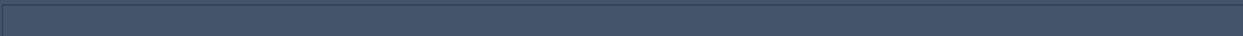
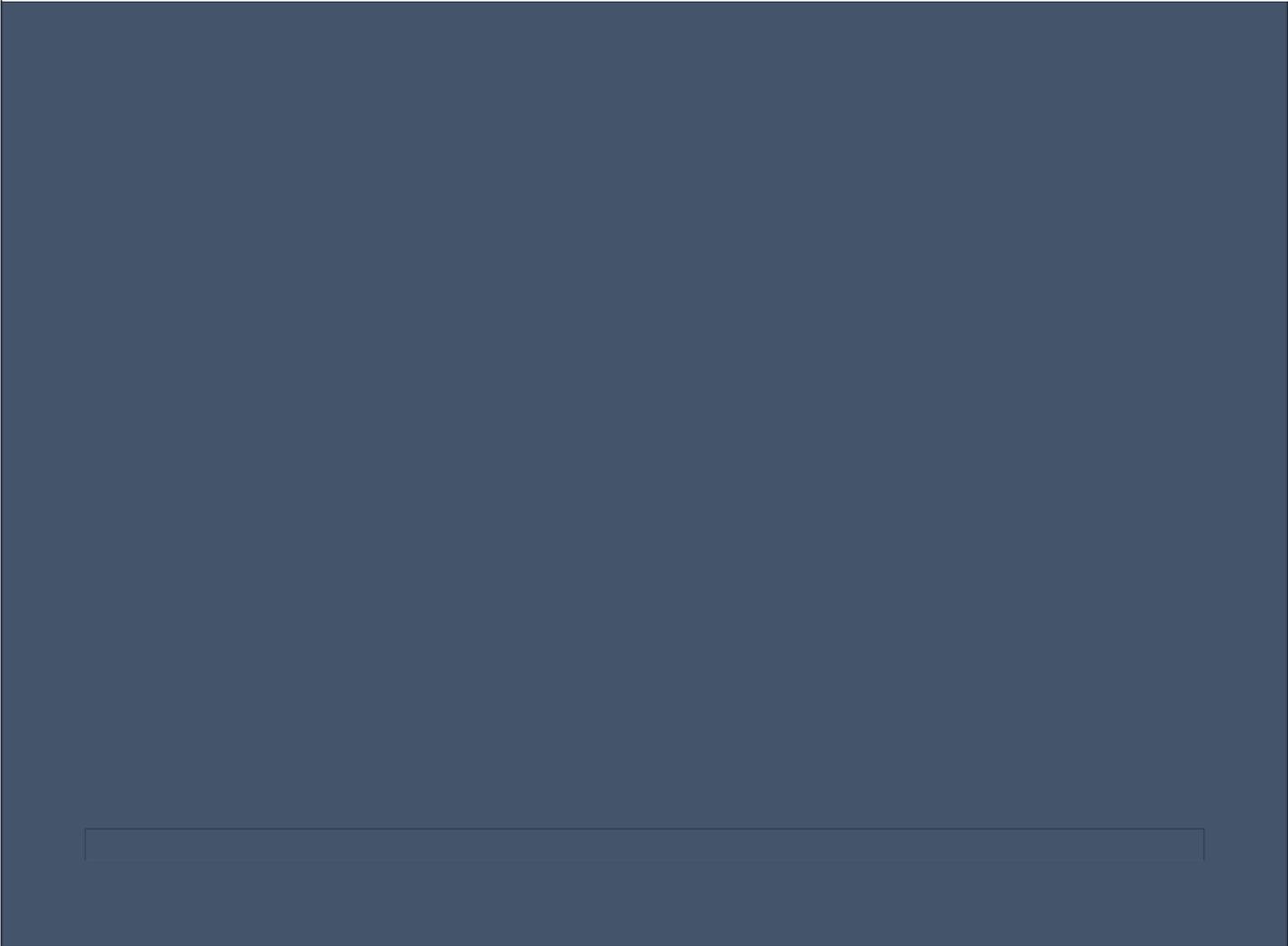




APPENDIX A
ANNUAL COMPLIANCE REPORT
CONDITION REQUIREMENTS
CONDITION 2.0



2.0 General Conditions

2.1 The Proponent shall, throughout all phases of the Designated Project, inform its actions in meeting the conditions set in this Decision Statement by the best available information and knowledge, based on validated methods and models, undertaken by qualified individuals and apply the best available economically and technologically feasible mitigation measures.

Status: Ongoing

Supporting Analysis:

During the third year of construction the RRM has made some minor modifications to the design of the project to allow for temporary facilities associated with construction and permitting delays. However, these modifications have been designed to meet the conditions outlined in the Decision Statement as well as other applicable Provincial and Federal permit approvals. Where necessary, applications for new permits have been made.

In August 2017, the Canadian Environmental Assessment Agency had the opportunity to visit the mine. This allowed for calibration and knowledge development by the CEAA mandate and interpretation of the Decision Statement, allowing New Gold RRM to not only achieve requirements outlined in the Decision Statement but to find opportunities to enhance these requirements.

2.2 Where consultation is a requirement of the conditions set out in this Decision Statement, the Proponent shall first consult Aboriginal groups on the most appropriate manner in which to engage in consultation with them.

Status: Ongoing

Supporting Analysis:

Consultation and engagement methods were significant discussion items throughout the EA process and in the negotiation of Impact Benefit and Participation Agreements. Active consultation and engagement with local communities continued through 2017.

2.3 The Proponent shall submit to the Agency an annual report on the implementation of the conditions set out in this Decision Statement with a supporting analysis for each of the conditions for the preceding calendar year on or before March 31, starting from the commencement of any activities in connection with the carrying out of the Designated Project. Each annual report shall describe how the Proponent has considered and incorporated the factors outlined in condition 2.1 in the implementation of the conditions set out in this Decision Statement.

Status: Completed

Supporting Analysis:

The annual report was submitted to the Agency on March 31, 2017. A digital copy can be found on the New Gold Website at <http://www.newgold.com/projects/rainyriver/rainyriver-project>. The public is also welcome to visit the New Gold office in Emo Ontario to review copies of the document.

2.4 The Proponent shall, in consideration of the annual report for condition 2.3, provide documentation to the Agency indicating the results of any monitoring for conditions 3.8, 4.6, 5.2, 5.3, 5.4, 6.4, and 8.4. The documentation shall demonstrate whether the mitigation measures have proven effective and whether the predictions made during the environmental assessment were accurate. The documentation shall also detail any corrective actions taken by the Proponent should the mitigation measures prove not to be effective.

Status: Ongoing

Supporting Analysis:

2017 was a year of construction transitioning to operations in Q4 2017. Some of the monitoring was not yet necessary. For the monitoring work that was completed monitoring results can be found under each of the specified sections.

Supporting Documentation

No supporting documentation is provided for this section.