
APPENDIX 3.3.1A
ABORIGINAL GROUPS CONSULTATION
PLAN (MAY 2014) AND ABORIGINAL
GROUPS CONSULTATION REPORTS
(APRIL/MAY 2014)

ANNEX 1
APPROVED ABORIGINAL GROUPS
CONSULTATION PLAN
MAY 2014



Blackwater Gold Project

Aboriginal Groups Consultation Plan

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Version A

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ACRONYMS

Abbreviations and Units of Measure	Definition
Agency (the)	Canadian Environmental Assessment Agency
AIA	Archaeological Impact Assessment
AIR	Application Information Requirements
AMEC	AMEC Environment & Infrastructure
Application (the)	Application for an Environmental Assessment Certificate / Environmental Impact Statement
BC	British Columbia
BC EAO	British Columbia Environmental Assessment Office
BC EAA	British Columbia <i>Environmental Assessment Act</i>
<i>CEAA 2012</i>	<i>Canadian Environmental Assessment Act, 2012</i>
CSTC	Carrier Sekani Tribal Council
dAIR	draft Application Information Requirements
EA	Environmental Assessment
FSR	Forestry Service Road
km	kilometre
New Gold	New Gold Inc.
Project (the)	proposed Blackwater Gold Project
SIIMS	Stakeholder Issues and Information Management System
Code (the)	International Cyanide Management Code
Plan (the)	Aboriginal Groups Consultation Plan
TK/TLU	Traditional Knowledge/Traditional Land Use
UWR	Ungulate Winter Range

1.0 INTRODUCTION

New Gold Inc. (New Gold) is implementing its Aboriginal Groups Consultation Plan (the Plan) in order to communicate the proposed consultation activities and seek input from Aboriginal groups regarding the proposed Blackwater Gold Project (the proposed Project).

The Plan is also required under the British Columbia *Environmental Assessment Act* (BC EAA) (Government of BC, 2002) and regulations. The Plan is designed to meet the consultation requirements described in Part G-11 of the section 11 Order issued by British Columbia's Environmental Assessment Office (BC EAO) in July 2013.

Consultation is important throughout the various stages of the proposed Project and is a key component of the Environmental Assessment (EA) process. Consultation includes communications, the provision of information to Aboriginal groups, as well as engagement opportunities for the identification of Aboriginal groups' issues, perspectives, interests, and concerns regarding the proposed Project. The consultation approach within the Plan aims to meet or exceed provincial requirements and federal guidelines, while aiming to ensure open and transparent communication with Aboriginal groups throughout the process.

The Plan describes New Gold's objectives for Aboriginal consultation and proposed consultation tools and methods, provides an overview of consultation activities undertaken to date, outlines the intended future consultation approach and tools, and identifies consultation milestones moving forward.

In September and October 2013, New Gold provided Aboriginal groups with a draft copy of the Plan and requested input, which was incorporated into the document. New Gold will continue to amend the Plan as needed throughout the EA process and the lifespan of the proposed Project through ongoing consultation with Aboriginal groups.

1.1 Proposed Project

New Gold is proposing to develop an open pit gold and silver mine approximately 160 km southwest of Prince George and 110 km south of Vanderhoof in north-central BC. The proposed Project is in an area that has seen active exploration since the discovery of silver, lead, and zinc in 1973. The proposed Project is currently in its development phase, and an Application to obtain an Environmental Assessment Certificate is currently being prepared.

The proposed Project involves the development of mining facilities and support infrastructure to be located within a proposed mine site. The proposed Project will require off-site infrastructure consisting of a transmission line, a freshwater supply system, an airstrip, and a mine access road. Also, the existing Kluskus Forest Service Road (FSR) will be used for the transportation of workers and materials to the mine site.

New Gold is committed to hiring local people during the construction and operations phases. Following the environmental review process, New Gold expects to hire 1,000 to 1,500 (peak)

construction workers, and a full-time operations workforce of up to 500 people. The duration of the operations phase of the mine is projected to be approximately 17 years.

2.0 REGULATORY APPROVAL PROCESS

The proposed Project is a reviewable project under the BC *EAA* as well as the *Canadian Environmental Assessment Act, 2012 (CEAA 2012)* (Government of BC, 2002; Government of Canada, 2012). The proposed Project is subject to a coordinated review. New Gold expects to file the Application in early 2014.

The Plan is intended to serve as a guide to ensure regulatory requirements are met. In doing so, it considers a number of guidance documents, including:

- Order issued pursuant to section 11 of the BC *EAA*;
- BC *EAA*;
- Environmental Impact Statement Guidelines for the Blackwater Gold Project;
- Environmental Assessment Office User Guide (British Columbia Environmental Assessment Office (BC EAO, 2011));
- Aboriginal Consultation and Accommodation Updated Guidelines for Federal Officials to Fulfill the Duty to Consult (Government of Canada, 2011);
- Considering Aboriginal Traditional Knowledge in Environmental Assessments conducted under the *Canadian Environmental Assessment Act – Interim Principles* (Canadian Environmental Assessment Agency, 2013); and
- Guide to Involving Proponents when Consulting First Nations in the Environmental Assessment Process (BC EAO, 2013).

The BC EAO, in conjunction with the Canadian Environmental Assessment Agency (the Agency), each determine the scope, procedures, and methods according to which the respective provincial and federal EAs of the proposed Project will be conducted, including the Aboriginal groups consultation requirements. The Application will include a summary and evaluation of any consultation activities that New Gold has carried out in relation to the proposed Project as well as the Plan.

Figure 2-1 outlines the federal and provincial EA processes. As indicated, both the Agency and the BC EAO will seek public feedback during various stages of the EA process.

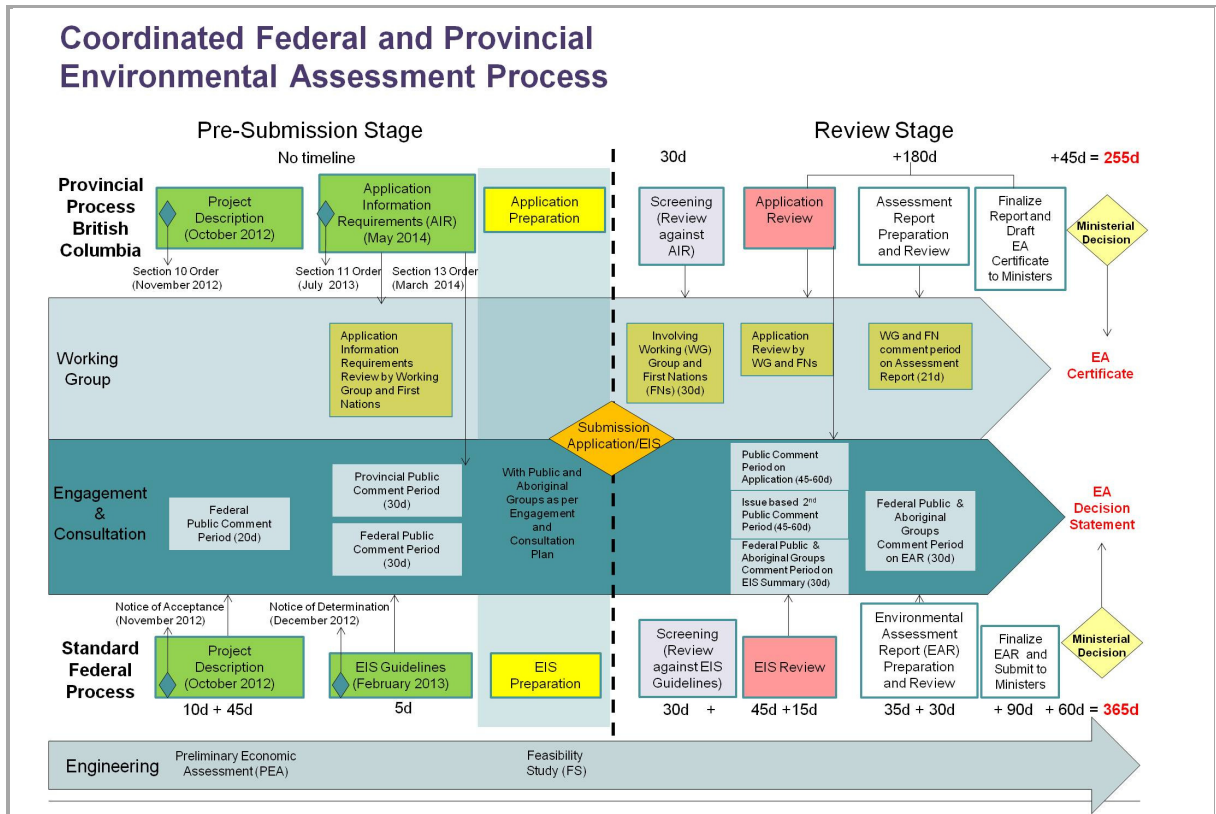


Figure 2-1: Federal and Provincial Environmental Assessment Processes

3.0 RESPONSIBILITY FOR CONSULTATION AND CONSULTATION SCOPE

The Plan is intended to guide the activities and responsibilities of New Gold in the consultation process, as directed by the BC EAO. While government agencies play a role in supporting and guiding New Gold’s consultation activities, the focus of the Plan is New Gold’s consultation. However, the Plan cites instances of government-led initiatives in which New Gold is participating (as requested by EAO), such as EAO-led Working Groups and subgroups.

New Gold understands its responsibility for consultation to include the following:

- To design and implement the Plan as part of the overall Application process that includes a description of how New Gold intends to consult Aboriginal groups during the pre-Application and Application review stages;
- To provide mechanisms for two-way communication and ensure meaningful consultation between New Gold and Aboriginal groups;
- To involve Aboriginal groups in Project planning, where appropriate and feasible;

- To identify potentially affected Aboriginal interests raised by Aboriginal groups as described in the section 11 Order. New Gold will continue to identify Aboriginal interests through ongoing consultation activities and available sources such as commissioned studies (including Traditional Knowledge / Traditional Land Use (TK/TLU));
- To identify measures to avoid or mitigate potential adverse effects and otherwise address or accommodate the concerns of Aboriginal groups as appropriate; and
- To work collaboratively with Aboriginal groups to develop options to enhance positive effects and benefits of the proposed Project, and prevent, avoid, mitigate, or otherwise accommodate potential adverse effects.

3.1 Defining the Consultation Area

Although the duty to consult lies with the Crown agencies responsible for regulatory approvals, the BC EAO (pursuant to the section 11 Order) assigns a proponent certain responsibilities for undertaking procedural aspects of the Crown's duty to consult with potentially affected Aboriginal groups. The BC EAO formally delegated aspects of its consultation responsibilities to New Gold through a section 11 Order distributed on 9 July 2013. The section 11 Order directs New Gold to consult the following five Aboriginal groups (Schedule B Aboriginal Groups):

- Lhoosk'uz Dene Nation;
- Nadleh Whut'en First Nation;
- Saik'uz First Nation;
- Stelat'en First Nation; and
- Ulkatcho First Nation.

In addition, BC EAO identifies the following three Aboriginal groups that are to be provided with notification of, and relevant information at key milestones (Schedule C Aboriginal Groups):

- Nazko First Nation;
- Skin Tyee First Nation; and
- Tsilhqot'in National Government.

In addition to consulting with the Aboriginal groups identified above, New Gold continues to engage in discussions with the Carrier Sekani Tribal Council (CSTC). The CSTC provides political and technical support to eight First Nations belonging to the CSTC, including the Nadleh Whut'en, Saik'uz, and Stelat'en First Nations. New Gold continues to engage the Métis Nation of BC.

4.0 PRE-APPLICATION ENGAGEMENT AND CONSULTATION

The following section describes the consultation objectives and tools employed by New Gold during the pre-Application consultation period.

4.1 Aboriginal Groups Consultation Objectives and Standards

New Gold recognizes consultation must respect Aboriginal knowledge, culture, processes, and opinions. Ongoing dialogue between New Gold and Aboriginal groups is important, and New Gold is committed to open and transparent communication and the continued enhancement of positive relationships with Aboriginal groups.

The purpose of the Plan is to describe how New Gold will consult with Schedule B Aboriginal groups. Consultation will:

- Be guided by the section 11 Order and the Application Information Requirements (AIR);
- Identify how Aboriginal groups wish to be consulted on an ongoing basis;
- Identify Aboriginal groups' interests and potentially affected rights, and the potential effects on those interests and potentially affected rights;
- Provide Aboriginal groups with timely and credible information on the proposed Project and ensure meaningful discussions occur;
- Seek input into Project design and environmental studies;
- Seek input into culturally sensitive approaches to mitigation or avoidance measures; and
- Discuss ways to avoid, reduce, or mitigate potential adverse effects.

The Plan serves two purposes: to ensure regulatory requirements are achieved, and to ensure open and transparent information sharing with Aboriginal groups.

5.0 CONSULTATION ACTIVITIES CONDUCTED TO-DATE

New Gold began engaging Aboriginal groups in April 2011, following acquisition of the mineral claims for the proposed Project. The following activities and initiatives have been conducted with Aboriginal groups to date.

5.1.1 Project Presentations to Aboriginal Leadership

New Gold delivers regular Project presentations to Aboriginal leadership. Presentations have focused on:

- Providing information on the proposed Project, including updates or changes;
- Providing information on employment, training, and contracting opportunities;
- Gathering information on Aboriginal interests, including any concerns;
- Providing information on the provincial and federal EA processes; and
- Furthering development of relationships with Aboriginal leadership.

5.1.2 Community Meetings / Open Houses

New Gold hosted a number of community meetings and open houses to provide Aboriginal groups with Project information, to answer questions, and to discuss issues of importance to Aboriginal groups.

5.1.3 Meetings

New Gold has participated in numerous meetings (over 70) with Aboriginal representatives since 2011, and implemented an information management system to address any comments or concerns raised during meetings. The focus of these meetings has ranged from discussions regarding Traditional Land Use with trapline holders to discussions regarding agreements, future planning, and employment opportunities.

5.1.4 Site Tours

New Gold hosted numerous site tours with members from the Lhoosk'uz Dene Nation, Ulkatcho First Nation, and Saik'uz First Nation. The combined tours have included 22 Elders from these communities. Invitations were extended to other Aboriginal groups as well.

5.1.5 Traditional Knowledge / Traditional Land Use Studies

New Gold is actively engaging Aboriginal groups in the collection and documentation of TK/TLU information and studies. This will assist in the assessment of the potential effects associated with the proposed Project and provide insight into how potential effects can be avoided, mitigated, or managed, and, if necessary, accommodated. To date, New Gold has provided capacity funding to three Aboriginal groups for completion of TK/TLU studies, and is in the process of negotiating study work plans with other groups.

The EA will integrate and consider TK/TLU information in a manner that is consistent with confidentiality agreements between New Gold and the respective Aboriginal groups.

5.1.6 Archaeological Assessment

New Gold has actively worked with Aboriginal groups to gain their participation in the Archaeological Impact Assessment (AIA) and its report to ensure appropriate cultural engagement throughout the AIA process.

5.1.7 Minerals and Mining Education

New Gold is continuing to offer educational courses for Aboriginal groups. The training course Mine Training 101 is delivered by the British Columbia Institute of Technology and funded by New Gold, and provides community members with a detailed introduction to the mining process, from exploration through EA, construction operations, and reclamation. The purpose of the course is to ensure that community members are informed of the mining process, thereby improving informed decision making in the communities.

5.1.8 Socioeconomic Initiatives

New Gold will continue to develop a robust approach to socioeconomic benefits, beginning with employment and economic opportunities. At present, approximately one-quarter of the exploration workforce is Aboriginal. New Gold works closely with communities to ensure participation opportunities are available during the proposed Project development phases. For example, New Gold has:

- Provided funding for Drill Core Technician / Field Exploration programs;
- Hosted Nazko First Nation youth from the Bladerunners employment program;
- Provided a number of contracting opportunities to Aboriginal businesses;
- Organized meetings between key Aboriginal representatives and New Gold's Human Resources Manager and Project Engineer Manager to ensure communities were informed of upcoming employment and contracting opportunities; and
- Opened a Project Office in Vanderhoof where applicants are encouraged to drop off applications.

Training to prepare First Nation members for employment during construction and operations of the mine is being explored with regional training institutions and local Aboriginal groups.

5.1.9 Working Group

The BC EAO established a Working Group to provide technical advice to BC EAO. The Working Group includes representatives from local, provincial, and federal governments and Aboriginal groups. New Gold is not a member of the Working Group but attends meetings to provide Project information, respond to questions, and present and seek comments on baseline studies and other reports.

The following Schedule B Aboriginal Groups were invited to participate in the Working Group:

- Lhoosk'uz Dene Nation;
- Nadleh Whut'en First Nation;
- Saik'uz First Nation;
- Stellat'en First Nation; and
- Ulkatcho First Nation.

6.0 ISSUE IDENTIFICATION

New Gold is committed to meaningful consideration of the rights, interests, comments, and concerns of Aboriginal groups. Pre-Application consultation activities helped to identify issues, rights, and interests that are of traditional and cultural importance for Aboriginal groups. Secondary information on TK/TLU has also been considered. A range of sources was used, from ethnographic studies to land and resource management plans, memoirs, and working papers.

Information garnered through engagement and consultation activities is treated carefully by New Gold and its consultant. Information that is not deemed confidential is captured in a formal information management system, the Stakeholder Issues and Information Management System (SIIMS).

This database system allows for easy tracking and monitoring of contact information, types of contacts/meetings held, dates and times of contact, and detailed summaries of what was discussed. Issues are tracked in SIIMS and distributed to appropriate scientific teams to ensure the information is carefully considered in the baseline studies, effects assessments, and mitigation and monitoring strategies.

6.1 Key Comments and Concerns Expressed by Aboriginal Groups

Primary issues and comments raised by Aboriginal groups relate to potential effects on water quality, fish and fish habitat, effects on caribou herds in the area, and other effects related to increased traffic. Socioeconomic interests raised relate primarily to interests in the potential employment and contracting opportunities. An overview of key comments and concerns expressed up until December 2013, as well as New Gold's responses, is provided in **Table 6-1**.

Table 6-1: Key Comments and Concerns Expressed and Responses

Potential Issue	Concerns/Comments/ Issues	New Gold Response	Status of Resolution
Wildlife	Effects on trapline holders (e.g., loss of trapline and effects to wildlife in area of mine site)	New Gold has met with all trapline holders in the mine site area. Effects on wildlife, including animals that are trapped, will be assessed and managed in the Environmental Management Plan and a process to address trapline effects will be developed with individual trapline holders.	Ongoing – The issue is anticipated to be addressed in the Application.
	Effects on caribou herds and the ungulate winter range (UWR) (e.g., loss of UWR from direct and indirect impacts, as well as effects related to wildlife mortality and caribou health)	New Gold redesigned the mine site to avoid the UWR by modifying the tailings storage facility to be located completely outside of the UWR. In addition, the existing mine access road will be moved out of the UWR. Access to the mine site will not be from the west but from the north starting at KM 124 of the Kluskus FSR. A Caribou sub-Working Group was established by BC EAO to better understand cumulative effects to caribou and establish best management practices and mitigation strategies. Effects on caribou will be assessed in the Application and mitigation strategies will be developed and presented in the Caribou Management Plan. Additional information from TK/TLU studies will be used to refine the effects assessment and management plans.	Ongoing – Tailings facility and access road to mine redesigned to avoid UWR. The Caribou sub-Working Group has met to review baseline and assessment methods and begin developing mitigation and avoidance strategies.
	Potential effects on black bear populations (e.g., wildlife mortality from collisions and human-bear interactions as well as increased hunter access)	New Gold will develop policies related to garbage management and reclamation. In addition, a Wildlife Management Plan will be developed restricting hunting by employees. New Gold will work with local landowners, Aboriginal groups and recreational groups in establishing an Access Management Plan for the transmission line corridor. Additional information from TK/TLU studies will be used to refine these effects assessment and management plans.	Ongoing – A working group for Access Management ¹ along the transmission line corridor is being established. The Wildlife Management Plan will be completed in draft and reviewed by local Aboriginal groups prior to submission of the Application. The issue is anticipated to be fully addressed in the Application.
	Effects on migratory birds and mammals that may access water in the tailings ponds	Surface water and sediment quality will meet applicable provincial and federal standards so as not to affect fish, furbearers, or animals that may be trapped for food. Water will also be monitored on an ongoing basis throughout the life of the proposed Project and after closure.	Ongoing – The issue is anticipated to be addressed in the Application and through community meetings as requested by Aboriginal groups.

Table continues...

¹ The working group for Access Management is a Proponent’s initiative and different from the Working Group chaired by BC EAO for the proposed Project’s Environmental Assessment process.

