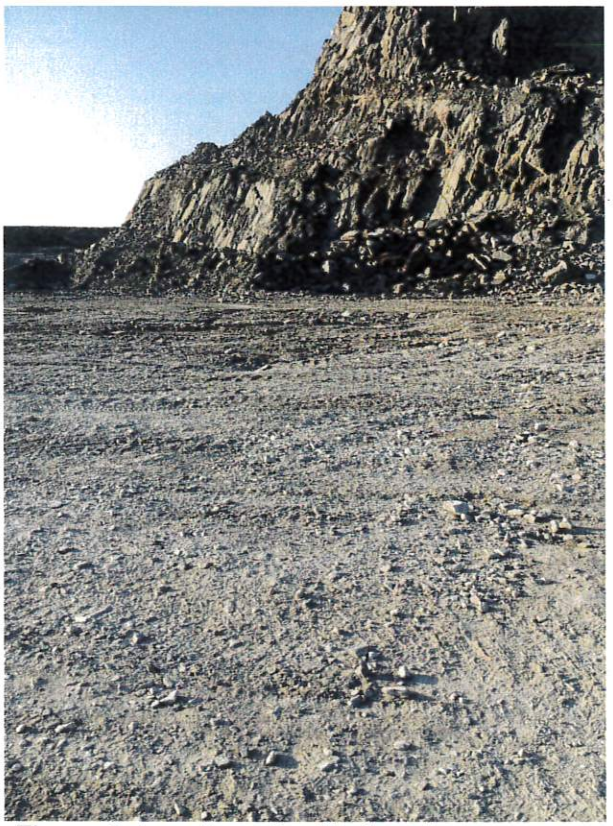

Figure 3. Location of spill after cleanup.

Notification was made to the Ministry of the Environment, Conservation and Parks as well as to the Spills Action Centre (SAC) (Reference #7470-BEK4MD) as defined in Ontario Regulation 675/98, condition 11(4) of Environmental Compliance Approval No. 5178-9TUPD9 and in the New Gold Internal Environmental Standard Operating Procedure (ENV-SOP-0002).

Once you have had the opportunity to review this document, please feel free to contact me at (807) 482-0900 ext. 8328 with any questions or concerns.

Regards,
<original signed by>

Kelsea Hunsperger
Environmental Specialist

Dated: August 2ND, 2019
<original signed by>
Spill Reporting Department Manager

<original signed by>
Environmental Manager

<original signed by>
General Manager

cc. Sylvie St.Jean (sylvie.st.jean@newgold.com)
Darrol VanDeventor (darrol.vandeventer@newgold.com)
Jason Tittlemier (jason.tittlemier@newgold.com)

newgold™ Rainy River

November 1, 2019

Matt Hoffmeister & Jason Tittlemier
Senior Environmental Officers
Ministry of the Environment, Conservation & Parks
Kenora Area Office
Kenora, ON

SUBJECT: AMBIENT AIR QUALITY – JULY TOTAL DUSTFALL EXCEEDANCE

Dear Mr. Hoffmeister, Mr. Tittlemier;

On November 1st, it was determined that the thirty-day averaging period for total dustfall at the Gallinger Road (North) Air Quality Station exceeded the Ontario Ambient Air Quality Criteria (AAQC) 30-day standard for the month of July.

Dustfall samples are collected each calendar month (+/- 5 days of a 30-day period) as per Rainy River Mine's Ambient Air Quality Monitoring Plan, accepted by MECP on November 9, 2016. For the month of July, the sample result was 9.00 g/m^2/30days, with the AAQC 30-day standard being 7 g/m^2/30days.

Upon further analysis of the laboratory results, it was determined that 7.05 g/m^2/30-day of the total dustfall was volatile (organic) matter. Tables 1, 2 & 3 outline the laboratory results for this sample. As seen in Figure 1, the dustfall jar for the month of July collected at least one large intact insect as well as other organic influences. As a result, the elevated total dustfall is likely cause by these organic sources.

Table 1. July Total Dustfall Laboratory Results (Gallinger Road Station)	
Parameter	**Result (g/m^2/30-day)**
Total Dustfall	9.00
Total Fixed (non-organic)	1.95
Total Volatile (organic)	7.05

Table 2. July Soluble Dustfall Laboratory Results (Gallinger Road Station)	
Parameter	**Result (g/m^2/30-day)**
Soluble Dustfall	4.23
Soluble Fixed (non-organic)	1.20
Soluble Volatile (organic)	3.03

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Table 3. July Insoluble Dustfall Laboratory Results (Gallinger Road Station)	
Parameter	**Result (g/m^2/30-day)**
Insoluble Dustfall	4.77
Insoluble Fixed (non-organic)	0.72
Insoluble Volatile (organic)	4.05

Figure 1. July Dustfall Jar illustrating organic influences.

Attached find the Notification of Exceedance form (NOE) as per our ECA approval number 0412-A2LR4V. Once you have had the chance to review this document and attachment, please contact the undersigned with any questions or concerns.

Respectfully,

<original signed by>

Kelsea Hunsperger
Environmental Specialist
kelsea.hunsperger@newgold.com
(807) 482-0900 ext. 8328

newgold™ Rainy River

November 4, 2019

Matt Hoffmeister
Senior Environmental Officer
Ministry of Environment, Conservation and Parks
808 Robertson St.
Kenora, ON
P9N 1X9

Melissa Hagmann
Enforcement Officer
Environmental Enforcement Directorate
Enforcement Branch – Ontario Region
Environment Canada
335 River Road, Ottawa, ON

Dear Mr. Hoffmeister,

RE: WATER DISCHARGE POND (WDP) UNPLANNED EFFLUENT RELEASE - SAC REFERENCE # 0476-BHHRKC

Further to the notification to the Spills Action Center (SAC) Reference # 0476-BHHRKC, on November 1, 2019 at 11:30 am, it was noticed that the spillway at the Water Discharge Pond (WDP) had been triggered, resulting in an unplanned effluent release from the Water Discharge Pond into Lower Loslo Creek via land (Figure 1).

The WDP is a site impoundment that contains treated effluent from the Water Management Pond (WMP), site contact water from Sediment Pond 1 and surface run-off from seepage collection systems.

Rainy River Mine is authorized to discharge compliant effluent from the WDP, downstream of McCallum Creek into the Pinewood River via a pipeline. However, activation of the spillway caused the WDP to release compliant effluent prior to McCallum Creek, at Loslo Creek. Both McCallum Creek and Loslo Creek report to the Pinewood River. Under ECA 5178-9TUPD9, the WDP is authorized to discharge passively through the spillway, however the understanding with the MECP was that water would only be discharged via the pipeline to McCallum.

Upon discovery of the release, site services were contacted immediately and reduced pumping into the WDP to ensure lines didn't freeze. Effluent and acute toxicity samples were collected at the spillway and an effluent sample collected where the remnant Loslo Creek flows under old Highway 600.

A 7-point flow measurement was taken at 12:45 pm where the water was 3 cm deep. A value of 0.0167 m/s was recorded, with the flow starting to recede by this time.

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Figure 1 shows water flowing over sill in WDP Spillway and headed to remnant Loslo Creek.

Figure 2 Red circles show where samples were collected at WDP Spillway and remnant Loslo Creek at old Hwy 600. Water travelled approximately 1200 m through the remnant creek with multiple beaver dams and thick vegetation.

The water level in the WDP decreased significantly by Friday, November 1. Water flowing over the sill froze. However, a 25 cm section of the 3 m wide sill remained open. The pond level reduced further over the course of the day causing water to stop flowing over the sill by 2 pm on Saturday, November 2nd. Water travelled through heavily vegetated undulatory remnant creek bed with numerous beaver dams before reaching Loslo Creek below Hwy 600 (Figure 2).

Preliminary analytical water sample results indicate compliance with water quality limits as per New Gold Rainy River Mine's ECA 5178-9TUPD9.

The spillway was triggered at the WDP due to an error in operational conditions.

Mitigation measures to prevent this type of error in the future include daily survey of water levels when water level is close to the maximum operating water level (MOWL) and weekly surveying of water levels thereafter.

<original signed by>

Sylvie St. Jean
Environmental Manager

cc:
Ben Didemus, DFO; ben.didemus@dfo-mpo.gc.ca
CEAA; compliance.conformite@ceaa-acee.gc.ca
Dan McDonell, MDMER; dan.mcdonell@canada.ca

newgold™ Rainy River

February 14, 2020

Matt Hoffmeister & Jason Tittlemier
Senior Environmental Officers
Ministry of the Environment, Conservation and Parks
808 Robertson St.
Kenora, ON P9N 1X9

Dear Mr. Hoffmeister and Mr. Tittlemier,

RE: AIR QUALITY EXCEEDANCES OF 24-HOUR TOTAL SUSPENDED PARTICULATE-MONITORING LIMITS - SAC REFERENCE #7107-BLSQR2

During preparation of the 2019 fourth quarter ambient air quality report, it was noted that on October 30, 2019, the total suspended particulates (TSP) concentration at Gallinger Road air quality station had exceeded Ministry approved limits by less than 1%.

New Gold notified the Spills Action Centre (SAC) Reference #7107-BLSQR2 of the exceedance of the ministry approved limits for Total Suspended Particulate Matter concentrations on February 14th, 2020. The exceedance occurred on October 30th, 2019 at the Gallinger Air Quality Monitoring Station. The following letter report accompanies a copy of the Notification of Exceedance form (NOE) as per ECA #0412-A2LR4V.

Gallinger Road air quality station is located approximately 4.5 km due east of the primary crusher on the Rainy River Mine Site. Gallinger Road itself passes by the air quality station in a north-south direction at approximately 50 metres east.

TSP samples were collected during a 24-hr period on October 30th, 2019 as per Rainy River Project Ambient Air Quality Monitoring Plan, accepted by MECP on November 9th, 2016. During this 24-hour period, predominant wind direction varied from west to southwest with an average wind speed of 10 km/hr. With these wind directions, it is unlikely that the source of the dust would be from the crusher which is situated to the west of the air monitoring station and suggests that the source was related to the road dust.

Once the 24-hour sampling period is complete, New Gold's sampling protocol states that the glass particle filter be removed and replaced with a new filter before the next 24-hour sample period. After the 24-hour sampling period on October 30th, the filter was left in place for 5 days. Filter changeover was performed under less than optimal conditions with poor visibility resulting in sampler error. Mitigation measures include modification of the ambient air quality monitoring sampling procedure. Modifications will include performing glass particle filter changes within 2 days of the sampling date, in either later morning or early afternoon, and auditing of sampling techniques.

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Once you have had the opportunity to review this document, please contact me at (807) 708-2407 with any questions or concerns.

Regards,

<original signed by>

Twila Griffith, M.Sc., P.Geo.
Sr. Environmental Specialist

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