Potential Issue	Concerns/Comments/ Issues	New Gold Response	Status of Resolution
Water Quality	Potential effects to water quality in Tatelkuz Lake and the Nechako Reservoir	Surface water and sediment quality will meet applicable provincial and federal standards downstream of the proposed mine site to avoid effects on fish, furbearers, or animals that use those waters. The mine site will aim to operate as a zero discharge facility. During construction, sediment ponds will be used to contain site run-off and treat site runoff and reduce concentration of suspended solids. The drainage from the mine site to the Nechako reservoir is approximately 50 kilometres long and receives contributions from a large number of streams. It is not anticipated that water quality effects will occur in the Nechako Reservoir as a consequence of the proposed Project	Ongoing – Additional surface and groundwater monitoring stations have been established as part of the baseline program. Results of all water quality sampling will continue to be posted for Working Group and Aboriginal groups review.
	Potential effects from contamination of the water system (Tascha Lakes)	Tascha Lake is within the Blackwater drainage basin. The mine site has been proposed outside of this drainage basin to avoid any potential effects.	Ongoing – the issue is anticipated to be addressed in the Application.
Vegetation	Potential contamination of berry-picking and medicinal plant sites	New Gold is working with key Aboriginal groups in funding traditional land use studies. Locations of berry sites where collection takes place will be identified to determine if impacts will occur and appropriate avoidance and mitigation measures will then be developed.	Ongoing – New Gold will work with potentially affected Aboriginal groups to avoid and/or mitigate potential effects on traditional activities.
Human Health	Potential exacerbation of arsenic levels, which are noted to be high in some specific water bodies in the area	No increased concentration of arsenic on surface water quality is expected as a consequence of the proposed Project. Water quality samples have been taken from surrounding water bodies to understand the current environmental conditions and ensure that baseline water quality is established for ongoing monitoring to be conducted.	Complete – water quality analysis and modelling is being completed and will be reviewed with Aboriginal groups as requested.
Archaeology	Potential disturbances to gravesites in the area from drilling	Archaeological Impact Assessments have been conducted. No burial sites have been found within the mine. As additional traditional knowledge and land use information becomes available, these findings will be reviewed.	Ongoing – the issue is anticipated to be addressed in the Application.

Table continues...

Potential Issue	Concerns/Comments/ Issues	New Gold Response	Status of Resolution
Mine Design	Effects from cyanide	New Gold is a member of the International Cyanide Management Institute, adhering to the International Cyanide Management Code. The Code is a voluntary program that focuses on safe management of cyanide. New Gold commits to have their mining operations audited by an independent third party from the Institute. Potential risks and effects associated with use and transport of cyanide to the site will be assessed in the Application. Results will be shared and discussed with interested Aboriginal groups.	Ongoing – the issue is anticipated to be addressed in the Application.
Employment	Interest expressed for employment and training with the proposed Project	New Gold will work with communities and the provincial and federal government to discuss training of Aboriginal groups to prepare for mine-related employment. These plans will be documented within the Application. New Gold encourages Aboriginal employment. New Gold's New Afton Mine has 23% Aboriginal employees, and the proposed Project currently has 28% (self-declared).	Ongoing – the issue is anticipated to be addressed in the Application.
Business and Contracting Opportunities	Interest expressed in contracting and business opportunities	New Gold is committed to providing Aboriginal groups with the opportunity to provide contracting services to the proposed Project. New Gold will work with communities and the provincial and federal governments to discuss business capacity and opportunities for Aboriginal peoples to prepare for the mine during construction and operations. These plans will be documented in the Application.	Ongoing – The issue is anticipated to be addressed in the Application.

Note: BC EAO = British Columbia Environmental Assessment Office; EA = Environmental Assessment; FSR = Forest Service Road; TK/TLU = Traditional Knowledge/Traditional Land Use; TSF = Tailings Storage Facility; UWR = Ungulate Winter Range

7.0 CONSULTATION ACTIVITIES FOR THE REMAINING PRE-APPLICATION PHASE

The purpose of the Plan is to achieve an enduring, mutually beneficial relationship with affected groups and communities for the duration of the exploration, construction, operations, and reclamation/closure phases of the proposed Project. Key consultation aspects of the remaining pre-Application stage will include:

- **Project Updates and Correspondence.** New Gold will continue to remain in contact with Aboriginal leadership to provide information on Project updates or changes. This contact may include written correspondence (e-mails, letters) and telephone conversations.
- **Community Meetings.** New Gold will continue to organize community activities such as meetings, presentations, or other public sessions to inform Aboriginal communities regarding the proposed Project plans, Project updates, or the results of environmental studies. Such meetings provide opportunities for community members to share interests, concerns, and issues regarding the proposed Project.
- **Site Visits.** New Gold will continue to invite Aboriginal groups and other interested parties to participate in site visits to the proposed Project area.
- **Minerals and Mining Education.** New Gold will continue to offer Aboriginal communities' opportunities to participate in mine-related training and educational courses.
- **TK/TLU Studies.** New Gold will continue to encourage Aboriginal groups to participate in the development of TK/TLU studies.
- **Focused Meetings.** New Gold will meet with Aboriginal groups and representatives, as required, to discuss their respective issues and concerns, and provide key information about the EA and the proposed Project.
- **Effects Assessment Meetings.** New Gold will meet with Aboriginal groups, communities, and representatives to disclose the results of effects assessments and obtain input into the mitigation proposed. These meetings will also provide Aboriginal groups with an explanation of how information they provided through the consultation process has been or will be addressed, and an explanation of proposed commitments and design-related decisions that have been or will be made as a result of their input in the planning and assessment process.
- **Feedback.** New Gold will incorporate perspectives and concerns into the EA and Project design, where possible. New Gold will address any issues or concerns through avoidance, mitigation, or management, as appropriate.
- **Economic Opportunities.** New Gold will continue to work closely with Aboriginal groups to identify economic, contracting, and employment opportunities.
- **Training.** New Gold will continue to work with Aboriginal groups to identify training opportunities.

8.0 CONSULTATION ACTIVITIES FOR THE APPLICATION REVIEW PHASE

New Gold's approach to consultation during the review of the Application and post-Application will be similar to the approach described above. The purpose of this consultation will be to:

- Continue to engage Aboriginal groups in the proposed Project;
- Involve Aboriginal groups in assessing and verifying the results of environmental studies and effects assessments;
- Verify and involve Aboriginal groups in assessing the effectiveness of proposed mitigation;
- Invite Aboriginal groups to offer input into culturally appropriate approaches to avoid, reduce, mitigate, or otherwise accommodate potential adverse effects on traditional and current use; and
- Identify opportunities for longer-term participation in economic, employment, training, and other capacity-building interests.

9.0 CONSULTATION SCHEDULE

Table 9-1 proposes a schedule of consultation activities that New Gold plans to conduct.

Table 9-1: Schedule of Consultation Activities

Phase	Timing	Key Consultation Activities
Pre-Application and Application Review	Ongoing	Participate in consultation meetings with Aboriginal groups and leadership.
	Ongoing	Continue, as necessary, to host events and inform Aboriginal communities about the proposed Project.
dAIR Review	Q4 2013	Public comment period for the dAIR.
	Q2 2013 to Q2 2014	Feedback from Aboriginal groups and leadership regarding the dAIR.
	Q4 2013 to Q2 2014	Communicate results from the effects assessments to Aboriginal groups, leadership, and communities through community events and meetings, and obtain input. Provide Aboriginal groups with an explanation of how information they provided through the consultation process has been or will be addressed, and an explanation of all proposed commitments and design-related decisions that have been or will be made as a result of their input in the planning and assessment process.
	Q1 2014 to Q2 2014	Hold meetings with community knowledge holders to obtain additional feedback and input into the proposed mitigation measures.
	Q2 to Q3 2014	Meetings to communicate the final effects assessments, including planned mitigation measures and management planning results.
Mitigation Meetings	Q4 2013 to Q4 2014, as required	New Gold intends to meet with Aboriginal groups to discuss mitigation and accommodation strategies.
Submission of Application	Q2 2014	Continue to hold meetings to facilitate feedback from Aboriginal groups and leadership regarding the Application.
Provide copies of Application to Aboriginal groups	Q2 2014	
Project Site Tours	Ongoing	New Gold will offer the opportunity for site tours to interested parties.

Note: dAIR = draft Application Information Requirements

10.0 CONSULTATION POLICIES AND PROTOCOLS

New Gold will continue to consult with each Aboriginal group to learn more about specific policies and protocols. New Gold will also request guidance from Aboriginal groups and comply with protocols respecting the use and management of sensitive and confidential traditional knowledge.

In the course of that consultation, New Gold will work with each of the Aboriginal groups identified and continue developing consultation activities and procedures that are informed by guidance documents and procedures specific to the proposed Project, while respecting established Aboriginal consultation policies. The Plan will be amended as needed during the Application review and through the lifespan of the proposed Project.

11.0 CONSULTATION DOCUMENTATION

To ensure information provided by Aboriginal groups is respected and meaningfully considered, while ensuring that regulatory requirements are met, New Gold will keep records of formal correspondence and communications. In September and October 2013, New Gold provided respective Aboriginal groups with a summary report of specific consultation activities during each phase of the assessment process. The report provided a summary of consultation activities conducted to date and future consultation plans for each Aboriginal group. The consultation report is also required under the section 11 Order issued by BC EAO in July 2013.

12.0 PUBLIC CONSULTATION

While specific consultation will take place with Aboriginal groups, a range of public consultation activities will also occur. Aboriginal groups may wish to participate and contribute their opinions and perspectives to New Gold through these processes as well. New Gold will inform Aboriginal groups of these events before they occur.

13.0 CONCLUDING REMARKS

New Gold is committed to transparency and integrity in all of its business operations, and understands that the proposed Project will have an effect on nearby local communities and Aboriginal groups, and on the environment. While implementing its Design for Closure approach, New Gold will work with these communities to develop and implement long-term economic, social, and environmentally sustainable opportunities while avoiding, minimizing, and mitigating potential adverse Project effects.

As outlined in its “Health, Safety, Environment, and Sustainability Policy,” New Gold will set and maintain high standards during all stages of the proposed Project, which includes conducting a comprehensive assessment of the potential Project effects, consulting with stakeholders, and engaging Aboriginal groups in a transparent, proactive manner. New Gold is also committed to significantly contributing to social and economic growth in local communities, the region, and the province of BC. Throughout the course of its development activities and business dealings, New Gold will strive to demonstrate respect for local interests, aspirations, and environmental values.

REFERENCES

- Canadian Environmental Assessment Agency. 2013. Considering Aboriginal Traditional Knowledge in Environmental Assessments conducted under the *Canadian Environmental Assessment Act* – Interim Principles. Available at <http://www.ceaa-acee.gc.ca/default.asp?lang=En&n=4A795E76-1>.
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ANNEX 2
CONSULTATION REPORTS AND
COMMUNICATIONS APRIL/MAY 2014

May 14, 2014

Chief Martin Louie
Nadleh Whut'en First Nation
P.O. Box 36
Fort Fraser, BC V0J 1N0

Dear Chief Louie,

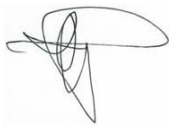
RE: UPDATED CONSULTATION REPORT

I have attached for your information and records an updated Consultation Report. This document is an update of the report provided to you on October 25, 2013. The report provides a summary of consultation activities conducted to date, key issues raised and future consultation plans proposed for the Nadleh Whut'en First Nation. The Consultation Report is a stipulation under the Section 11 Order.

In particular, this updated report reflects the progress made between New Gold and Nadleh Whut'en First Nation in agreements negotiations, as well as consultation activities.

New Gold looks forward to on-going dialogue with Nadleh Whut'en First Nation in the advancement of the Blackwater Project.

Yours truly,
New Gold Inc.



Tim Bekhuys
Director, Environment & Sustainability




Appendix 1

Nadleh Whut'en First Nation- Consultation Report

New Gold recognizes that portions of the proposed transmission line and Kluskus FSR overlap the Traditional Territory of the Nadleh Whut'en First Nation (NWFN). As such, this Consultation report describes the consultation activities undertaken to date with the NWFN and summarizes the key comments and concerns raised during consultation activities. In addition, this Consultation report outlines the consultation plans specific to NWFN for the application review period. The Consultation report is a stipulation under the Section 11 Order issued by BC EAO in July 2013. It requires New Gold to provide NWFN with a draft consultation report with the goal of eliciting input from NWFN. Based on input received, New Gold will revise the Consultation report.

A strategy to resolve outstanding issues is also presented.

1.0 KEY CONTACTS

New Gold is committed to meaningful and respectful consultation with NWFN throughout the pre-Application and Application review stages. **Table 1** lists the anticipated key contacts from New Gold and NWFN for ongoing consultation activities.

Table 1: Key Contacts

New Gold	NWFN
Tim Bekhuys, Director of Environment & Sustainability	Martin Louie, Chief
Amber Teed, First Nations Coordinator	Jaime Sanchez, Land Use Planning Advisor (CSTC)
Nigel Fisher Manager Environment	Beverly Ketlo, Councillor

2.0 CONSULTATION ACTIVITIES CONDUCTED TO DATE

New Gold first engaged the NWFN in September 2012. New Gold aimed to engage the NWFN in a manner that is respectful. New Gold has continued to develop the relationship with the NWFN Chief and Council, as well as with other NWFN representatives.

Activities conducted to date include:

Meetings

Six in-person meetings were held with the NWFN and New Gold representatives, both formally and informally. One of these meetings included a formal meeting in July 2013. The purpose of the meeting was to discuss the Project and the proposed transmission line and demonstrate New Gold's commitment to relationship building. During the meeting, NWFN representatives requested additional information on the width of the proposed transmission line, archaeological studies, New Gold's company profile, construction employment opportunities, business contracting opportunities, and transmission line maintenance. Concerns were raised about any potential effects to the Nechako River, as there are some concerns from effects of the existing Endako Mine.

Other meetings focused on keeping NWFN representatives apprised of the Project details, Project timelines, proposed agreements for capacity funding, and site visits.

NWFN was offered a site tour of the proposed mine site and a helicopter tour of the proposed transmission line. To date, no tours have taken place.

Communications

In addition to meetings, there are ongoing communications between the NWFN and New Gold via emails and letters. To date, written correspondence between NWFN and New Gold has focused largely on administrative tasks such as arrangements for meetings, training opportunities, and discussions about capacity funding.

Agreements

Ongoing discussions with the NWFN regarding agreements began in 2012. The NWFN and New Gold are in the process of negotiating a capacity funding agreement. The capacity funding agreement will describe how consultation throughout the environmental assessment (EA) process will occur as well as how the NWFN would provide input into the Project through the provision of socioeconomic and Traditional Land Use information.

3.0 KEY COMMENTS EXPRESSED AND NEW GOLD'S RESPONSE

New Gold is committed to meaningful consideration of the rights and interests of the NWFN and will seek ways to address (i.e., avoid, reduce, and/or mitigate) any potential effects identified during the EA process.

New Gold maintains a record of communications with the NWFN to help identify issues raised throughout the consultation process and to follow up with NWFN concerns as appropriate. All contact is recorded in a database that identifies who was consulted, when the consultation took place, the nature of the conversation/consultation, and any follow-up actions required.

Table 2 provides a summary of key issues raised by the NWFN during pre-Application consultations to date, along with New Gold's response.

Table 2: Key Comments Expressed by NWFN and Responses Provided by New Gold

Potential Issue	Concerns/Comments/ Issues	Proponent's Response	Status of Resolution
Aquatics	<p>Effects on the Nechako River from the transmission line crossing, including effects to salmon and water quality</p> <p>Effects to water flow in the NWFN traditional territory</p>	<p>Surface water and sediment quality will meet applicable provincial and federal standards downstream of the proposed mine site to avoid effects on fish, furbearers, or animals that use those waters. The proposed mine site will aim to operate as a zero discharge facility. During construction, sediment ponds will be used to contain site run-off and treat site runoff and reduce concentration of suspended solids.</p> <p>The drainage from the proposed mine site to the Nechako reservoir is approximately 50 kilometres long and receives contributions from a large number of streams. It is not anticipated that water quality effects will occur in the Nechako Reservoir as a consequence of the Project</p> <p>While no effects are anticipated to waterways in NWFN territory, studies are underway, including effects assessments, which will confirm if any effects will occur. Information has been provided to related scientific disciplines for further analysis in reports.</p> <p>New Gold offered to provide NWFN with a site visit, flyover of the proposed transmission line, and a flyover of the waterways in the Project area.</p>	<p>Ongoing – Additional surface and groundwater monitoring stations have been established as part of the baseline program. Results of all water quality sampling will continue to be posted for the Working Group's review, which includes Aboriginal groups.</p>
Traditional Use	Potential effects on Traditional Land Use (TLU) in the Project area, particularly berry picking	New Gold is working with key Aboriginal groups in funding traditional land use studies. Locations of berry sites where collection takes place will be identified to determine if direct impacts will occur and appropriate avoidance and mitigation measures will then be developed.	Ongoing – New Gold will work with potentially affected Aboriginal groups to avoid and/or mitigate potential effects on traditional activities.
Employment and Contracting Opportunities	Interest expressed for training, employment, and contracting opportunities for NWFN members at the Project	<p>New Gold will work with communities and the provincial and federal government to discuss training of Aboriginal groups to prepare for mine related employment. These plans will be documented within the Application.</p> <p>New Gold encourages Aboriginal employment. New Gold's New Afton mine has 23% Aboriginal employees, and Blackwater currently has 28% (self declared).</p>	Ongoing

Potential Issue	Concerns/Comments/ Issues	Proponent's Response	Status of Resolution
		New Gold is committed to providing Aboriginal groups with the opportunity to provide contracting services to the Project. New Gold will work with communities and the provincial and federal government to discuss business capacity and opportunities for Aboriginal peoples to prepare for the mine during construction and operation. These plans will be documented within the Application.	
Consultation	Lack of capacity to properly participate in EA process	New Gold made an offer of capacity funding and negotiations are underway. New Gold and NWFN agreed to a third party to review the archaeological studies.	Ongoing

The key comments and concerns listed in **Table 2** in relation to the Project were used, where appropriate, to inform the design of environmental baseline studies and proposed mitigation measures. New Gold will continue to work collaboratively with the NWFN to address and resolve these and other issues as they may arise throughout the life of the Project.

4.0 PROPOSED CONSULTATION DURING THE APPLICATION REVIEW PHASE

Table 3 outlines the proposed consultation activities with NWFN during the Application Review Phase.

Table 3: Application Review Consultation Activities

Proposed Activity	Description of Activity	Anticipated Timing
Provide Application to NWFN	Provide Application to NWFN and ensure a copy is available at the NWFN Band Office.	Q2 2014
Application Review	New Gold will engage NWFN in dialogue to review the Application and provide further clarification as requested.	Q3 2014
Meetings	Based on direction from NWFN, New Gold will host and/or attend meetings with NWFN representatives as requested. This may include meetings with leadership, one-on-one meetings with community members, or community meetings to discuss the Application.	Q3 2014
Project Site Tours	New Gold will offer an opportunity for site tours to interested NWFN parties.	Ongoing
Mitigation Meetings	New Gold intends to meet with NWFN to discuss mitigation and accommodation strategies.	Ongoing
Working Group Meetings	Working Group meetings will continue to provide opportunities for NWFN input and New Gold will attend the meetings as requested.	Ongoing, as requested

4.1 Methods and Processes to Resolve Outstanding Issues

New Gold is committed to transparency and integrity in all of its business operations and understands that the Project may affect NWFN. While implementing its Design for Closure approach, New Gold will work with NWFN to develop and implement long-term economic, social, and environmentally sustainable opportunities while avoiding, minimizing, and mitigating negative Project effects. New Gold remains committed to resolution of issues or concerns with NWFN through timely responses and transparent communication.

April 23, 2014

Chief Stanley Thomas
Saik'uz First Nation
135 Joseph Street
Vanderhoof, BC V0J

Dear Chief Thomas,

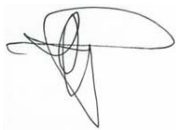
RE: UPDATED CONSULTATION REPORT

I have attached for your information and record an updated Consultation Report. This document is an update of the report provided to you on October 25, 2013. The report provides a summary of consultation activities conducted to date, key issues raised and future consultation plans proposed for the Saik'uz First Nation. The Consultation Report is a stipulation under the Section 11 Order.

In particular, this updated report reflects the progress made between New Gold and the Saik'uz First Nation in agreements negotiations, as well as consultation activities.

New Gold looks forward to ongoing dialogue with the Saik'uz First Nation in the advancement of the Blackwater Project.

Yours Truly,
New Gold Inc.



Tim Bekhuys
Director, Environment & Sustainability



Blackwater Gold Project

Aboriginal Groups Consultation Report Saik'uz First Nation

Prepared for:
New Gold Inc.
Suite 1800 – 555 Burrard Street
Vancouver, BC V7X1M9

Prepared by:
AMEC Environment and Infrastructure
a division of AMEC Americas Ltd.
Suite 600, 4445 Lougheed Hwy.
Burnaby, BC V5C 5A9

AMEC File: VE52277
April 2014

Version A

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ACRONYMS

BC AMTA	British Columbia Aboriginal Mentoring & Training Association
BC EAO	British Columbia Environmental Assessment Office
dAIR	draft Application Information Requirements
EA/EIS	Environmental Assessment / Environmental Impact Study
FSR	Forest Service Road
New Gold	New Gold Inc.
SFN	Saik'uz First Nation

New Gold Inc. (New Gold) recognizes that the transmission line and Kluskus Forest Service Road (FSR) overlap the Traditional Territory of the Saik'uz First Nation (SFN). As such, this Consultation report describes the consultation activities undertaken to date and summarizes the key comments and concerns raised during consultation activities. In addition, this Consultation report outlines the consultation plans specific to SFN for the application review period. The Consultation report is a stipulation under the section 11 Order issued by British Columbia Environmental Assessment Office (BC EAO) in July 2013.

A strategy to resolve outstanding issues is also presented.

1.0 KEY CONTACTS

New Gold is committed to meaningful and respectful consultation with SFN throughout the pre-Application and Application review stages. **Table 1** lists the anticipated key contacts from New Gold and from SFN for ongoing consultation activities.

Table 1: Key Contacts

New Gold	SFN
Tim Bekhuys, Director of Environment and Sustainability	Stanley Thomas, Chief
Amber Teed, First Nations Coordinator	Jackie Thomas, Lands and Resources Manager
Nigel Fisher, Environment Manager	Sandra Harasin, Operations Manager
	Victor Mitander, Resource Negotiator

2.0 CONSULTATION ACTIVITIES CONDUCTED TO DATE

New Gold first engaged the SFN in February 2012. New Gold is in the process of signing a Cooperation Agreement with SFN, which will outline an approach regarding how New Gold should undertake forthcoming consultation with the SFN. Activities conducted to date include:

Meetings

Since February 2012, routine in-person meetings have been held with the SFN and New Gold representatives, both formally and informally. One of these meetings included a formal presentation to the SFN community. New Gold held a community meeting at Stoney Creek Reserve on 14 August 2012. The purpose of the meeting was to introduce the Project to the SFN community and to demonstrate New Gold's commitment to open communication. The meeting was well attended with 68 people from the community present. It commenced with a presentation given by New Gold's First Nations Coordinator who explained the process of Project development as well as a detailed summary of the Project design. After the presentation, a Talking Circle was formed to solicit information from participants about the Project. A number of comments and questions were asked, including questions about the mine design (tailings and potential seepage), ongoing monitoring of the proposed mine site,

and surrounding waterways, consultation with traditional landowners, employment and economic opportunities, and the location of the transmission line.

Other meetings have focused on keeping Chief and Council apprised of the Project details, intended studies, and ensuring New Gold understands the concerns of the SFN, as well as potential effects to land users.

Communications

In addition to meetings, there are ongoing communications between the SFN and New Gold via letters, faxes, and emails. To date, written correspondence between SFN and New Gold has focused largely on administrative tasks. In May 2013, New Gold received written comments on the draft Application Information Requirements (dAIR). Examples of issues and concerns included adequate assessments of historical rainfall, consideration of medicinal plants, energy requirements for operation, access to the Project area, disposal of garbage from the operations plant, and negative social effects associated with the Project. New Gold incorporated aspects of this feedback into revisions of the dAIR.

Site Visits

New Gold hosted a site tour of the Project site for the SFN Chief on 15 August 2012, which involved a helicopter tour of the Project area. The purpose of the site visit was to tour the proposed mine site and explain the various components associated with the Project.

New Gold offered the SFN Chief and Council with an opportunity to conduct a flyover tour of the proposed transmission line. The offer was extended in June 2013; to date no trip has been confirmed.

An offer was also made to provide SFN Chief and Council with a tour of the New Afton mine and discussions are underway.

Agreements

Ongoing discussions with the SFN regarding agreements began in 2012. The SFN and New Gold signed a Capacity Funding Agreement on 26 February 2014. This agreement describe how consultation throughout the Environmental Assessment (EA) process will occur as well as how the SFN can provide input into the Project through the provision of socioeconomic, traditional land use, and traditional knowledge related information. A separate Traditional Knowledge Protocol is currently being negotiated.

Traditional Land Use Studies

New Gold and the SFN have engaged in discussion regarding implementation of a Traditional and Use (TLU) study. In May 2013, New Gold requested a proposal for a TLU study from the SFN. The study is commencing and will be focusing on the area around the proposed transmission line and the FSR. A budget to undertake the study has been agreed upon.

Effects Assessment Meeting

On 18 March 2014, New Gold Representatives attended an Industry Update Meeting at the Saik'uz Reserve #1. New Gold had been invited to provide SFN representatives with an update on the Project effects assessment.

In particular, New Gold had prepared a presentation and supporting documents for the purpose of:

- 1) Providing SFN with an overview and update on work in progress regarding the dAIR and Environmental Assessment / Environmental Impact Study (EA/EIS);
- 2) Providing an overview of the issues and concerns of the SFN that have been gathered to date; and, discuss how these are being reflected in the dAIR and EA/EIS documents;
- 3) Present information regarding the effects assessment.

Unfortunately, due to time constraints, the PowerPoint presentation was not delivered. However, 30 hard copies of the presentation were distributed at the meeting. There has been subsequent dialogue between New Gold and SFN representatives regarding the scheduling of a follow-up meeting with a proposed Saik'uz Technical Working Group. At this point, New Gold has been advised that the Saik'uz Technical Working Group is awaiting approval by Chief and Council.

Comments have been subsequently provided by SFN directly to the BC EAO with respect to the aforementioned effects assessment documentation. These comments were, in turn provided to New Gold by the BC EAO, and as appropriate have been incorporated into the dAIR and the effects assessment documents.

3.0 KEY COMMENTS EXPRESSED AND NEW GOLD'S RESPONSE

New Gold is committed to meaningful consideration of the rights and interests of the SFN and will seek ways to address (i.e., avoid, reduce, and/or mitigate) any potential effects identified during the environmental assessment process.

New Gold maintains a record of communications with the SFN to help identify issues raised throughout the consultation process and to follow up with SFN concerns as appropriate. All contact is recorded in a database that identifies who was consulted, when the consultation took place, the nature of the conversation/consultation, and any follow-up actions required.

Table 2 provides a summary of key issues raised by the SFN during pre-Application consultations to date, along with New Gold's response.

Table 2: Key Comments Expressed by SFN and Responses Provided by New Gold

Potential Issue	Concerns/Comments/ Issues	New Gold's Response	Status of Resolution
Fish and Wildlife	Effects on animal species trapped and/or effects that may disrupt traplines or access to them	New Gold has met with trapline holders in the mine footprint. Effects on wildlife, including animals that are trapped, will be assessed and managed in the EMP and a process to address trapline effects will be developed with individual trapline holders.	Ongoing—the issue is anticipated to be fully addressed in the Application
	Potential effects on black bear populations (e.g., wildlife mortality from collisions and human-bear interactions as well as increased hunter access)	New Gold will develop policies related to garbage management and reclamation. In addition, a Wildlife Management Plan will be developed restricting hunting by employees. New Gold will work with local landowners, Aboriginal groups, and recreational groups in establishing a Transportation and Access Management Plan for the transmission line corridor. Additional information from a Traditional Knowledge and Land use study will be used to refine these effects assessment and management plans.	Ongoing – A working group for Access Management along the transmission line corridor is being established. The Wildlife Management Plan will be completed in draft and reviewed by local Aboriginal groups prior to submission of the Application. The issue is anticipated to be fully addressed in the Application.
Traditional Land Use	Effects on medicinal plants that may be downstream of the Project	New Gold is working with Aboriginal groups such as SFN in funding traditional land use studies. Locations of sites where collection takes place will be identified to determine if impacts will occur and appropriate avoidance and mitigation measures will then be developed.	Ongoing – New Gold will work with potentially affected Aboriginal groups to avoid and/or mitigate potential effects on traditional activities.
Social	Potential creation and/or exacerbation of social problems	New Gold will continue to identify and address issues associated with local socio-economic effects, including development of capacity funding with Aboriginal groups to support development of community services. New Gold plans to deliver cultural and sensitivity awareness training to employees and mine supervisory staff, which will aim to prevent harassment and promote respect. New Gold conducts drug and alcohol testing for employees. In addition, a social impact assessment will be conducted to determine potential effects and appropriate mitigation.	Ongoing—the issue is anticipated to be fully addressed in the Application

Potential Issue	Concerns/Comments/ Issues	New Gold's Response	Status of Resolution
Employment Opportunities	Interest expressed for employment and training for SFN members at the Project	<p>New Gold will work with communities and the provincial and federal government to discuss training of Aboriginal groups to prepare for mine related employment. These plans will be documented within the Application.</p> <p>New Gold encourages Aboriginal employment. New Gold's New Afton mine has 23% Aboriginal employees, and Blackwater currently has 28% (self-declared).</p> <p>In addition, New Gold hired a number of Saik'uz members for work at the prep lab located in Vanderhoof.</p> <p>With respect to future training opportunities, New Gold introduced SFN to British Columbia Aboriginal Mentoring & Training Association (BC AMTA) and since that time, BC AMTA held a formal introductory meeting with the community and formal training with members has begun.</p>	Ongoing—the issue is anticipated to be fully addressed in the Application

The key comments and concerns listed in **Table 2** in relation to the Project have been used, where appropriate, to inform the design of environmental baseline studies and proposed mitigation measures. New Gold will continue to work collaboratively with the SFN to address and resolve these and other issues as they may arise throughout the life of the Project.

4.0 PROPOSED CONSULTATION DURING THE APPLICATION REVIEW PHASE

Table 3 outlines the proposed consultation activities with SFN during the Application Review Phase.

Table 3: Application Review Consultation Activities

Proposed Activity	Description of Activity	Anticipated Timing
Provide Application to SFN	Provide Application to SFN and ensure a copy is available at the SFN Band Office.	Q3 2014
Application Review	New Gold will engage SFN in dialogue to review the Application and provide further clarification as requested.	Q4 2014
Meetings	Based on direction from SFN, New Gold will host and/or attend meetings with SFN representatives as requested. This may include meetings with leadership, one-on-one meetings with community members, or community meetings to discuss the Application	Q4 2014
Project Site Tours	New Gold will offer the opportunity for site tours to interested SFN parties.	Ongoing
Mitigation Meetings	New Gold intends to meet with SFN to discuss mitigation and accommodation strategies.	Ongoing
Working Group Meetings	Working Group meetings will continue to provide opportunities for SFN input and New Gold will attend the meetings as requested.	Ongoing, as requested

4.1 Methods and Processes to Resolve Outstanding Issues

New Gold is committed to transparency and integrity in all of its business operations and understands that the Project may affect SFN. While implementing its Design for Closure approach, New Gold will work with SFN to develop and implement long-term economic, social, and environmentally sustainable opportunities while avoiding, minimizing, and mitigating adverse Project effects. New Gold remains committed to resolution of issues or concerns with SFN through timely responses and transparent communication.

April 7, 2014

Chief Liliane Squinas
Lhoosk'uz Dene Nation
PO Box 4639
Quesnel, BC V2J 3J2

Dear Chief Liliane,

RE: CONSULTATION REPORT

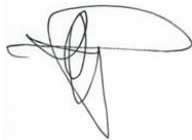
You will find attached an updated Consultation Report. This report provides a summary of consultation activities carried out by New Gold with Lhoosk'uz Dene Nation regarding the Blackwater Project.

In particular, please note that the updated Consultation Report includes reference to the Environmental Management and dAIR update meeting held with representatives of your First Nation on March 21st, 2014.

This information is being provided in compliance with the Section 11 Order issued by the British Columbia Environmental Assessment Office in July 2013.

We look forward to continued dialogue with your First Nation representatives as the Blackwater Project advances.

Yours truly,
New Gold Inc.



Tim Bekhuys
Director, Environment & Sustainability
Blackwater Project

INTRODUCTION

New Gold recognizes that the proposed mine site and off-site infrastructure overlaps with the Traditional Territory of the Lhoosk'uz Dené Nation. As such, this Consultation report describes the consultation activities undertaken to date with the Lhoosk'uz Dené Nation (LDN) and summarizes the key comments and concerns raised during consultation activities. In addition, this Consultation report outlines the consultation plans specific to LDN for the application review period. The Consultation report is a stipulation under the section 11 Order issued by BC EAO in July 2013.

A strategy to resolve outstanding issues is also presented.

1.0 KEY CONTACTS

New Gold is committed to meaningful and respectful consultation with LDN throughout the pre-Application and Application review stages. **Table 1** lists the anticipated key contacts from New Gold and LDN for ongoing consultation activities.

Table 1: Key Contacts

New Gold	LDN
Tim Bekhuys, Director of Environment & Sustainability	Liliane Squinas, Chief
Nigel Fisher, Manager Environment	Neil Gauthreau, Lands and Resource Department
Brock Roadhouse, HR Manager	Alan Okabe, Band Manager

2.0 CONSULTATION ACTIVITIES CONDUCTED TO DATE

New Gold first engaged the LDN after acquiring the mineral rights and meetings began on 1 April 2011. New Gold's consultation approach is tailored to meet the LDN's interests through creation of a formal consultation process captured in the Exploration Agreement, which includes details on consultation processes. The consultation approach includes:

- Development of a Joint Implementation Committee (JIC; a committee that appoints representation from New Gold and LDN, meets quarterly, and shares information with respect to the Project);
- Definition of key representatives from New Gold and LDN;
- Development of timelines with respect to leadership meetings;
- Provision of reports such as environmental reports and permitting reports;
- Definition of how LDN and New Gold will work collaboratively to evaluate LDN concerns raised with respect to the Environmental Assessment; and
- Provision of regular and ongoing communication of information.

Additional activities include:

Meetings

To date, several in-person recorded meetings have been held between LDN and New Gold, both formally and informally. One of these meetings included a formal presentation to the LDN community when LDN invited New Gold to provide the community with an introduction to the Project. The presentation was held at the Kluskus 1 Reserve and was open to all LDN members. In addition, regular meetings are held with trapline holders, elders, and other key community representatives to identify interests and share information.

New Gold and LDN representatives continue to participate in JIC meetings. The meetings are ongoing and provide opportunities for both parties to share information, questions, comments, and concerns about the Project. To date, discussions have focused on providing employment, training, and contracting opportunities for LDN members and on clarifying issues related to tailings management, the Project's incinerator permit, the environmental assessment process, and the permitting process.

Communications

In addition to meetings, there are ongoing communications between the LDN and New Gold via letters, faxes, and emails. This process is described in the Exploration Agreement and New Gold is committed to freely providing the LDN with information on a continuous basis. To date, written correspondence between LDN and New Gold has focused largely on administrative tasks. In June 2013, New Gold received written comments on the draft Application Information Requirements (dAIR). Comments and concerns focused on groundwater effects, potential seepages, or spills into Davidson Creek, potential archaeological sites on trails near Mount Davidson, and the potential contamination of berry-picking sites. New Gold incorporated LDN feedback into revisions of the dAIR. Continued dialogue on the dAIR is expected.

Site Visits

New Gold continues to host site tours of the Project site for LDN representatives. The first tour was held on 23 December 2011 and involved a two-day helicopter overflight of the Project area as well as a ground inspection of the area.

Agreements

Ongoing discussions with the LDN regarding agreements began in 2011. In November 2011, the LDN and New Gold signed an Exploration Agreement outlining how the two parties would cooperate on matters such as consultation protocols, the environmental assessment, and implementation committee meetings.

Traditional Land Use Studies

New Gold and the LDN have engaged in a number of discussions to determine a process for collecting Traditional Land Use (TLU) information for the Project. With the signing of the

Exploration Agreement in 2011, the LDN and New Gold agreed on the manner in which New Gold would respect and utilize confidential information provided by the LDN. In addition, New Gold provided the LDN with financial support to complete a Land Use and Occupancy study. The study has been completed and the results are being used in the EA/EIS under the terms of a confidentiality agreement.

Effects Assessment Meeting

On 21 March 2014, New Gold and Lhoosk'uz Dene Nation (LDN) representatives met in the LDN office in Quesnel.

The purpose of the meeting was to:

- 1) Provide LDN with an overview and update on work in progress regarding the dAIR and EA/EIS;
- 2) Provide an overview of the issues and concerns of the LDN that have been gathered to date; and discuss how these are being reflected in the dAir and EA/EIS documents;
- 3) Present information regarding the effects assessment and discuss proposed mitigation.

New Gold representatives provided information in a PowerPoint presentation and hardcopy supporting documents. Minutes of the meeting were taken in order to track proceedings. No new issues were identified through these discussions. LDN representatives indicated that meaningful feedback would require careful review of the effects assessment once issued.

3.0 KEY COMMENTS EXPRESSED AND NEW GOLD RESPONSE

New Gold is committed to meaningful consideration of the rights and interests of the LDN and will seek ways to address (i.e., avoid, reduce, and/or mitigate) any potential adverse effects identified during the environmental assessment process.

New Gold maintains a record of communications with the LDN to aid in identifying issues raised throughout the consultation process as well as follow-up with LDN concerns as appropriate. All contact is recorded in a database that identifies who was consulted, when the consultation took place, the nature of the conversation/consultation, and any follow-up actions required.

Table 2 provides a summary of key issues raised by the LDN during pre-Application consultations to date, along with New Gold's response.

Table 2: Key Comments Expressed by LDN and Responses Provided by New Gold

Potential Issue	Concerns//Issues/ Comments/Interests	New Gold Response	Status of Resolution
Fish and Fish Habitat	Potential effects on water quality and how that may affect fish and fish habitat in Tatelkuz Lake and on the Nechako Reservoir	<p>Surface water and sediment quality will meet applicable provincial and federal standards downstream of the proposed mine site to avoid effects on fish, furbearers, or animals that use those waters. The proposed mine site will aim to operate as a zero discharge facility. During construction, sediment ponds will be used to contain site run-off and treat site runoff and reduce concentration of suspended solids.</p> <p>The drainage from the proposed mine site to the Nechako reservoir is approximately 50 kilometres long and receives contributions from a large number of streams. It is not anticipated that water quality effects will occur in the Nechako Reservoir as a consequence of the Project.</p>	Ongoing – Additional surface and groundwater monitoring stations have been established as part of the baseline program. Results of all water quality sampling will continue to be posted for working group and Aboriginal groups review
	Potential effects from contamination of the water system and fish (Tatelkuz Lake, Tascha Lake, and/or Davidson Creek)	Tascha Lake is within the Blackwater drainage basin. The proposed mine site has been proposed outside of this drainage basin to avoid any potential effects. A Water Quality and Liquid Discharges Management Plan (Section 12.3.5) has been developed to ensure all water leaving the proposed mine site meets applicable regulatory requirements. A Human Health Risk Assessment is also being conducted.	Ongoing—the issue is anticipated to be fully addressed in the Application
Vegetation	Potential displacement and contamination of berry-picking sites	New Gold is working with key Aboriginal groups in funding traditional land use studies. Locations of berry sites where collection takes place will be identified to determine if direct impacts will occur and appropriate avoidance and mitigation measures will then be developed.	Ongoing – New Gold will work with potentially effected Aboriginal groups to avoid and/or mitigate potential effects on traditional activities
Mine Design	Effects from cyanide	New Gold is a member of the International Cyanide Management Institute, adhering to the International Cyanide Management Code. The Code is a voluntary program that focuses on safe management of cyanide. New Gold commits to have their mining operations audited by an independent third party from the Institute.	Ongoing—the issue is anticipated to be fully addressed in the Application

Potential Issue	Concerns/Issues/Comments/Interests	New Gold Response	Status of Resolution
		Potential impacts and risks associated with use and transport of cyanide to the site will be assessed in the Application. Results will be shared and discussed with interested Aboriginal groups.	
	Interest expressed in viewing an operating open pit mine	New Gold provided LDN representatives with a tour of the New Afton mine.	Complete – no further action required
Wildlife	Effects on caribou herds and the ungulate winter range (UWR). (e.g., loss of UWR from direct and indirect impacts, as well as effects related to wildlife mortality and caribou health)	New Gold redesigned the proposed mine site to avoid the UWR by modifying the tailings storage facility to be located completely outside of the UWR. In addition, the existing mine access road will be moved out of the UWR. Access to the proposed mine site will not be from the west but from the north starting at KM 124 of the Kluskus FSR. A Caribou sub-working group was established to better understand cumulative effects to caribou and establish Best Management Practices and mitigation strategies. Effects on caribou will be assessed in the Application and mitigation strategies will be developed and presented in the Caribou Management Plan. Additional information from a Traditional Knowledge and Land use study will be used to refine the effects assessment and management plans.	Ongoing – tailings facility and access road to mine redesigned to avoid UWR. The Caribou Working Group has met to review baseline and assessment methods and begin developing mitigation and avoidance strategies
	Effects on trapline holders. (e.g., loss of trapline and effects to wildlife in area of the proposed mine site)	New Gold has met with all trapline holders in the proposed mine site area. Effects on wildlife, including animals that are trapped, will be assessed in the Application and mitigation will be presented in the Wildlife Management Plan. EMP and a process to address trapline effects will be developed with individual trapline holders.	Ongoing – the issue is anticipated to be fully addressed in the Application
	Effects on migratory birds and mammals that may access water in the tailings ponds	Surface water and sediment quality will meet applicable provincial and federal standards so as not to affect fish, furbearers, or animals that may be trapped for food. Water will also be monitored on an ongoing basis throughout the life of the Project and after closure.	Ongoing – the issue is anticipated to be fully addressed in the Application and through community meetings as requested by Aboriginal Groups

Potential Issue	Concerns//Issues/ Comments/Interests	New Gold Response	Status of Resolution
Archaeology	Potential effects to archaeological sites	The Application will address potential effects on archaeological sites and will include a management plan for archeology. Sites will be managed according to the standards set by the Archaeology Branch and in accordance with the preference of the local community.	Ongoing—the issue is anticipated to be fully addressed in the Application
Employment	Interest expressed for employment and training with the Project	New Gold will work with communities and the provincial and federal government to discuss training of Aboriginal groups to prepare for mine related employment. These plans will be documented within the Application. New Gold encourages Aboriginal employment. New Gold's New Afton mine has 23% Aboriginal employees, and Blackwater currently has 28% (self declared).	Ongoing
Social	Concern expressed that in-migration of workers could bring additional social problems	New Gold will continue to identify and address issues associated with local socio-economic effects including development of capacity funding with Aboriginal groups to support development of LDN community services. New Gold will continue to provide new employees with a comprehensive site orientation and introduction to camp policies, including policies on drug and alcohol use. New Gold will continue to employ drug and alcohol testing for employees. New Gold plans to deliver cultural and sensitivity awareness training to employees and mine supervisory staff, which aims to promote respect.	Ongoing—the issue is anticipated to be fully addressed in the Application.

The key comments and concerns listed in **Table 2** in relation to the Project have been used, where appropriate, to inform the design of environmental baseline studies and proposed mitigation measures. For example, the LDN raised concerns with respect to effects on the caribou herd. In response to this concern, New Gold redesigned the mine access road to avoid the ungulate winter range (UWR). In addition, a Caribou Sub-Working Group was formed, which continues to address concerns related to caribou. New Gold is developing a Caribou Management Plan and intends to develop a Transportation and Access Management Plan to reduce disturbance and the risk of caribou mortality. Employees will be forbidden to engage in hunting activities around the proposed mine site.

New Gold will continue to work collaboratively with the LDN to address and resolve these and other issues as they may arise throughout the life of the Project.

4.0 PROPOSED CONSULTATION DURING THE APPLICATION REVIEW PHASE

Table 3 outlines the proposed consultation activities with LDN during the Application Review Phase.

Table 3: Application Review Consultation Activities

Proposed Activity	Description of Activity	Anticipated Timing
Provide Application to LDN	Provide Application to LDN and ensure a copy is available at the LDN Band Office	Q2 2014
Application Review	New Gold will engage LDN in dialogue to review the Application and provide further clarification as requested	Q2 2014
Meetings	Based on direction from LDN, New Gold will host and/or attend meetings with LDN representatives as requested. This may include meetings with leadership, one-on-one meetings with community members or community meetings to discuss the Application	Q4 2014
Project Site Tours	New Gold will offer the opportunity for site tours to interested LDN parties	Ongoing
Mitigation Meetings	New Gold intends to meet with LDN to discuss mitigation and accommodation strategies	Ongoing
Working Group Meetings	Working Group meetings will continue to provide opportunities for LDN input and New Gold will attend the meetings as requested by BC EAO	Ongoing, as requested

4.1.1 Methods and Processes to Resolve Outstanding Issues

New Gold is committed to transparency and integrity in all of its business operations and understands that the Project may affect LDN. While implementing its Design for Closure approach, New Gold will work with LDN to develop and implement long-term economic,

social, and environmentally sustainable opportunities while avoiding, minimizing, and mitigating adverse Project effects.

JIC meetings will continue with LDN, providing an avenue for both New Gold and LDN representatives to resolve outstanding issues. The Exploration Agreement outlines how dispute resolution will occur including how issues will be settled and resolved through stages.

New Gold remains committed to resolution of issues or concerns with LDN through timely responses and transparent communication.

April 7, 2014

Chief Archie Patrick
Stellat'en First Nation
PO Box 760
Fraser Lake, BC V0J 1S0

Dear Chief Patrick,

RE: CONSULTATION REPORT

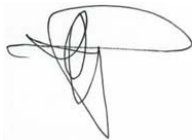
You will find attached an updated Consultation Report. This report provides a summary of consultation activities carried out by New Gold with Stellat'en First Nation regarding the Blackwater Project.

In particular, please note that the updated Consultation Report includes reference to the Environmental Management and dAIR update meeting held with representatives of your First Nation on March 17th, 2014.

This information is being provided in compliance with the Section 11 Order issued by the British Columbia Environmental Assessment Office in July 2013.

We look forward to continued dialogue with your First Nation representatives as the Blackwater Project advances.

Yours truly,
New Gold Inc.



Tim Bekhuys
Director, Environment & Sustainability
Blackwater Project

INTRODUCTION

New Gold recognizes that portions of the proposed transmission line overlap the Traditional Territory of the Stellat'en First Nation. As such, this Consultation report describes the consultation activities undertaken to date with the Stellat'en First Nation (StFN) and summarizes the key comments and concerns raised during consultation activities. In addition, this Consultation report outlines the consultation plans specific to StFN for the application review period. The Consultation report is a stipulation under the section 11 Order issued by BC EAO in July 2013.

A strategy to resolve outstanding issues is also presented.

1.0 KEY CONTACTS

New Gold is committed to meaningful and respectful consultation with StFN throughout the pre-Application and Application review stages. **Table 1** lists the anticipated key contacts from New Gold and StFN for ongoing consultation activities.

Table 1: Key Contacts

New Gold	StFN
Tim Bekhuys, Director of Environment & Sustainability	Archie Patrick, Chief
Amber Teed, First Nations Coordinator	Sandra Nahornoff, Band Manager
Brock Roadhouse, HR Manager	Ken Luggi, Councillor
	Tannis Reynolds, Councillor

2.0 CONSULTATION ACTIVITIES CONDUCTED TO DATE

New Gold first engaged the StFN in August 2012. Activities conducted to date include:

Meetings

Several in-person meetings were held with the StFN and New Gold representatives, both formally and informally. One of these meetings included a formal presentation to the StFN Chief and Council about the Project in February 2013. The purpose of the meeting was to introduce the Project and the proposed transmission line to Chief and Council and demonstrate New Gold's commitment to open communication. During the meeting, StFN representatives requested additional information on the alignment of the proposed transmission line, clearing methods for the proposed route, avoidance of sensitive areas, training and employment opportunities in construction and mine activities, and the opportunity to develop business partnerships. In response, New Gold provided detailed maps of the current proposed transmission line (including updates on any adjustments) and employment opportunities with ongoing baseline studies.

Other meetings focused on keeping StFN representatives apprised of the Project details, intended studies, and proposed agreements for capacity funding.

Offers have been made for StFN to participate in proposed mine site tours as well as helicopter tours of the proposed transmission line.

Communications

In addition to meetings, there are ongoing communications between the StFN and New Gold via emails and letters. To date, written correspondence between StFN and New Gold has focused largely on administrative tasks such as arrangements for meetings, on contact information for potentially affected trapline holders, and on capacity funding.

Agreements

Ongoing discussions with the StFN regarding agreements began in 2012. The StFN and New Gold signed a capacity funding agreement on 20 December 2013. This agreement sets out how consultation throughout the EA process will occur, as well as how the StFN would provide input into the Project through the provision of information pertinent to socioeconomic and Traditional Land Use issues.

Effects Assessment Meeting

On 17 March 2014, New Gold and Stelat'en First Nation representatives met in Fraser Lake.

The purpose of the meeting was to:

- 1) Provide Stelat'en First Nation with an overview and update on work in progress regarding the dAIR and EA/EIS;
- 2) Provide an overview of the issues and concerns of the Stelat'en First Nation that have been gathered to date; and discuss how these are being reflected in the dAIR and EA/EIS documents; and
- 3) Present information regarding the effects assessment and discuss proposed mitigation.

New Gold representatives provided information in a PowerPoint presentation and hardcopy supporting documents. Minutes of the meeting were taken in order to track proceedings. No new issues were identified through these discussions, however there was some dialogue regarding the protection of hibernating furbearers during clearing of the transmission line RoW.

3.0 KEY COMMENTS EXPRESSED AND NEW GOLD'S RESPONSE

New Gold is committed to meaningful consideration of the rights and interests of the StFN and will seek ways to address (i.e., avoid, reduce, and/or mitigate) any potential effects identified during the EA process.

New Gold maintains a record of communications with the StFN to help identify issues raised throughout the consultation process and to follow up with StFN concerns as appropriate. All contact is recorded in a database that identifies who was consulted, when the consultation took place, the nature of the conversation/consultation, and any follow-up actions required.

Table 2 provides a summary of key issues raised by the StFN during pre-Application consultations to date, along with New Gold's response.

Table 2: Key Comments Expressed by StFN and Responses Provided by New Gold

Potential Issue	Concerns/Comments/ Issues	Proponent's Response	Status of Resolution
Aquatics	Effects on the Stellaquo River from the transmission line crossing	New Gold does not anticipate effects on the Stellaquo River, but is undertaking studies, including effects assessments, to confirm if any effects will occur. Information has been provided to related scientific disciplines for further analysis in reports.	Ongoing—the issue is anticipated to be addressed in the Application
Traditional Use	Potential effects on Traditional Land Use in the Project area, particularly berry picking	New Gold will work with Stellat'en First Nation to identify gathering sites and types of berries or other plants gathered to determine if direct impacts will occur. If direct impacts will occur then appropriate avoidance and mitigation measures will then be developed.	Ongoing – New Gold will work with potentially affected Aboriginal groups to avoid and/or mitigate potential effects on traditional activities
Employment and Contracting Opportunities	Interest expressed for training, employment, and contracting opportunities for StFN members at the Project	New Gold will work with communities and the provincial and federal government to discuss training of Aboriginal groups to prepare for mine related employment. These plans will be documented within the Application. New Gold encourages Aboriginal employment. New Gold's New Afton mine has 23% Aboriginal employees, and Blackwater currently has 28% (self declared). New Gold is committed to providing Aboriginal groups with the opportunity to provide contracting services to the Project. New Gold will work with communities and the provincial and federal government to discuss business capacity and opportunities for Aboriginal peoples to prepare for the mine during construction and operation. These plans will be documented within the Application.	Ongoing—the issue is anticipated to be addressed in the Application

The key comments and concerns listed in **Table 2** in relation to the Project were used, where appropriate, to inform the design of environmental baseline studies and proposed mitigation measures. New Gold will continue to work collaboratively with the StFN to address and resolve these and other issues as they may arise throughout the life of the Project.

4.0 PROPOSED CONSULTATION DURING THE APPLICATION REVIEW PHASE

Table 3 outlines the proposed consultation activities with StFN during the Application Review Phase.

Table 3: Application Review Consultation Activities

Proposed Activity	Description of Activity	Anticipated Timing
Provide Application to StFN	Provide Application to StFN and ensure a copy is available at the StFN Band Office.	Q3 ⁴ 2014
Application Review	New Gold will engage StFN in dialogue to review the Application and provide further clarification as requested.	Q4 ² 2014
Meetings	Based on direction from StFN, New Gold will host and/or attend meetings with StFN representatives as requested. This may include meetings with leadership, one-on-one meetings with community members, or community meetings to discuss the Application.	Q4 ² 2014
Project Site Tours	New Gold will offer the opportunity for site tours to interested StFN parties.	Ongoing
Mitigation Meetings	New Gold intends to meet with StFN to discuss mitigation and accommodation strategies.	Ongoing
Working Group Meetings	Working Group meetings will continue to provide opportunities for StFN input and New Gold will attend the meetings as requested.	Ongoing, as requested

4.1 Methods and Processes to Resolve Outstanding Issues

New Gold is committed to transparency and integrity in all of its business operations and understands that the Project may affect StFN. Implementing its Design for Closure approach, New Gold will work with StFN to develop and implement long-term economic, social, and environmentally sustainable opportunities while avoiding, minimizing, and mitigating negative Project effects. New Gold remains committed to resolution of issues or concerns with StFN through timely responses and transparent communication.

April 7, 2014

Chief Zach Parker
Ulkatcho First Nation
PO Box 3430
Anahim Lake, BC V0L 1C0

Dear Chief Parker,

RE: CONSULTATION REPORT

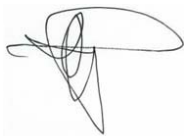
You will find attached an updated Consultation Report. This report provides a summary of consultation activities carried out by New Gold with Ulkatcho First Nation regarding the Blackwater Project.

In particular, please note that the updated Consultation Report includes reference to the Environmental Management and dAIR update meetings held with representatives of your First Nation on March 6th and 27th, 2014.

This information is being provided in compliance with the Section 11 Order issued by the British Columbia Environmental Assessment Office in July 2013.

We look forward to continued dialogue with your First Nation representatives as the Blackwater Project advances.

Yours truly,
New Gold Inc.



Tim Bekhuys
Director, Environment & Sustainability
Blackwater Project

INTRODUCTION

New Gold recognizes that the proposed mine site and some off-site infrastructure overlaps the Traditional Territory of the Ulkatcho First Nation.

As such, this Consultation report describes the consultation activities undertaken to date with the Ulkatcho First Nation (UFN) and summarizes the key comments and concerns raised during consultation activities. In addition, this Consultation report outlines the consultation plans specific to UFN for the application review period. The Consultation report is a stipulation under the section 11 Order issued by BC EAO in July 2013.

A strategy to resolve outstanding issues is also presented.

1.0 KEY CONTACTS

New Gold is committed to meaningful and respectful consultation with UFN throughout the pre-Application and Application review stages. **Table 1** lists the anticipated key contacts from New Gold and UFN for ongoing consultation activities.

Table 1: Key Contacts

New Gold	UFN
Tim Bekhuys, Director of Environment & Sustainability	Zach Parker, Chief
Nigel Fisher, Manager Environment	Shawnee Palmantier, Lands Manager
Brock Roadhouse, HR Manager	Garry Yablonski, Band Manager

2.0 CONSULTATION ACTIVITIES CONDUCTED TO DATE

New Gold first engaged the UFN after acquiring the mineral rights, with meetings beginning in May 2011. New Gold’s consultation approach is tailored to meet the UFN’s interests through creation of a formal consultation process captured in the Exploration Agreement which includes details on consultation processes. The consultation approach includes:

- Development of a Joint Implementation Committee (JIC; a committee that appoints representation from New Gold and UFN, meets quarterly, and shares information with respect to the Project);
- Definition of key representatives from New Gold and UFN;
- Development of timelines with respect to leadership meetings;
- Provision of reports such as environmental reports and permitting reports;
- Definition of how UFN and New Gold will work collaboratively to evaluate UFN concerns raised with respect to the Environmental Assessment (EA); and
- Provision of regular and ongoing communication of information.

Additional activities include:

Meetings

To date, several recorded meetings have been held between UFN and New Gold, both formally and informally. One of these meetings included a formal community meeting with the UFN in Anahim Lake on 15 March 2013. The purpose of the meeting was to introduce the Project to the community and demonstrate New Gold's commitment to open communication. A question period was held after the presentation during which a number of UFN community members asked questions pertaining to water quality, mine design (height of the tailings dam, decommissioning), and archaeological studies.

New Gold and UFN representatives continue to participate in JIC meetings. The meetings are ongoing and provide opportunities for both parties to share information, questions, comments, and concerns about the Project. To date, discussions have focused on:

- Caribou use of particular areas;
- UFN traditional uses of particular areas;
- The EA process;
- Traditional Knowledge studies;
- Exploration activities; and
- Hiring and contract opportunities.

Communications

In addition to meetings, there are ongoing communications between the UFN and New Gold via letters, faxes, and emails. This process is described in the Exploration Agreement and New Gold is committed to providing the UFN with information on a continuous basis. To date, written correspondence between UFN and New Gold has focused largely on administrative tasks. In June 2013, New Gold received written comments on the draft Application Information Requirements (dAIR). Examples of issues and concerns included cumulative effects from various resource projects in the area, clarification on mine design, the need for adequate resources for UFN to participate in the EA review, the adequacy of Valued Components presented in the dAIR, and the need for more information on the post-closure phase of the Project. New Gold incorporated aspects of this feedback into revisions of the dAIR.

Site Visits

New Gold continues to host site tours of the Project site for UFN representatives. The first tour was held on 30 September 2011 and involved a helicopter tour of the Project area. During the tour, UFN and New Gold's representatives discussed water resources, mine design, and the caribou herd that resides in Ulkatcho Traditional Territory.

On 24 July 2012, New Gold provided another site tour for UFN elders and one Councillor and it included a flyover of the Project site and camp tour. On 28 September 2012, an

additional tour of the Project site was arranged for one UFN Councillor and the UFN Band Manager. During the tour, New Gold and UFN representatives discussed employment and hiring opportunities.

Agreements

Ongoing discussions with the UFN regarding agreements began in 2011. In February 2012, the UFN and New Gold signed an Exploration Agreement outlining how the two parties would cooperate on matters such as consultation protocols, the EA process, and joint implementation committee meetings.

Traditional Land Use Studies

New Gold and the UFN have engaged in a number of discussions to determine a process for collecting Traditional Land Use (TLU) information for the Project. With the signing of the Exploration Agreement in 2012, the UFN and New Gold agreed on the manner in which New Gold would respect and utilize confidential information provided by the UFN. In addition, New Gold provided the UFN with financial support to complete an Aboriginal Land Use/Traditional Ecological Knowledge Study. The parties signed agreements to undertake the studies on 20 November 2012. The study has been completed and the results are being used in the EA/EIS.

Effects Assessment Meetings

On 6 March 2014, New Gold and Ulkatcho First Nation (UFN) representatives met in Anahim Lake.

The purpose of the meeting was to:

- 1) Provide UFN with an overview and update on work in progress regarding the dAIR and EA/EIS;
- 2) Provide an overview of the issues and concerns of the UFN that have been gathered to date; and discuss how these are being reflected in the dAir and EA/EIS documents; and
- 3) Present information regarding the effects assessment and discuss proposed mitigation.

New Gold representatives provided information in a PowerPoint presentation and hardcopy supporting documents.

A follow up meeting was held in Anahim Lake on 27 March 2014 to continue dialogue on these matters. No new issues were identified through these discussions. However, UFN representatives asked that care be taken in protecting the specific location of sacred sites within publicly available documents.

Minutes of the meeting were taken in order to track proceedings.

3.0 KEY COMMENTS EXPRESSED AND NEW GOLD'S RESPONSE

New Gold is committed to meaningful consideration of the rights and interests of the UFN and will seek ways to address (i.e., avoid, reduce, and/or mitigate) any potential effects identified during the EA process.

New Gold maintains a record of communications with the UFN to help identify issues raised throughout the consultation process and to follow-up with UFN concerns as appropriate. All contact is recorded in a database that identifies who was consulted, when the consultation took place, the nature of the conversation/consultation, and any follow-up actions required.

Table 2 provides a summary of key issues raised by the UFN during pre-Application consultations to date, along with New Gold's response.

Table 2: Key Comments Expressed by UFN and Responses Provided by New Gold

Potential Issue	Concerns/Comments/ Issues	New Gold's Response	Status of Resolution
Environment	Effects on caribou herds and the ungulate winter range (UWR) as well as impacts to caribou habitat and forage (e.g., loss of UWR from direct and indirect impacts, as well as effects related to wildlife mortality and caribou health).	New Gold redesigned the proposed mine site to avoid the UWR by modifying the tailings storage facility to be located completely outside of the UWR. In addition, the existing mine access road will be moved out of the UWR. Access to the proposed mine site will not be from the west but from the north starting at KM 124 of the Kluskus FSR. A Caribou sub-working group was established to better understand cumulative effects to caribou and establish Best Management Practices and mitigation strategies. Effects on caribou will be assessed in the Application and mitigation strategies will be developed and presented in the Wildlife Management Plan. Additional information from a Traditional Knowledge and Land use study will be used to refine the effects assessment and management plans.	Ongoing – tailings facility and access road to mine redesigned to avoid UWR. The Caribou Working Group has met to review baseline and assessment methods and begin developing mitigation and avoidance strategies.
	Potential effects to Tzelbeguz Lake (a sacred fish gathering site).	No Project effects are anticipated on Tzelbeguz Lake as it is outside of the area of influence of the Project. In response, New Gold provided the UFN member with a map showing the mineral claims and the boundaries of the member's family territory. New Gold also offered to provide the member with a site tour of the operations.	Completed
	Potential negative effects to water resources including water quantity	The Application will address potential effects on water resources, including surface and groundwater quality and flows, as well as potential effects on wetlands, and fish and fish habitat.	Ongoing—the issue is anticipated to be fully addressed in the Application
	Reduction in morel mushroom gathering areas	New Gold is working with key Aboriginal groups in funding traditional land use studies. Locations of mushroom gathering sites where collection takes place will be identified to determine if direct impacts will occur and appropriate avoidance and mitigation measures will then be developed.	Ongoing – New Gold will work with potentially affected Aboriginal groups to avoid and/or mitigate potential effects on traditional activities
	Potential effects to medicinal plant gathering areas	New Gold is working with key Aboriginal groups in funding traditional land use studies. Locations of medicinal plant gathering sites where collection takes place will be identified to determine if direct impacts will occur and appropriate avoidance and mitigation measures will then be developed.	Ongoing – New Gold will work with potentially affected Aboriginal groups to avoid and/or mitigate potential effects on traditional activities

Table continues...

Potential Issue	Concerns/Comments/ Issues	New Gold's Response	Status of Resolution
Archaeology	Potential disturbances to grave sites in the area from drilling	The Application will address potential effects on archaeological sites and will include a management plan for archaeology. Burial sites will be managed according to the standards set by the Archaeology Branch and in accordance with the preference of the local community.	Ongoing—the issue is anticipated to be fully addressed in the Application
	Potential negative effects to archaeological artifacts	The Application will address potential effects on archaeological artefacts and will include a management plan. Archaeological studies are underway with UFN field work monitors present.	Ongoing—the issue is anticipated to be fully addressed in the Application
	Protection of historic areas (including cabins) around the proposed mine site	The Application will address potential effects on historic sites and will include a management plan for archaeology. Archaeological studies are underway with UFN field work monitors present.	Ongoing—the issue is anticipated to be fully addressed in the Application
Social	Potential creation and/or exacerbation of social problems	New Gold will continue to identify and address issues associated with local socio-economic effects including development of capacity funding with Aboriginal groups to support development of UFN community services. New Gold plans to deliver cultural and sensitivity awareness training to employees and mine supervisory staff, which aims to promote respect. New Gold plans to deliver cultural and sensitivity awareness training to employees and mine supervisory staff, which will aim to prevent harassment and promote respect.	Ongoing—the issue is anticipated to be fully addressed in the Application
Employment Business and Contracting Opportunities	Interest expressed for employment and training for UFN members at the Project	New Gold will work with communities and the provincial and federal government to discuss training of Aboriginal groups to prepare for mine related employment. These plans will be documented within the Application. New Gold encourages Aboriginal employment. New Gold's New Afton mine has 23% Aboriginal employees, and Blackwater currently has 28% (self declared).	Ongoing—the issue is anticipated to be fully addressed in the Application
	Interest expressed in contracting and business opportunities	New Gold is committed to providing Aboriginal groups with the opportunity to provide contracting services to the Project. New Gold will work with communities and the provincial and federal government to discuss business capacity and opportunities for Aboriginal peoples to prepare for the mine during construction and operation. These plans will be documented within the Application.	Ongoing—the issue is anticipated to be fully addressed in the Application

The key comments and concerns listed in **Table 2** in relation to the Project were used, where appropriate, to inform the design of environmental baseline studies and proposed mitigation measures. For example, the UFN raised concerns with respect to effects on the caribou herd. In response to this concern, New Gold redesigned the access road to avoid the ungulate winter range (UWR). In addition, a Caribou Sub-Working Group was formed and continues to address concerns related to caribou. New Gold is developing a Caribou Management Plan and intends to develop a Transportation and Access Management Plan to reduce disturbance and the risk of caribou mortality. Employees will be forbidden to engage in hunting activities in the proposed mine site.

New Gold will continue to work collaboratively with the UFN to address and resolve these and other issues as they may arise throughout the life of the Project.

4.0 PROPOSED CONSULTATION DURING THE APPLICATION REVIEW PHASE

Table 3 outlines the proposed consultation activities with UFN during the Application Review Phase.

Table 3: Application Review Consultation Activities

Proposed Activity	Description of Activity	Anticipated Timing
Provide Application to UFN	New Gold will provide the Application to UFN and ensure a copy is available at the UFN Band Office.	Q2 2014
Application Review	New Gold will engage UFN in dialogue to review the Application and provide further clarification as requested.	Q2 2014
Meetings	Based on direction from UFN, New Gold will host and/or attend meetings with UFN representatives as requested. This agreement may include meetings with leadership, one-on-one meetings with community members, or community meetings to discuss the Application.	Q4 2014
Project Site Tours	New Gold will offer the opportunity for site tours to interested UFN parties.	Ongoing
Mitigation Meetings	New Gold intends to meet with UFN to discuss mitigation and accommodation strategies.	Ongoing
Working Group Meetings	Working Group meetings will continue to provide opportunities for UFN input and New Gold will attend the meetings as requested.	Ongoing, as requested

4.1 Methods and Processes to Resolve Outstanding Issues

New Gold is committed to transparency and integrity in all of its business operations and understands that the Project may affect UFN. While implementing its Design for Closure approach, New Gold will work with UFN to develop and implement long-term economic,

social, and environmentally sustainable opportunities while avoiding, minimizing, and mitigating adverse Project effects.

JIC meetings will continue with UFN, providing an avenue for both New Gold and UFN representatives to resolve outstanding issues. The Exploration Agreement outlines how dispute resolution will occur including how issues will be settled and resolved through stages.

New Gold remains committed to resolution of issues or concerns with UFN through timely responses and transparent communication.

ANNEX 3
DRAFT ABORIGINAL GROUPS
CONSULTATION PLAN AND
CONSULTATION REPORTS INCLUDING
COMMENTS AND COMMUNICATIONS
JANUARY 2014



Blackwater Gold Project

Draft

Aboriginal Groups Consultation Plan

Prepared for:

New Gold Inc.

Two Bentall Centre

Suite 1800 – 555 Burrard Street

Vancouver, BC V7X 1M9

Prepared by:

AMEC Environment and Infrastructure

a division of AMEC Americas Ltd.

Suite 600, 4445 Lougheed Hwy

Burnaby, BC V5C 5A9

AMEC File: VE52277

January 2014

Version 3

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Appendix A Comments Received on the Aboriginal Groups Consultation Plan and Consultation Reports

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ACRONYMS

Abbreviations and Units of Measure	Definition
Agency (the)	Canadian Environmental Assessment Agency
AIA	Archaeological Impact Assessment
AIR	Application Information Requirements
AMEC	AMEC Environment & Infrastructure
Application (the)	Application for an Environmental Assessment Certificate / Environmental Impact Statement
BC	British Columbia
BC EAO	British Columbia Environmental Assessment Office
BCIT	British Columbia Institute of Technology
CSTC	Carrier Sekani Tribal Council
dAIR	draft Application Information Requirements
EA	Environmental Assessment
EIS	Environmental Impact Statement
km	kilometres
MNBC	Métis Nation of BC
Mt	million tonnes
Project (the)	Proposed Blackwater Gold Project
Proponent (the)	New Gold Inc.
SIIMS	Stakeholder Issues and Information Management System
t/d	tonnes per day
The Plan	Aboriginal Groups Consultation Plan
TK	Traditional Knowledge
TLU	Traditional Land Use

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1.0 INTRODUCTION

New Gold Inc. (New Gold) is implementing its Consultation Plan (the Plan) in order to communicate the proposed consultation activities and seek input from Aboriginal groups regarding the proposed Blackwater Gold Project (the Project). The distribution of this draft Consultation Plan is meant to solicit feedback from Aboriginal groups on the consultation approach outlined in the document.

This Plan is also required under British Columbia's *Environmental Assessment Act* (BC EAA) and regulations. This Plan is designed to meet the consultation requirements described in Part G-11 of the Section 11 Order issued by British Columbia's Environmental Assessment Office (BC EAO) in July 2013.

Consultation is important throughout the various stages of the Project and is a key component of the Environmental Assessment (EA) process. Consultation includes communications, the provision of information to Aboriginal groups, as well as engagement opportunities for the identification of Aboriginal groups' issues, perspectives, interests, and concerns regarding the Project. The consultation approach within this document aims to meet or exceed provincial requirements and federal guidelines, while aiming to ensure there is open and transparent communication with Aboriginal groups throughout the process.

The Plan describes New Gold's objectives for Aboriginal consultation and proposed consultation tools and methods, provides an overview of consultation activities undertaken to date, outlines the intended future consultation approach and tools, and identifies consultation milestones moving forward.

New Gold is committed to incorporating Aboriginal groups' input into this Plan.

1.1 Proposed Project

New Gold is proposing to develop an open pit gold and silver mine approximately 160 km southwest of Prince George and 110 km south of Vanderhoof in north-central BC. The proposed Project is in an area that has seen active exploration since the discovery of silver, lead, and zinc in 1973. The Project is currently in its development phase, and preparing an Application to obtain an Environmental Assessment Certificate.

The proposed Project involves the development of mining facilities and support infrastructure to be located within a proposed mine site. The Project also requires off-site infrastructure consisting of a transmission line, a fresh water supply system, an airstrip, and a mine access road. Also, the existing Kluskus FSR will be used for the transportation of workers and materials to the proposed mine site.

New Gold is committed to hiring local people during the construction and operation phases. Following the environmental review process, New Gold expects to hire 1,000 to 1,500 (peak)

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construction workers, and a full-time operations workforce of up to 500 people. The operations phase of the mine is projected to be approximately 17 years.

2.0 REGULATORY APPROVAL PROCESS

The Blackwater Gold Project is a reviewable project under the British Columbia *Environmental Assessment Act* (BC EAA) as well as the *Canadian Environmental Assessment Act 2012* (CEAA 2012). The Project is subject to a coordinated review. New Gold expects to file its application for an environmental assessment certificate and Environmental Impact Statement (the Application) in early 2014.

This plan is meant to serve as a guide to ensure regulatory requirements are met. In doing so, it considers a number of guidance documents, including:

- Order issued pursuant to section 11 of the BC EAA;
- British Columbia *Environmental Assessment Act*;
- Environmental Impact Statement Guidelines for the Blackwater Gold Project;
- Environmental Assessment Office, User Guide (British Columbia Environmental Assessment Office, 2010): Consultations with First Nations;
- Proponent Guide for providing First Nation Consultation Information (Non-Treaty First Nations) (BC EAO);
- Aboriginal Consultation and Accommodation Updated Guidelines for Federal Officials to Fulfill the Duty to Consult (Government of Canada, 2011);
- Considering Aboriginal Traditional Knowledge (TK) in environmental assessments conducted under the Canadian Environmental Assessment Act – Interim Principles (Canadian Environmental Assessment Agency); and
- Interim Guide for Proponents (Government of BC, March 2011).

The BC EAO, in conjunction with the Canadian Environmental Assessment Agency (the Agency), each determine the scope, procedures, and methods according to which the respective provincial and federal environmental assessments of the proposed Project will be conducted, including the Aboriginal groups consultation requirements. The Application will include a summary and evaluation of any consultation activities that New Gold has carried out in relation to the Project as well as the Aboriginal Groups Consultation Plan.

Figure 2.1-1 outlines the Federal and Provincial Environmental Assessment processes. As indicated, both the Agency and the BC EAO will seek public feedback during various stages of the environmental assessment process.

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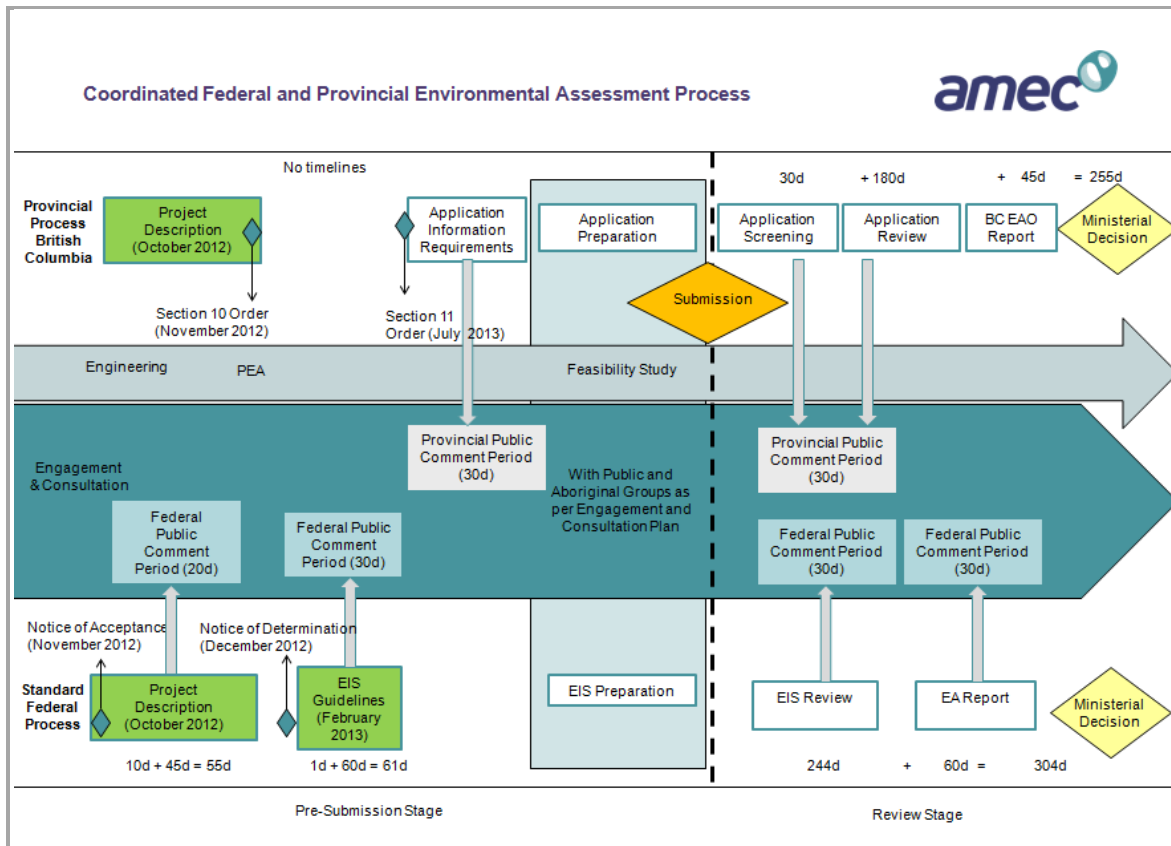


Figure 2.1-1: Federal and Provincial Environmental Assessment Processes

3.0 RESPONSIBILITY FOR CONSULTATION AND CONSULTATION SCOPE

This plan is intended to guide the activities and responsibilities of New Gold in the consultation process, as directed by the BC EAO. While government agencies play a role in supporting and guiding New Gold’s consultation activities, government-led consultation activities are not outlined in this document.

The responsibility of New Gold for consultation is understood to include the following:

- To design and implement a Consultation Plan as part of the overall Application/EIS process that includes a description of how New Gold intends to consult Aboriginal groups during the pre-Application and application review stages;
- To provide mechanisms for two-way communication and ensure meaningful consultation between New Gold and Aboriginal groups;
- To involve Aboriginal groups in project planning, where appropriate and feasible;

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- To identify potentially affected Aboriginal interests raised by Aboriginal groups as described in the Section 11 Order. New Gold will continue to identify Aboriginal interests through ongoing consultation activities and available sources such as commissioned studies (including Traditional Land Use (TLU)/TK);
- To identify measures to avoid or mitigate potential adverse effects and otherwise address or accommodate the concerns of Aboriginal groups as appropriate; and
- To work collaboratively with the Aboriginal groups to develop options to enhance positive effects and benefits of the proposed Project, and prevent, avoid, mitigate, or otherwise accommodate potential adverse effects.

3.1 Defining the Consultation Area

Although the duty to consult lies with the Crown agencies responsible for regulatory approvals, the BC EAO (pursuant to the Section 11 Order) assigns a proponent certain responsibilities for undertaking procedural aspects of the Crown's duty to consult with potentially affected Aboriginal groups. The BC EAO formally delegated aspects of its consultation responsibilities to New Gold through a Section 11 Order distributed on 9 July 2013. The Section 11 Order directs New Gold to consult the following five Aboriginal groups (Schedule B Aboriginal Groups):

- Lhoosk'uz Dene Nation;
- Nadleh Whut'en First Nation;
- Saik'uz First Nation;
- Stelat'en First Nation; and
- Ulkatcho First Nation.

In addition, BC EAO identifies the following three Aboriginal groups that are to be provided with notification of, and relevant information at key milestones (Schedule C Aboriginal Groups):

- Nazko First Nation;
- Skin Tyee First Nation; and
- Tsilhqot'in National Government.

In addition to consulting with the Aboriginal groups identified above, New Gold continues to engage in discussions with the Carrier Sekani Tribal Council (CSTC). The CSTC provides political and technical support to eight First Nations belonging to the CSTC, including the Nadleh Whut'en, Saik'uz, and Stelat'en First Nations. New Gold continues to engage the Métis Nation of BC (MNBC).

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4.0 PRE-APPLICATION ENGAGEMENT AND CONSULTATION

The following section describes the consultation objectives and tools employed by New Gold during the pre-application consultation period.

4.1 Aboriginal Groups Consultation Objectives and Standards

New Gold recognizes consultation must respect Aboriginal knowledge, culture, processes, and opinions. Ongoing dialogue between New Gold and Aboriginal groups is important, and New Gold is committed to open and transparent communication and the continued enhancement of positive relationships with Aboriginal groups.

The purpose of this Plan is to describe how New Gold will consult with Schedule B Aboriginal groups. Consultation will:

- Be guided by the Section 11 Order and the draft Application Information Requirements (dAIR);
- Identify how Aboriginal groups wish to be consulted on an ongoing basis;
- Identify Aboriginal groups' interests and potentially affected rights, and the potential effects on those interests and potentially affected rights;
- Provide Aboriginal groups with timely and credible information on the Project and ensure meaningful discussions occur;
- Seek input into Project design and environmental studies;
- Seek input into culturally sensitive approaches to mitigation or avoidance measures; and
- Discuss ways to avoid, reduce, or mitigate potential adverse effects.

This Plan serves two purposes: to ensure regulatory requirements are achieved, and to ensure open and transparent information sharing with Aboriginal groups.

5.0 CONSULTATION ACTIVITIES CONDUCTED TO-DATE

New Gold began engaging Aboriginal groups in April 2011, following acquisition of the mineral claims for the Project. The following activities and initiatives were conducted with Aboriginal groups to date.

5.1.1 Project Presentations to Aboriginal Leadership

New Gold delivers regular Project presentations to Aboriginal leadership. Presentations have focused on:

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- Providing information about the Project, including updates or changes;
- Providing information on employment, training, and contracting opportunities;
- Gathering information on Aboriginal interests, including any concerns;
- Providing information on the provincial and federal EA processes; and
- Furthering development of relationships with Aboriginal leadership.

5.1.2 Community Meetings/Open Houses

New Gold hosted a number of community meetings and open houses to provide Aboriginal groups with information about the Project, to answer questions, and to discuss issues of importance to them.

5.1.3 Meetings

New Gold participated in numerous meetings (over 70) with Aboriginal representatives since 2011, and implemented an information management system to address any comments or concerns raised during meetings. The focus of these meetings ranged from discussions regarding Traditional Land Use with trapline holders to discussions regarding agreements, future planning, and employment opportunities.

5.1.4 Site Tours

New Gold hosted numerous site tours with members from the Lhoosk'uz Dene Nation, Ulkatcho First Nation, and Saik'uz First Nation. The combined tours have included 22 elders from these communities. An invitation to participate in a site tour has been extended to other Aboriginal groups, and arrangements are currently underway.

5.1.5 Traditional Knowledge / Traditional Land Use Studies

New Gold is actively engaging Aboriginal groups in the collection and documentation of TK/TLU information and studies. This will assist in the assessment of the potential effects associated with the Project and provide insight into how potential effects can be avoided, mitigated, or managed, and, if necessary, accommodated. To date, New Gold provided capacity funding to three Aboriginal groups for completion of TK/TLU studies, and is in the process of negotiating study work plans with other groups.

The EA will integrate and consider TK/TLU information in a manner that is consistent with confidentiality agreements between New Gold and the respective Aboriginal groups.

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5.1.6 Archaeological Assessment

New Gold is actively working with Aboriginal groups to gain their participation in the Archaeological Impact Assessment (AIA) and its report to ensure appropriate cultural engagement throughout the AIA process. Aboriginal group members will continue to be employed in the fieldwork required to complete the AIA.

5.1.7 Minerals and Mining Education

New Gold is continuing to offer educational courses for Aboriginal groups. The training (Mine Training 101) is delivered by the British Columbia Institute of Technology (BCIT) and funded by New Gold. The course provides community members with a detailed introduction to the mining process, from exploration through environmental assessment, construction operations, and reclamation. The purpose of the course is to ensure that community members are informed regarding the mining process, thereby improving informed decision making in the communities.

5.1.8 Socioeconomic Initiatives

New Gold will continue to develop a robust approach to socioeconomic benefits, beginning with employment and economic opportunities. At present, approximately a quarter of the exploration workforce is Aboriginal. New Gold works closely with communities to ensure participation opportunities are available during the Project development phases. For example, New Gold has:

- Provided funding for Drill Core Technician/Field Exploration programs;
- Hosted Nazko First Nation youth from the Bladerunners employment program;
- Provided a number of contracting opportunities to Aboriginal businesses;
- Organized meetings between key Aboriginal representatives and New Gold's HR Manager and Project Engineer Manager to ensure communities were informed regarding upcoming employment and contracting opportunities; and
- Opened a Project Office in Vanderhoof where applicants are encouraged to drop off applications.

Training to prepare First Nation members for employment during construction and operations of the mine is being explored with regional training institutions and local Aboriginal groups.

5.1.9 Working Group

The BC EAO established a Working Group to meet during the pre-application phase of the EA process, discuss the Project components, and identify issues and concerns that might be raised by participating Aboriginal groups. New Gold is not a member of the Working Group but attends meetings to provide information on the Project, respond to questions, and present and seek comments on baseline studies and other reports.

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The Aboriginal groups invited to participate in the Working Group include the following Schedule B Aboriginal Groups:

- Lhoosk'uz Dene Nation;
- Nadleh Whut'en First Nation;
- Saik'uz First Nation;
- Stelat'en First Nation; and
- Ulkatcho First Nation.

6.0 ISSUE IDENTIFICATION

New Gold is committed to meaningful consideration of the rights, interests, comments, and concerns of Aboriginal groups. Pre-application consultation activities helped to identify issues, rights, and interests that are of traditional and cultural importance for Aboriginal groups. In addition, secondary information on TK/TLU has also been considered. A range of sources was used, from ethnographic studies to land and resource management plans, memoirs, and working papers.

Information garnered through engagement and consultation activities is treated carefully by New Gold and its consultant. Information that is not deemed confidential is captured in a formal information management system, the Stakeholder Issues and Information Management System (SIIMS).

This database system allows for easy tracking and monitoring of contact information, types of contacts/meetings held, the dates and times of contact, and a detailed summary of what was discussed. Issues are tracked in SIIMS and distributed to appropriate scientific teams to ensure the information is carefully considered in the baseline studies, effects assessments, and mitigation and monitoring strategies.

6.1 Key Comments and Concerns Expressed by Aboriginal groups

Primary issues and comments raised by Aboriginal groups relate to potential effects to water quality, fish and fish habitat, effects to caribou herd in the area, and other effects related to increased traffic. Socioeconomic interests raised relate primarily to interests in the potential employment and contracting opportunities. An overview of key comments and concerns expressed to date, as well as New Gold's responses, is provided in **Table 6.1-1**.

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Table 6.1-1: Key Comments and Concerns Expressed and Responses

Potential Issue	Concerns/Comments/Issues	New Gold Response	Status of Resolution
Wildlife	Effects on trapline holders. (e.g., loss of trapline and effects to wildlife in area of mine site)	New Gold has met with all trapline holders in the mine site area. Effects on wildlife, including animals that are trapped, will be assessed and managed in the EMP and a process to address trapline effects will be developed with individual trapline holders.	Ongoing – the issue is anticipated to be addressed in the Application.
	Effects on caribou herds and the ungulate winter range (UWR). (e.g., loss of UWR from direct and indirect impacts, as well as effects related to wildlife mortality and caribou health)	New Gold redesigned the mine site to avoid the UWR by modifying the tailings storage facility to be located completely outside of the UWR. In addition, the existing mine access road will be moved out of the UWR. Access to the mine site will not be from the west but from the north starting at KM 124 of the Kluskus FSR. A Caribou Sub-Working Group was established by BC EAO to better understand cumulative effects to caribou and establish Best Management Practices and mitigation strategies. Effects on caribou will be assessed in the Application and mitigation strategies will be developed and presented in the Caribou Management Plan. Additional information from a Traditional Knowledge and Land use study will be used to refine the effects assessment and management plans.	Ongoing – tailings facility and access road to mine redesigned to avoid UWR. The Caribou Working Group has met to review baseline and assessment methods and begin developing mitigation and avoidance strategies.
	Potential effects on black bear populations (e.g., wildlife mortality from collisions and human-bear interactions as well as increased hunter access)	New Gold will develop policies related to garbage management and reclamation. In addition, a Wildlife Management Plan will be developed restricting hunting by employees. New Gold will work with local landowners, Aboriginal groups and recreational groups in establishing an Access Management Plan for the transmission line corridor. Additional information from a Traditional Knowledge and Land use study will be used to refine these effects assessment and management plans.	Ongoing – A working group for Access Management along the transmission line corridor is being established. The Wildlife Management Plan will be completed in draft and reviewed by local Aboriginal groups prior to submission of the Application. The issue is anticipated to be fully addressed in the Application.
	Effects on migratory birds and mammals that may access water in the tailings ponds	Surface water and sediment quality will meet applicable provincial and federal standards so as not to affect fish, furbearers, or animals that may be trapped for food. Water will also be monitored on an ongoing basis throughout the life of the Project and after closure.	Ongoing – the issue is anticipated to be addressed in the Application and through community meetings as requested by Aboriginal Groups.
Water Quality	Potential effects to water quality in Tatelkuz Lake and the Nechako Reservoir	Surface water and sediment quality will meet applicable provincial and federal standards downstream of the proposed mine site to avoid effects on fish, furbearers, or animals that use those waters. The	Ongoing – Additional surface and groundwater monitoring stations have been established as part of the baseline program. Results of all water

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Potential Issue	Concerns/Comments/Issues	New Gold Response	Status of Resolution
		mine site will aim to operate as a zero discharge facility. During construction, sediment ponds will be used to contain site run-off and treat site runoff and reduce concentration of suspended solids. The drainage from the mine site to the Nechako reservoir is approximately 50 kilometres long and receives contributions from a large number of streams. It is not anticipated that water quality effects will occur in the Nechako Reservoir as a consequence of the Project.	quality sampling will continue to be posted for working group and Aboriginal groups review.
	Potential effects from contamination of the water system (Tascha Lakes)	Tascha Lake is within the Blackwater drainage basin. The mine site has been proposed outside of this drainage basin to avoid any potential effects.	Ongoing – the issue is anticipated to be addressed in the Application.
Vegetation	Potential contamination of berry-picking and medicinal plant sites	New Gold is working with key Aboriginal groups in funding traditional land use studies. Locations of berry sites where collection takes place will be identified to determine if impacts will occur and appropriate avoidance and mitigation measures will then be developed.	Ongoing – New Gold will work with potentially affected Aboriginal groups to avoid and/or mitigate potential effects on traditional activities.
Human Health	Potential exacerbation of arsenic levels, which are noted to be high in some specific water bodies in the area	No increased concentration of arsenic on surface water quality is expected as a consequence of the Project. Water quality samples have been taken from surrounding water bodies to understand the current environmental conditions and ensure that baseline water quality is established for ongoing monitoring to be conducted.	Complete – water quality analysis and modelling is being completed and will be reviewed with Aboriginal groups as requested.
Archaeology	Potential disturbances to gravesites in the area from drilling	Archaeological Impact Assessments have been conducted. No burial sites have been found within the mine. As additional traditional knowledge and land use information becomes available, these findings will be reviewed.	Ongoing – the issue is anticipated to be addressed in the Application.
Mine Design	Effects from cyanide	New Gold is a member of the International Cyanide Management Institute, adhering to the International Cyanide Management Code. The Code is a voluntary program that focuses on safe management of cyanide. New Gold commits to have their mining operations audited by an independent third party from the Institute. Potential risks and effects associated with use and transport of cyanide to the site will be assessed in the Application. Results will be shared and discussed with interested Aboriginal groups.	Ongoing – the issue is anticipated to be addressed in the Application.
Employment	Interest expressed for employment and training with the Project	New Gold will work with communities and the provincial and federal government to discuss training of Aboriginal groups to prepare for mine related employment. These plans will be documented within the	Ongoing – the issue is anticipated to be addressed in the Application.

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Potential Issue	Concerns/Comments/ Issues	New Gold Response	Status of Resolution
		<p>Application. New Gold encourages Aboriginal employment. New Gold's New Afton mine has 23% Aboriginal employees, and Blackwater currently has 28% (self declared).</p>	
Business and Contracting Opportunities	Interest expressed in contracting and business opportunities	New Gold is committed to providing Aboriginal groups with the opportunity to provide contracting services to the Project. New Gold will work with communities and the provincial and federal government to discuss business capacity and opportunities for Aboriginal peoples to prepare for the mine during construction and operation. These plans will be documented within the Application.	Ongoing – the issue is anticipated to be addressed in the Application.

Note: EA = Environmental Assessment; TSF = Tailings Storage Facility; UWR = Ungulate Winter Range; TK/TLU = Traditional Knowledge/Traditional Land Use

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7.0 CONSULTATION ACTIVITIES FOR THE REMAINING PRE-APPLICATION/ EIS PHASE

The purpose of this Plan is to achieve an enduring, mutually beneficial relationship with affected groups and communities for the duration of the exploration, construction, operations, and reclamation/closure phases of the proposed Project. Key consultation aspects of the remaining pre-Application/EIS stage will include:

- **Project Updates and Correspondence.** New Gold will continue to remain in contact with Aboriginal leadership to provide information on Project updates or changes. This contact may include written correspondence (e-mails, letters) and telephone conversations.
- **Community Meetings.** New Gold will continue to organize community activities such as meetings, presentations, or other public sessions to inform Aboriginal communities regarding the Project plans, Project updates, or the results of environmental studies. Such meetings provide opportunities for community members to share interests, concerns, and issues regarding the Project.
- **Site Visits.** New Gold will continue to invite Aboriginal groups and other interested parties to participate in site visits to the Project area.
- **Minerals and Mining Education.** New Gold will continue to offer Aboriginal communities' opportunities to participate in mine related training and educational courses.
- **TK/TLU Studies.** New Gold will continue to encourage Aboriginal groups to participate in the development of TK/TLU studies.
- **Focused Meetings.** New Gold will meet with Aboriginal groups and representation, as required, to discuss their respective issues and concerns and provide key information about the EA and the Project.
- **Effects Assessment Meetings.** New Gold will meet with Aboriginal groups, communities and representation to disclose the results of effects assessments and obtain input into the mitigation proposed. These meetings will also provide Aboriginal groups with an explanation of how information they provided through the consultation process has been or will be addressed, and an explanation of proposed commitments and design-related decisions that have been or will be made as a result of their input in the planning and assessment process.
- **Feedback.** New Gold will incorporate perspectives and concerns into the EA and Project design, where possible. New Gold will address any issues or concerns through avoidance, mitigation, or management, as appropriate.
- **Economic Opportunities.** New Gold will continue to work closely with Aboriginal groups to identify economic, contracting and employment opportunities.
- **Training.** New Gold will continue to work with Aboriginal groups to identify training opportunities.

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8.0 CONSULTATION ACTIVITIES FOR THE APPLICATION/ EIS REVIEW PHASE

New Gold’s approach to consultation during the review of the Application/EIS and post-Application/EIS will be similar to the approach described above. The purpose of this consultation will be to:

- Continue to engage Aboriginal groups in the proposed Project;
- Involve Aboriginal groups in assessing and verifying the results of environmental studies and effects assessments;
- Verify and involve Aboriginal groups in assessing the effectiveness of proposed mitigation;
- Invite Aboriginal groups to offer input into culturally appropriate approaches to avoid, reduce, mitigate, or otherwise accommodate potential adverse effects to traditional and current use; and
- Identify opportunities for longer-term participation in economic, employment, training, and other capacity-building interests.

9.0 CONSULTATION SCHEDULE

Table 9.1-1 proposes a schedule of consultation activities that New Gold plans to conduct.

Table 9.1-1: Schedule of Consultation Activities

Phase	Timing	Key Consultation Activities
Pre-Application and Application Review	Ongoing	Participate in consultation meetings with Aboriginal groups and leadership
	Ongoing	Continue, as necessary, to host events and inform Aboriginal communities about the Project
dAIR Review	Q3 to Q4 2013	Public Comment period for the dAIR
	Q2 to Q4 2013	Feedback from Aboriginal groups and leadership regarding the dAIR
	Q4 2013 to Q2 2014	Communicate results from the effects assessments to Aboriginal groups, leadership, and communities through community events and meetings, and obtain input. Provide Aboriginal groups with an explanation of how information they provided through the consultation process has been or will be addressed, and an explanation of all proposed commitments and design-related decisions that have been or will be made as a result of their input in the planning and assessment process
	Q1 2014 to Q2 2014	Hold meetings with community knowledge holders to obtain additional feedback and input into the proposed mitigation measures
	Q2 to Q3 2014	Meetings to communicate the final Effects Assessments, including planned mitigation measures and management planning results
Mitigation Meetings	Q3 2013 to Q3 2014, as required	New Gold intends to meet with Aboriginal groups to discuss mitigation and accommodation strategies
Submission of Application/ EIS Report	Q1 2014	Continue to hold meetings to facilitate feedback from Aboriginal groups and leadership regarding the EA Application/ EIS Report
Provide Copies of	Q1 2014	

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Phase	Timing	Key Consultation Activities
Application to Aboriginal groups		
Project Site Tours	Ongoing	New Gold will offer the opportunity for site tours to interested parties

10.0 CONSULTATION POLICIES AND PROTOCOLS

New Gold will continue to consult with each Aboriginal group to learn more about specific policies and protocols. In the course of that consultation, New Gold will work with each of the Aboriginal groups identified and continue developing consultation activities and procedures that are informed by guidance documents and procedures specific to the Project, while respecting established Aboriginal consultation policies. New Gold will request guidance from Aboriginal groups and comply with protocols respecting the use and management of sensitive and confidential traditional knowledge.

11.0 CONSULTATION DOCUMENTATION

To ensure information provided by Aboriginal groups is respected and meaningfully considered, while ensuring that regulatory requirements are met, New Gold will keep records of formal correspondence and communications. New Gold will also provide respective Aboriginal groups with a summary or report of their specific consultation activities during each phase of the assessment process. A Consultation report is presented in Appendix 1 for each Aboriginal group. The report provides a summary of consultation activities conducted to date and future consultation plans for each Aboriginal group. The Consultation report is also required under the Section 11 Order issued by BC EAO in July 2013.

12.0 PUBLIC CONSULTATION

While specific consultation will take place with Aboriginal groups, a range of public consultation activities will also take place. Aboriginal groups may wish to participate and contribute their opinions and perspectives to New Gold through these processes as well. New Gold will inform Aboriginal groups of these events before they take place.

13.0 CONCLUDING REMARKS

New Gold is committed to transparency and integrity in all of its business operations, and understands that the Project will have an effect on local communities, Aboriginal groups, and the environment near the Project. While implementing its Design for Closure approach, New Gold will work with these communities to develop and implement long-term economic, social, and environmentally sustainable opportunities while avoiding, minimizing, and mitigating potential adverse project effects.

As outlined in its “Health, Safety, Environment, and Sustainability Policy,” New Gold will set and maintain high standards during all stages of the proposed Project, which includes conducting a

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comprehensive assessment of the potential Project effects, consulting with stakeholders, and engaging Aboriginal groups in a transparent, proactive manner. New Gold is also committed to significantly contributing to social and economic growth in local communities, the region, and the Province of British Columbia. Throughout the course of its development activities and business dealings, New Gold will strive to demonstrate respect for local interests, aspirations, and environmental values.

DRAFT**REFERENCES**

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Appendix A

Comments Received on the Aboriginal Groups Consultation Plan and Consultation Reports

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New Gold shared the Aboriginal Groups consultation Plan with First Nations listed in Schedule B of the Section 11 order. The following is a table tracking comments received by First Nations on this Plan prior to filing the Application, and the response and actions taken by New Gold.

First Nation	Document, Section, Page	First Nation Comment	New Gold Response
Ulkatcho First Nation	Consultation Plan, Section 3.1, page 4	Carrier Chilcotin Tribal Council (CCTC) does not represent Ulkatcho First Nation.	New Gold removed reference to CCTC.
Ulkatcho First Nation	Ulkatcho Consultation Report (Appendix), Section 3-Table 2, page 6	Table 2 identifies mushroom gathering as an issue/concern but medicinal plants are missing. The traditional land use study and input from elders demonstrates that medicinal plants are important to Ulkatcho people.	New Gold updated Table 2 to include potential effects on medicinal plant gathering.
Ulkatcho First Nation	Ulkatcho Consultation Report (Appendix), Section 3-Table 2, page 6-7	Table 2 should include potential effects on archaeological <i>such</i> as artefacts and/or cabins as a concern for Ulkatcho people	New Gold revised Table 2 to more clearly indicate archaeological artefacts as a concern and historic sites, including cabins are a concern
Ulkatcho First Nation	Ulkatcho Consultation Report (Appendix), Section 3-Table 2, page 6	Water resources are not included and should be added to the table as potential effects on water resources are a concern for UFN and this concern was raised at a community meeting.	New Gold updated Table 2 to include potential effects on water resources as a concern.
Lhoosk'uz Dené Nation	Consultation Plan, Section 3.1, page 4	CCTC is not authorized to represent Lhoosk'uz Dené Nation.	New Gold removed reference to CCTC.
Lhoosk'uz Dené Nation	Consultation Plan, Section 5.1.7, page 7	Lhoosk'uz Dene would like more information on Mine Training 101 delivered by the British Columbia Institute of Technology (BCIT) and funded by New Gold.	No change to the Plan as a result of this comment. New Gold provided LDN further information on Mine Training 101 and will continue to encourage training.
Lhoosk'uz Dené Nation	Lhoosk'uz Dené Consultation Report (Appendix), Section 1-Table 1, page 3	Table 1 lists the Project Engineer Manager as a key contact although the representative is no longer working on the Blackwater Project.	New Gold agrees with the comment and deleted reference to the Project Engineer Manager.
Lhoosk'uz Dené Nation	Lhoosk'uz Dené Consultation Report (Appendix)	The description of consultation is consistent with Lhoosk'uz Dené recollection of consultation with New Gold.	No change to the plan as a result of this comment.
Stellat'en First Nation	Consultation Plan, Section 6.1-1, Page 10	- to date there is no capacity funding agreement and Stellat'en First Nation cannot agree that	No change to the plan as a result of this comment. New Gold acknowledges this

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First Nation	Document, Section, Page	First Nation Comment	New Gold Response
		this part of the workplan is accurate (vegetation).	comment. On December 20, 2013 a Capacity Agreement was signed between New Gold and Stellat'en First Nation.
Stellat'en First Nation	Consultation Plan, Section 6.1-1, Page 10	- to date there is no capacity funding agreement and Stellat'en First Nation cannot agree that this part of the workplan is accurate. Stellat'en First Nation requires a third party to review the findings (archaeology).	No change to the plan as a result of this comment. New Gold acknowledges this comment. On December 20, 2013 a Capacity Agreement was signed between New Gold and Stellat'en First Nation.
Stellat'en First Nation	Consultation Plan, Section 7.0, Page 12	The bullet titled Community Meetings: Stellat'en First Nation informed New Gold that it needs a capacity funding agreement in place first before New Gold can present its project proposal to the larger community. That said, New Gold has not presented or met with Stellat'en community members about the project. The results of the Project plans, Project updates, or the results of environmental studies are unknown because there is no Stellat'en participation in the baseline studies.	No change to the plan as a result of this comment. New Gold acknowledges this comment. On December 20, 2013 a Capacity Agreement was signed between New Gold and Stellat'en First Nation. It includes funding for community meetings.
Stellat'en First Nation	Consultation Plan, Section 7.0, Page 12	The bullet titled TK/TLU Studies: Stellat'en First Nation has not received capacity funding to develop a TK/TLU study.	No change to the plan as a result of this comment. New Gold acknowledges this comment. On December 20, 2013 a Capacity Agreement was signed between New Gold and Stellat'en First Nation and it provides funding for a TK/TLU study.
Stellat'en First Nation	Stellat'en Consultation Report (Appendix)	The Stellat'en First Nation and New Gold meetings to date have not produced material progress towards a working relationship.	No change to the plan as a result of this comment. New Gold acknowledges this comment. On December 20, 2013 a Capacity Agreement was signed between New Gold and Stellat'en First Nation.

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Appendix 1

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Lhoosk'uz Dené Nation – Consultation Report

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New Gold recognizes that the proposed mine site and off-site infrastructure overlaps with the Traditional Territory of the Lhoosk’uz Dené Nation. As such, this Consultation report describes the consultation activities undertaken to date with the Lhoosk’uz Dené Nation (LDN) and summarizes the key comments and concerns raised during consultation activities. In addition, this Consultation report outlines the consultation plans specific to LDN for the application review period. The Consultation report is a stipulation under the Section 11 Order issued by BC EAO in July 2013. It requires New Gold to provide LDN with a draft consultation report with the goal of eliciting input from LDN. Based on input received, New Gold will revise the Consultation report.

A strategy to resolve outstanding issues is also presented.

1.0 KEY CONTACTS

New Gold is committed to meaningful and respectful consultation with LDN throughout the pre-Application and Application review stages. **Table 1** lists the anticipated key contacts from New Gold and LDN for ongoing consultation activities.

Table 1: Key Contacts

New Gold	LDN
Tim Bekhuys, Director of Environment & Sustainability	Liliane Squinas, Chief
Nigel Fisher, Manager Environment	Neil Gauthreau, Lands and Resource Department
Brock Roadhouse, HR Manager	Alan Okabe, Band Manager

2.0 CONSULTATION ACTIVITIES CONDUCTED TO DATE

New Gold first engaged the LDN after acquiring the mineral rights and meetings began on 1 April 2011. New Gold’s consultation approach is tailored to meet the LDN’s interests through creation of a formal consultation process captured in the Exploration Agreement, which includes details on consultation processes. The consultation approach includes:

- Development of a Joint Implementation Committee (JIC; a committee that appoints representation from New Gold and LDN, meets quarterly, and shares information with respect to the Project);
- Definition of key representatives from New Gold and LDN;
- Development of timelines with respect to leadership meetings;
- Provision of reports such as environmental reports and permitting reports;
- Definition of how LDN and New Gold will work collaboratively to evaluate LDN concerns raised with respect to the Environmental Assessment; and
- Provision of regular and ongoing communication of information.

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Additional activities include:

Meetings

To date, 24 in-person recorded meetings have been held between LDN and New Gold, both formally and informally. One of these meetings included a formal presentation to the LDN community when LDN invited New Gold to provide the community with an introduction to the Project. The presentation was held at the Kluskus 1 Reserve and was open to all LDN members. In addition, regular meetings are held with trapline holders, elders, and other key community representatives to identify interests and share information.

New Gold and LDN representatives continue to participate in JIC meetings. The meetings are ongoing and provide opportunities for both parties to share information, questions, comments, and concerns about the Project. To date, discussions have focused on providing employment, training, and contracting opportunities for LDN members and on clarifying issues related to tailings management, the Project's incinerator permit, the environmental assessment process, and the permitting process.

Communications

In addition to meetings, there are ongoing communications between the LDN and New Gold via letters, faxes, and emails. This process is described in the Exploration Agreement and New Gold is committed to freely providing the LDN with information on a continuous basis. To date, written correspondence between LDN and New Gold has focused largely on administrative tasks. In June 2013, New Gold received written comments on the draft Application Information Requirements (dAIR). Comments and concerns focused on groundwater effects, potential seepages, or spills into Davidson Creek, potential archaeological sites on trails near Mount Davidson, and the potential contamination of berry-picking sites. New Gold incorporated LDN feedback into revisions of the dAIR. Continued dialogue on the dAIR is expected.

Site Visits

New Gold continues to host site tours of the Project site for LDN representatives. The first tour was held on 23 December 2011 and involved a two-day helicopter overflight of the Project area as well as a ground inspection of the area.

Agreements

Ongoing discussions with the LDN regarding agreements began in 2011. In November 2011, the LDN and New Gold signed an Exploration Agreement outlining how the two parties would cooperate on matters such as consultation protocols, the environmental assessment, and implementation committee meetings.

Traditional Land Use Studies

New Gold and the LDN have engaged in a number of discussions to determine a process for collecting Traditional Land Use (TLU) information for the Project. With the signing of the

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Exploration Agreement in 2011, the LDN and New Gold agreed on the manner in which New Gold would respect and utilize confidential information provided by the LDN. In addition, New Gold provided the LDN with financial support to complete a Land Use and Occupancy study. The study has been completed and discussions about confidentiality and information sharing are underway.

3.0 KEY COMMENTS EXPRESSED AND NEW GOLD RESPONSE

New Gold is committed to meaningful consideration of the rights and interests of the LDN and will seek ways to address (i.e., avoid, reduce, and/or mitigate) any potential adverse effects identified during the environmental assessment process.

New Gold maintains a record of communications with the LDN to aid in identifying issues raised throughout the consultation process as well as follow-up with LDN concerns as appropriate. All contact is recorded in a database that identifies who was consulted, when the consultation took place, the nature of the conversation/consultation, and any follow-up actions required.

Table 2 provides a summary of key issues raised by the LDN during pre-Application consultations to date, along with New Gold's response.

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Table 2: Key Comments Expressed by LDN and Responses Provided by New Gold

Potential Issue	Concerns//Issues/ Comments/Interests	New Gold Response	Status of Resolution
Fish and Fish Habitat	Potential effects on water quality and how that may affect fish and fish habitat in Tatelkuz Lake and on the Nechako Reservoir	Surface water and sediment quality will meet applicable provincial and federal standards downstream of the proposed mine site to avoid effects on fish, furbearers, or animals that use those waters. The proposed mine site will aim to operate as a zero discharge facility. During construction, sediment ponds will be used to contain site run-off and treat site runoff and reduce concentration of suspended solids. The drainage from the proposed mine site to the Nechako reservoir is approximately 50 kilometres long and receives contributions from a large number of streams. It is not anticipated that water quality effects will occur in the Nechako Reservoir as a consequence of the Project	Ongoing – Additional surface and groundwater monitoring stations have been established as part of the baseline program. Results of all water quality sampling will continue to be posted for working group and Aboriginal groups review
	Potential effects from contamination of the water system and fish (Tatelkuz Lake, Tascha Lake, and/or Davidson Creek)	Tascha Lake is within the Blackwater drainage basin. The proposed mine site has been proposed outside of this drainage basin to avoid any potential effects. A Water Quality and Liquid Discharges Management Plan (Section 12.3.5) has been developed to ensure all water leaving the proposed mine site meets applicable regulatory requirements. A Human Health Risk Assessment is also being conducted.	Ongoing—the issue is anticipated to be fully addressed in the Application
Vegetation	Potential displacement and contamination of berry-picking sites	New Gold is working with key Aboriginal groups in funding traditional land use studies. Locations of berry sites where collection takes place will be identified to determine if direct impacts will occur and appropriate avoidance and mitigation measures will then be developed.	Ongoing – New Gold will work with potentially effected Aboriginal groups to avoid and/or mitigate potential effects on traditional activities
Mine Design	Effects from cyanide	New Gold is a member of the International Cyanide Management Institute, adhering to the International Cyanide Management Code. The Code is a voluntary program that focuses on safe management of cyanide. New Gold commits to have their mining operations audited by an independent third party from the Institute.	Ongoing—the issue is anticipated to be fully addressed in the Application

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Potential Issue	Concerns/Issues/Comments/Interests	New Gold Response	Status of Resolution
		Potential impacts and risks associated with use and transport of cyanide to the site will be assessed in the Application. Results will be shared and discussed with interested Aboriginal groups.	
	Interest expressed in viewing an operating open pit mine	New Gold provided LDN representatives with a tour of the New Afton mine.	Complete – no further action required
Wildlife	Effects on caribou herds and the ungulate winter range (UWR). (e.g., loss of UWR from direct and indirect impacts, as well as effects related to wildlife mortality and caribou health)	New Gold redesigned the proposed mine site to avoid the UWR by modifying the tailings storage facility to be located completely outside of the UWR. In addition, the existing mine access road will be moved out of the UWR. Access to the proposed mine site will not be from the west but from the north starting at KM 124 of the Kluskus FSR. A Caribou sub-working group was established to better understand cumulative effects to caribou and establish Best Management Practices and mitigation strategies. Effects on caribou will be assessed in the Application and mitigation strategies will be developed and presented in the Caribou Management Plan. Additional information from a Traditional Knowledge and Land use study will be used to refine the effects assessment and management plans.	Ongoing – tailings facility and access road to mine redesigned to avoid UWR. The Caribou Working Group has met to review baseline and assessment methods and begin developing mitigation and avoidance strategies
	Effects on trapline holders. (e.g., loss of trapline and effects to wildlife in area of the proposed mine site)	New Gold has met with all trapline holders in the proposed mine site area. Effects on wildlife, including animals that are trapped, will be assessed in the Application and mitigation will be presented in the Wildlife Management Plan. EMP and a process to address trapline effects will be developed with individual trapline holders.	Ongoing – the issue is anticipated to be fully addressed in the Application
	Effects on migratory birds and mammals that may access water in the tailings ponds	Surface water and sediment quality will meet applicable provincial and federal standards so as not to affect fish, furbearers, or animals that may be trapped for food. Water will also be monitored on an ongoing basis throughout the life of the Project and after closure.	Ongoing – the issue is anticipated to be fully addressed in the Application and through community meetings as requested by Aboriginal Groups

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Potential Issue	Concerns/Issues/Comments/Interests	New Gold Response	Status of Resolution
Archaeology	Potential effects to archaeological sites	The Application will address potential effects on archaeological sites and will include a management plan for archeology. Sites will be managed according to the standards set by the Archaeology Branch and in accordance with the preference of the local community.	Ongoing—the issue is anticipated to be fully addressed in the Application
Employment	Interest expressed for employment and training with the Project	New Gold will work with communities and the provincial and federal government to discuss training of Aboriginal groups to prepare for mine related employment. These plans will be documented within the Application. New Gold encourages Aboriginal employment. New Gold’s New Afton mine has 23% Aboriginal employees, and Blackwater currently has 28% (self declared).	Ongoing
Social	Concern expressed that in-migration of workers could bring additional social problems	New Gold will continue to identify and address issues associated with local socio-economic effects including development of capacity funding with Aboriginal groups to support development of LDN community services. New Gold will continue to provide new employees with a comprehensive site orientation and introduction to camp policies, including policies on drug and alcohol use. New Gold will continue to employ drug and alcohol testing for employees. New Gold plans to deliver cultural and sensitivity awareness training to employees and mine supervisory staff, which aims to promote respect.	Ongoing—the issue is anticipated to be fully addressed in the Application.

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The key comments and concerns listed in **Table 2** in relation to the Project have been used, where appropriate, to inform the design of environmental baseline studies and proposed mitigation measures. For example, the LDN raised concerns with respect to effects on the caribou herd. In response to this concern, New Gold redesigned the mine access road to avoid the ungulate winter range (UWR). In addition, a Caribou Sub-Working Group was formed, which continues to address concerns related to caribou. New Gold is developing a Caribou Management Plan and intends to develop a Transportation and Access Management Plan to reduce disturbance and the risk of caribou mortality. Employees will be forbidden to engage in hunting activities around the proposed mine site.

New Gold will continue to work collaboratively with the LDN to address and resolve these and other issues as they may arise throughout the life of the Project.

4.0 PROPOSED CONSULTATION DURING THE APPLICATION REVIEW PHASE

Table 3 outlines the proposed consultation activities with LDN during the Application Review Phase.

Table 3: Application Review Consultation Activities

Proposed Activity	Description of Activity	Anticipated Timing
Provide Application to LDN	Provide Application to LDN and ensure a copy is available at the LDN Band Office	Q1 1014
Application Review	New Gold will engage LDN in dialogue to review the Application and provide further clarification as requested	Q2 2014
Meetings	Based on direction from LDN, New Gold will host and/or attend meetings with LDN representatives as requested. This may include meetings with leadership, one-on-one meetings with community members or community meetings to discuss the Application	Q2 2014
Project Site Tours	New Gold will offer the opportunity for site tours to interested LDN parties	Ongoing
Mitigation Meetings	New Gold intends to meet with LDN to discuss mitigation and accommodation strategies	Ongoing
Working Group Meetings	Working Group meetings will continue to provide opportunities for LDN input and New Gold will attend the meetings as requested by BC EAO	Ongoing, as requested

4.1.1 Methods and Processes to Resolve Outstanding Issues

New Gold is committed to transparency and integrity in all of its business operations and understands that the Project may affect LDN. While implementing its Design for Closure approach, New Gold will work with LDN to develop and implement long-term economic,

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social, and environmentally sustainable opportunities while avoiding, minimizing, and mitigating adverse Project effects.

JIC meetings will continue with LDN, providing an avenue for both New Gold and LDN representatives to resolve outstanding issues. The Exploration Agreement outlines how dispute resolution will occur including how issues will be settled and resolved through stages.

New Gold remains committed to resolution of issues or concerns with LDN through timely responses and transparent communication.

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Ulkatcho First Nation – Consultation Report

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New Gold recognizes that the proposed mine site and some off-site infrastructure overlaps the Traditional Territory of the Ulkatcho First Nation.

As such, this Consultation report describes the consultation activities undertaken to date with the Ulkatcho First Nation (UFN) and summarizes the key comments and concerns raised during consultation activities. In addition, this Consultation report outlines the consultation plans specific to UFN for the application review period. The Consultation report is a stipulation under the section 11 Order issued by BC EAO in July 2013. It requires New Gold to provide UFN with a draft consultation report with the goal of eliciting input from UFN. Based on input received, New Gold will revise the Consultation report.

A strategy to resolve outstanding issues is also presented.

14.0 KEY CONTACTS

New Gold is committed to meaningful and respectful consultation with UFN throughout the pre-Application and Application review stages. **Table 1** lists the anticipated key contacts from New Gold and UFN for ongoing consultation activities.

Table 1: Key Contacts

New Gold	UFN
Tim Bekhuys, Director of Environment & Sustainability	Zach Parker, Chief
Nigel Fisher, Manager Environment	Shawnee Palmantier, Lands Manager
Brock Roadhouse, HR Manager	Garry Yablonski, Band Manager
Mitch LePage, Project Engineer Manager	

15.0 CONSULTATION ACTIVITIES CONDUCTED TO DATE

New Gold first engaged the UFN after acquiring the mineral rights, with meetings beginning in May 2011. New Gold’s consultation approach is tailored to meet the UFN’s interests through creation of a formal consultation process captured in the Exploration Agreement which includes details on consultation processes. The consultation approach includes:

- Development of a Joint Implementation Committee (JIC; a committee that appoints representation from New Gold and UFN, meets quarterly, and shares information with respect to the Project);
- Definition of key representatives from New Gold and UFN;
- Development of timelines with respect to leadership meetings;
- Provision of reports such as environmental reports and permitting reports;
- Definition of how UFN and New Gold will work collaboratively to evaluate UFN concerns raised with respect to the Environmental Assessment (EA); and
- Provision of regular and ongoing communication of information.

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Additional activities include:

Meetings

To date, 21 recorded meetings have been held between UFN and New Gold, both formally and informally. One of these meetings included a formal community meeting with the UFN in Anahim Lake on 15 March 2013. The purpose of the meeting was to introduce the Project to the community and demonstrate New Gold's commitment to open communication. A question period was held after the presentation during which a number of UFN community members asked questions pertaining to water quality, mine design (height of the tailings dam, decommissioning), and archaeological studies.

New Gold and UFN representatives continue to participate in JIC meetings. The meetings are ongoing and provide opportunities for both parties to share information, questions, comments, and concerns about the Project. To date, discussions have focused on:

- Caribou use of particular areas;
- UFN traditional uses of particular areas;
- The EA process;
- Traditional Knowledge studies;
- Exploration activities; and
- Hiring and contract opportunities.

Communications

In addition to meetings, there are ongoing communications between the UFN and New Gold via letters, faxes, and emails. This process is described in the Exploration Agreement and New Gold is committed to providing the UFN with information on a continuous basis. To date, written correspondence between UFN and New Gold has focused largely on administrative tasks. In June 2013, New Gold received written comments on the draft Application Information Requirements (dAIR). Examples of issues and concerns included cumulative effects from various resource projects in the area, clarification on mine design, the need for adequate resources for UFN to participate in the EA review, the adequacy of Valued Components presented in the dAIR, and the need for more information on the post-closure phase of the Project. New Gold incorporated aspects of this feedback into revisions of the dAIR.

Site Visits

New Gold continues to host site tours of the Project site for UFN representatives. The first tour was held on 30 September 2011 and involved a helicopter tour of the Project area. During the tour, UFN and New Gold's representatives discussed water resources, mine design, and the caribou herd that resides in Ulkatcho Traditional Territory.

On 24 July 2012, New Gold provided another site tour for UFN elders and one Councillor and it included a flyover of the Project site and camp tour. On 28 September 2012, an

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additional tour of the Project site was arranged for one UFN Councillor and the UFN Band Manager. During the tour, New Gold and UFN representatives discussed employment and hiring opportunities.

Agreements

Ongoing discussions with the UFN regarding agreements began in 2011. In February 2012, the UFN and New Gold signed an Exploration Agreement outlining how the two parties would cooperate on matters such as consultation protocols, the EA process, and joint implementation committee meetings.

Traditional Land Use Studies

New Gold and the UFN have engaged in a number of discussions to determine a process for collecting Traditional Land Use (TLU) information for the Project. With the signing of the Exploration Agreement in 2012, the UFN and New Gold agreed on the manner in which New Gold would respect and utilize confidential information provided by the UFN. In addition, New Gold provided the UFN with financial support to complete an Aboriginal Land Use/Traditional Ecological Knowledge Study. The parties signed agreements to undertake the studies on 20 November 2012.

16.0 KEY COMMENTS EXPRESSED AND NEW GOLD'S RESPONSE

New Gold is committed to meaningful consideration of the rights and interests of the UFN and will seek ways to address (i.e., avoid, reduce, and/or mitigate) any potential effects identified during the EA process.

New Gold maintains a record of communications with the UFN to help identify issues raised throughout the consultation process and to follow-up with UFN concerns as appropriate. All contact is recorded in a database that identifies who was consulted, when the consultation took place, the nature of the conversation/consultation, and any follow-up actions required.

Table 2 provides a summary of key issues raised by the UFN during pre-Application consultations to date, along with New Gold's response.

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Table 2: Key Comments Expressed by UFN and Responses Provided by New Gold

Potential Issue	Concerns/Comments/ Issues	New Gold's Response	Status of Resolution
Environment	Effects on caribou herds and the ungulate winter range (UWR) as well as impacts to caribou habitat and forage (e.g., loss of UWR from direct and indirect impacts, as well as effects related to wildlife mortality and caribou health).	New Gold redesigned the proposed mine site to avoid the UWR by modifying the tailings storage facility to be located completely outside of the UWR. In addition, the existing mine access road will be moved out of the UWR. Access to the proposed mine site will not be from the west but from the north starting at KM 124 of the Kluskus FSR. A Caribou sub-working group was established to better understand cumulative effects to caribou and establish Best Management Practices and mitigation strategies. Effects on caribou will be assessed in the Application and mitigation strategies will be developed and presented in the Wildlife Management Plan. Additional information from a Traditional Knowledge and Land use study will be used to refine the effects assessment and management plans.	Ongoing – tailings facility and access road to mine redesigned to avoid UWR. The Caribou Working Group has met to review baseline and assessment methods and begin developing mitigation and avoidance strategies.
	Potential effects to Tzelbeguz Lake (a sacred fish gathering site).	No Project effects are anticipated on Tzelbeguz Lake as it is outside of the area of influence of the Project. In response, New Gold provided the UFN member with a map showing the mineral claims and the boundaries of the member's family territory. New Gold also offered to provide the member with a site tour of the operations.	Completed
	Potential negative effects to water resources including water quantity	The Application will address potential effects on water resources, including surface and groundwater quality and flows, as well as potential effects on wetlands, and fish and fish habitat.	Ongoing—the issue is anticipated to be fully addressed in the Application
	Reduction in morel mushroom gathering areas	New Gold is working with key Aboriginal groups in funding traditional land use studies. Locations of mushroom gathering sites where collection takes place will be identified to determine if direct impacts will occur and appropriate avoidance and mitigation measures will then be developed.	Ongoing – New Gold will work with potentially affected Aboriginal groups to avoid and/or mitigate potential effects on traditional activities
	Potential effects to medicinal plant gathering areas	New Gold is working with key Aboriginal groups in funding traditional land use studies. Locations of medicinal plant gathering sites where collection takes place will be identified to determine if direct impacts will occur and appropriate avoidance and mitigation measures will then be developed.	Ongoing – New Gold will work with potentially affected Aboriginal groups to avoid and/or mitigate potential effects on traditional activities

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Potential Issue	Concerns/Comments/ Issues	New Gold’s Response	Status of Resolution
Archaeology	Potential disturbances to grave sites in the area from drilling	The Application will address potential effects on archaeological sites and will include a management plan for archaeology. Burial sites will be managed according to the standards set by the Archaeology Branch and in accordance with the preference of the local community.	Ongoing—the issue is anticipated to be fully addressed in the Application
	Potential negative effects to archaeological artifacts	The Application will address potential effects on archaeological artefacts and will include a management plan. Archaeological studies are underway with UFN field work monitors present.	Ongoing—the issue is anticipated to be fully addressed in the Application
	Protection of historic areas (including cabins) around the proposed mine site	The Application will address potential effects on historic sites and will include a management plan for archaeology. Archaeological studies are underway with UFN field work monitors present.	Ongoing—the issue is anticipated to be fully addressed in the Application
Social	Potential creation and/or exacerbation of social problems	New Gold will continue to identify and address issues associated with local socio-economic effects including development of capacity funding with Aboriginal groups to support development of UFN community services. New Gold plans to deliver cultural and sensitivity awareness training to employees and mine supervisory staff, which aims to promote respect. New Gold plans to deliver cultural and sensitivity awareness training to employees and mine supervisory staff, which will aim to prevent harassment and promote respect.	Ongoing—the issue is anticipated to be fully addressed in the Application
Employment Business and Contracting Opportunities	Interest expressed for employment and training for UFN members at the Project	New Gold will work with communities and the provincial and federal government to discuss training of Aboriginal groups to prepare for mine related employment. These plans will be documented within the Application. New Gold encourages Aboriginal employment. New Gold’s New Afton mine has 23% Aboriginal employees, and Blackwater currently has 28% (self declared).	Ongoing—the issue is anticipated to be fully addressed in the Application
	Interest expressed in contracting and business opportunities	New Gold is committed to providing Aboriginal groups with the opportunity to provide contracting services to the Project. New Gold will work with communities and the provincial and federal government to discuss business capacity and opportunities for Aboriginal peoples to prepare for the mine during construction and operation. These plans will be documented within the Application.	Ongoing—the issue is anticipated to be fully addressed in the Application

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The key comments and concerns listed in **Table 2** in relation to the Project were used, where appropriate, to inform the design of environmental baseline studies and proposed mitigation measures. For example, the UFN raised concerns with respect to effects on the caribou herd. In response to this concern, New Gold redesigned the access road to avoid the ungulate winter range (UWR). In addition, a Caribou Sub-Working Group was formed and continues to address concerns related to caribou. New Gold is developing a Caribou Management Plan and intends to develop a Transportation and Access Management Plan to reduce disturbance and the risk of caribou mortality. Employees will be forbidden to engage in hunting activities in the proposed mine site.

New Gold will continue to work collaboratively with the UFN to address and resolve these and other issues as they may arise throughout the life of the Project.

17.0 PROPOSED CONSULTATION DURING THE APPLICATION REVIEW PHASE

Table 3 outlines the proposed consultation activities with UFN during the Application Review Phase.

Table 3: Application Review Consultation Activities

Proposed Activity	Description of Activity	Anticipated Timing
Provide Application to UFN	New Gold will provide the Application to UFN and ensure a copy is available at the UFN Band Office.	Q1 2014
Application Review	New Gold will engage UFN in dialogue to review the Application and provide further clarification as requested.	Q2 2014
Meetings	Based on direction from UFN, New Gold will host and/or attend meetings with UFN representatives as requested. This agreement may include meetings with leadership, one-on-one meetings with community members, or community meetings to discuss the Application.	Q2 2014
Project Site Tours	New Gold will offer the opportunity for site tours to interested UFN parties.	Ongoing
Mitigation Meetings	New Gold intends to meet with UFN to discuss mitigation and accommodation strategies.	Ongoing
Working Group Meetings	Working Group meetings will continue to provide opportunities for UFN input and New Gold will attend the meetings as requested.	Ongoing, as requested

DRAFT17.1 Methods and Processes to Resolve Outstanding Issues

New Gold is committed to transparency and integrity in all of its business operations and understands that the Project may affect UFN. While implementing its Design for Closure approach, New Gold will work with UFN to develop and implement long-term economic, social, and environmentally sustainable opportunities while avoiding, minimizing, and mitigating adverse Project effects.

JIC meetings will continue with UFN, providing an avenue for both New Gold and UFN representatives to resolve outstanding issues. The Exploration Agreement outlines how dispute resolution will occur including how issues will be settled and resolved through stages.

New Gold remains committed to resolution of issues or concerns with UFN through timely responses and transparent communication.

Stellat'en First Nation- Consultation Report

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New Gold recognizes that portions of the proposed transmission line overlap the Traditional Territory of the Stelat'en First Nation. As such, this Consultation report describes the consultation activities undertaken to date with the Stelat'en First Nation (StFN) and summarizes the key comments and concerns raised during consultation activities. In addition, this Consultation report outlines the consultation plans specific to StFN for the application review period. The Consultation report is a stipulation under the Section 11 Order issued by BC EAO in July 2013. It requires New Gold to provide StFN with a draft consultation report with the goal of eliciting input from StFN. Based on input received, New Gold will revise the Consultation report.

A strategy to resolve outstanding issues is also presented.

1.0 KEY CONTACTS

New Gold is committed to meaningful and respectful consultation with StFN throughout the pre-Application and Application review stages. **Table 1** lists the anticipated key contacts from New Gold and StFN for ongoing consultation activities.

Table 1: Key Contacts

New Gold	StFN
Tim Bekhuys, Director of Environment & Sustainability	Archie Patrick, Chief
Amber Teed, First Nations Coordinator	Sandra Nahornoff, Band Manager
Brock Roadhouse, HR Manager	Ken Luggi, Councillor
Mitch LePage, Project Engineer Manager	Tannis Reynolds, Councillor

2.0 CONSULTATION ACTIVITIES CONDUCTED TO DATE

New Gold first engaged the StFN in August 2012. Activities conducted to date include:

Meetings

Seven in-person meetings were held with the StFN and New Gold representatives, both formally and informally. One of these meetings included a formal presentation to the StFN Chief and Council about the Project in February 2013. The purpose of the meeting was to introduce the Project and the proposed transmission line to Chief and Council and demonstrate New Gold's commitment to open communication. During the meeting, StFN representatives requested additional information on the alignment of the proposed transmission line, clearing methods for the proposed route, avoidance of sensitive areas, training and employment opportunities in construction and mine activities, and the opportunity to develop business partnerships. In response, New Gold provided detailed maps of the current proposed transmission line (including updates on any adjustments) and employment opportunities with ongoing baseline studies.

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Other meetings focused on keeping StFN representatives apprised of the Project details, intended studies, and proposed agreements for capacity funding.

Offers have been made for StFN to participate in proposed mine site tours as well as helicopter tours of the proposed transmission line.

Communications

In addition to meetings, there are ongoing communications between the StFN and New Gold via emails and letters. To date, written correspondence between StFN and New Gold has focused largely on administrative tasks such as arrangements for meetings, on contact information for potentially affected trapline holders, and on capacity funding.

Agreements

Ongoing discussions with the StFN regarding agreements began in 2012. The StFN and New Gold are in the process of negotiating a capacity funding agreement, which will describe how consultation throughout the EA process will occur, as well as how the StFN would provide input into the Project through the provision of information pertinent to socioeconomic and Traditional Land Use issues.

3.0 KEY COMMENTS EXPRESSED AND NEW GOLD'S RESPONSE

New Gold is committed to meaningful consideration of the rights and interests of the StFN and will seek ways to address (i.e., avoid, reduce, and/or mitigate) any potential effects identified during the EA process.

New Gold maintains a record of communications with the StFN to help identify issues raised throughout the consultation process and to follow up with StFN concerns as appropriate. All contact is recorded in a database that identifies who was consulted, when the consultation took place, the nature of the conversation/consultation, and any follow-up actions required.

Table 2 provides a summary of key issues raised by the StFN during pre-Application consultations to date, along with New Gold's response.

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Table 2: Key Comments Expressed by StFN and Responses Provided by New Gold

Potential Issue	Concerns/Comments/ Issues	Proponent's Response	Status of Resolution
Aquatics	Effects on the Stellaquo River from the transmission line crossing	New Gold does not anticipate effects on the Stellaquo River, but is undertaking studies, including effects assessments, to confirm if any effects will occur. Information has been provided to related scientific disciplines for further analysis in reports.	Ongoing—the issue is anticipated to be addressed in the Application
Traditional Use	Potential effects on Traditional Land Use in the Project area, particularly berry picking	New Gold will work with Stellat'en First Nation to identify gathering sites and types of berries or other plants gathered to determine if direct impacts will occur. If direct impacts will occur then appropriate avoidance and mitigation measures will then be developed.	Ongoing – New Gold will work with potentially affected Aboriginal groups to avoid and/or mitigate potential effects on traditional activities
Employment and Contracting Opportunities	Interest expressed for training, employment, and contracting opportunities for StFN members at the Project	New Gold will work with communities and the provincial and federal government to discuss training of Aboriginal groups to prepare for mine related employment. These plans will be documented within the Application. New Gold encourages Aboriginal employment. New Gold's New Afton mine has 23% Aboriginal employees, and Blackwater currently has 28% (self declared). New Gold is committed to providing Aboriginal groups with the opportunity to provide contracting services to the Project. New Gold will work with communities and the provincial and federal government to discuss business capacity and opportunities for Aboriginal peoples to prepare for the mine during construction and operation. These plans will be documented within the Application.	Ongoing—the issue is anticipated to be addressed in the Application

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The key comments and concerns listed in **Table 2** in relation to the Project were used, where appropriate, to inform the design of environmental baseline studies and proposed mitigation measures. New Gold will continue to work collaboratively with the StFN to address and resolve these and other issues as they may arise throughout the life of the Project.

4.0 PROPOSED CONSULTATION DURING THE APPLICATION REVIEW PHASE

Table 3 outlines the proposed consultation activities with StFN during the Application Review Phase.

Table 3: Application Review Consultation Activities

Proposed Activity	Description of Activity	Anticipated Timing
Provide Application to StFN	Provide Application to StFN and ensure a copy is available at the StFN Band Office.	Q1 2014
Application Review	New Gold will engage StFN in dialogue to review the Application and provide further clarification as requested.	Q2 2014
Meetings	Based on direction from StFN, New Gold will host and/or attend meetings with StFN representatives as requested. This may include meetings with leadership, one-on-one meetings with community members, or community meetings to discuss the Application.	Q2 2014
Project Site Tours	New Gold will offer the opportunity for site tours to interested StFN parties.	Ongoing
Mitigation Meetings	New Gold intends to meet with StFN to discuss mitigation and accommodation strategies.	Ongoing
Working Group Meetings	Working Group meetings will continue to provide opportunities for StFN input and New Gold will attend the meetings as requested.	Ongoing, as requested

4.1 Methods and Processes to Resolve Outstanding Issues

New Gold is committed to transparency and integrity in all of its business operations and understands that the Project may affect StFN. Implementing its Design for Closure approach, New Gold will work with StFN to develop and implement long-term economic, social, and environmentally sustainable opportunities while avoiding, minimizing, and mitigating negative Project effects. New Gold remains committed to resolution of issues or concerns with StFN through timely responses and transparent communication.

Saik'uz First Nation- Consultation Report

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New Gold recognizes that the transmission line AND Kluskus FSR overlap the Traditional Territory of the Saik’uz First Nation. As such, this Consultation report describes the consultation activities undertaken to date with the Saik’uz First Nation (SFN) and summarizes the key comments and concerns raised during consultation activities. In addition, this Consultation report outlines the consultation plans specific to SFN for the application review period. The Consultation report is a stipulation under the Section 11 Order issued by BC EAO in July 2013. It requires New Gold to provide SFN with a draft consultation report with the goal of eliciting input from SFN. Based on input received, New Gold will revise the Consultation report.

A strategy to resolve outstanding issues is also presented.

1.0 KEY CONTACTS

New Gold is committed to meaningful and respectful consultation with SFN throughout the pre-Application and Application review stages. **Table 1** lists the anticipated key contacts from New Gold and from SFN for ongoing consultation activities.

Table 1: Key Contacts

New Gold	SFN
Tim Bekhuys, Director of Environment and Sustainability	Stanley Thomas, Chief
Amber Teed, First Nations Coordinator	Jackie Thomas, Lands and Resources Manager
Brock Roadhouse, HR Manager	Sandra Harasin, Operations Manager
Mitch LePage, Project Engineer Manager	Victor Mitander, Resource Negotiator

2.0 CONSULTATION ACTIVITIES CONDUCTED TO DATE

New Gold first engaged the SFN in February 2012. New Gold is in the process of signing a Cooperation Agreement with SFN, which will outline an approach regarding how New Gold should undertake forthcoming consultation with the SFN. Activities conducted to date include:

Meetings

Since February 2012, about 15 in-person meetings have been held with the SFN and New Gold representatives, both formally and informally. One of these meetings included a formal presentation to the SFN community. New Gold held a community meeting at Stoney Creek Reserve on 14 August 2012. The purpose of the meeting was to introduce the Project to the SFN community and to demonstrate New Gold’s commitment to open communication. The meeting was well attended with 68 people from the community present. It commenced with a presentation given by New Gold’s First Nations Coordinator who explained the process of Project development as well as a detailed summary of the Project design. After the presentation, a Talking Circle was formed to solicit information from participants about the

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Project. A number of comments and questions were asked, including questions about the mine design (tailings and potential seepage), ongoing monitoring of the proposed mine site, and surrounding waterways, consultation with traditional landowners, employment and economic opportunities, and the location of the transmission line.

Other meetings have focused on keeping Chief and Council apprised of the Project details, intended studies, and ensuring New Gold understands the concerns of the SFN, as well as potential effects to land users.

Communications

In addition to meetings, there are ongoing communications between the SFN and New Gold via letters, faxes, and emails. To date, written correspondence between SFN and New Gold has focused largely on administrative tasks. In May 2013, New Gold received written comments on the draft Application Information Requirements (dAIR). Examples of issues and concerns included adequate assessments of historical rainfall, consideration of medicinal plants, energy requirements for operation, access to the Project area, disposal of garbage from the operations plant, and negative social effects associated with the Project. New Gold incorporated aspects of this feedback into revisions of the dAIR.

Site Visits

New Gold hosted a site tour of the Project site for the SFN Chief on 15 August 2012, which involved a helicopter tour of the Project area. The purpose of the site visit was to tour the proposed mine site and explain the various components associated with the Project.

New Gold offered the SFN Chief and Council with an opportunity to conduct a flyover tour of the proposed transmission line. The offer was extended in June 2013; to date no trip has been confirmed.

An offer was also made to provide SFN Chief and Council with a tour of the New Afton mine and discussions are underway.

Agreements

Ongoing discussions with the SFN regarding agreements began in 2012. The SFN and New Gold are in the process of negotiating a Cooperation Agreement, which will describe how consultation throughout the EA process will occur as well as how the SFN can provide input into the Project through the provision of socioeconomic, traditional land use, and traditional knowledge related information.

Traditional Land Use Studies

New Gold and the SFN have engaged in discussion regarding implementation of a TLU study. In May 2013, New Gold requested a proposal for a TLU study from the SFN. The study is commencing and will focus on the area around the proposed transmission line and the Forestry Service Road. A budget to undertake the study has been agreed upon.

DRAFT**3.0 KEY COMMENTS EXPRESSED AND NEW GOLD'S RESPONSE**

New Gold is committed to meaningful consideration of the rights and interests of the SFN and will seek ways to address (i.e., avoid, reduce, and/or mitigate) any potential effects identified during the environmental assessment process.

New Gold maintains a record of communications with the SFN to help identify issues raised throughout the consultation process and to follow up with SFN concerns as appropriate. All contact is recorded in a database that identifies who was consulted, when the consultation took place, the nature of the conversation/consultation, and any follow-up actions required.

Table 2 provides a summary of key issues raised by the SFN during pre-Application consultations to date, along with New Gold's response.

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Table 2: Key Comments Expressed by SFN and Responses Provided by New Gold

Potential Issue	Concerns/Comments/ Issues	New Gold’s Response	Status of Resolution
Fish and Wildlife	Effects on animal species trapped and/or effects that may disrupt traplines or access to them	New Gold has met with trapline holders in the mine footprint. Effects on wildlife, including animals that are trapped, will be assessed and managed in the EMP and a process to address trapline effects will be developed with individual trapline holders.	Ongoing—the issue is anticipated to be fully addressed in the Application
	Potential effects on black bear populations (e.g., wildlife mortality from collisions and human-bear interactions as well as increased hunter access)	New Gold will develop policies related to garbage management and reclamation. In addition, a Wildlife Management Plan will be developed restricting hunting by employees. New Gold will work with local landowners, Aboriginal groups, and recreational groups in establishing a Transportation and Access Management Plan for the transmission line corridor. Additional information from a Traditional Knowledge and Land use study will be used to refine these effects assessment and management plans.	Ongoing – A working group for Access Management along the transmission line corridor is being established. The Wildlife Management Plan will be completed in draft and reviewed by local Aboriginal groups prior to submission of the Application. The issue is anticipated to be fully addressed in the Application.
Traditional Use	Effects on medicinal plants that may be downstream of the Project	New Gold is working with Aboriginal groups such as SFN in funding traditional land use studies. Locations of sites where collection takes place will be identified to determine if impacts will occur and appropriate avoidance and mitigation measures will then be developed.	Ongoing – New Gold will work with potentially affected Aboriginal groups to avoid and/or mitigate potential effects on traditional activities.
Social	Potential creation and/or exacerbation of social problems	New Gold will continue to identify and address issues associated with local socio-economic effects, including development of capacity funding with Aboriginal groups to support development of community services. New Gold plans to deliver cultural and sensitivity awareness training to employees and mine supervisory staff, which will aim to prevent harassment and promote respect. New Gold conducts drug and alcohol testing for employees. In addition, a social impact assessment will be conducted to determine potential effects and appropriate mitigation.	Ongoing—the issue is anticipated to be fully addressed in the Application

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Potential Issue	Concerns/Comments/ Issues	New Gold’s Response	Status of Resolution
Employment Opportunities	Interest expressed for employment and training for SFN members at the Project	<p>New Gold will work with communities and the provincial and federal government to discuss training of Aboriginal groups to prepare for mine related employment. These plans will be documented within the Application.</p> <p>New Gold encourages Aboriginal employment. New Gold’s New Afton mine has 23% Aboriginal employees, and Blackwater currently has 28% (self declared).</p> <p>In addition, New Gold hired a number of Saik’uz members for work at the prep lab located in Vanderhoof.</p> <p>With respect to future training opportunities, New Gold introduced SFN to BC AMTA and since that time, BC AMTA held a formal introductory meeting with the community and formal training with members has begun.</p>	Ongoing—the issue is anticipated to be fully addressed in the Application

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The key comments and concerns listed in **Table 2** in relation to the Project have been used, where appropriate, to inform the design of environmental baseline studies and proposed mitigation measures. New Gold will continue to work collaboratively with the SFN to address and resolve these and other issues as they may arise throughout the life of the Project.

4.0 PROPOSED CONSULTATION DURING THE APPLICATION REVIEW PHASE

Table 3 outlines the proposed consultation activities with SFN during the Application Review Phase.

Table 3: Application Review Consultation Activities

Proposed Activity	Description of Activity	Anticipated Timing
Provide Application to SFN	Provide Application to SFN and ensure a copy is available at the SFN Band Office.	Q1 2014
Application Review	New Gold will engage SFN in dialogue to review the Application and provide further clarification as requested.	Q2 2014
Meetings	Based on direction from SFN, New Gold will host and/or attend meetings with SFN representatives as requested. This may include meetings with leadership, one-on-one meetings with community members, or community meetings to discuss the Application	Q2 2014
Project Site Tours	New Gold will offer the opportunity for site tours to interested SFN parties.	Ongoing
Mitigation Meetings	New Gold intends to meet with SFN to discuss mitigation and accommodation strategies.	Ongoing
Working Group Meetings	Working Group meetings will continue to provide opportunities for SFN input and New Gold will attend the meetings as requested.	Ongoing, as requested

4.1 Methods and Processes to Resolve Outstanding Issues

New Gold is committed to transparency and integrity in all of its business operations and understands that the Project may affect SFN. While implementing its Design for Closure approach, New Gold will work with SFN to develop and implement long-term economic, social, and environmentally sustainable opportunities while avoiding, minimizing, and mitigating adverse Project effects. New Gold remains committed to resolution of issues or concerns with SFN through timely responses and transparent communication.

Nadleh Whut'en First Nation- Consultation Report

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New Gold recognizes that portions of the proposed transmission line and Kluskus FSR overlap the Traditional Territory of the Nadleh Whut'en First Nation (NWFN). As such, this Consultation report describes the consultation activities undertaken to date with the NWFN and summarizes the key comments and concerns raised during consultation activities. In addition, this Consultation report outlines the consultation plans specific to NWFN for the application review period. The Consultation report is a stipulation under the Section 11 Order issued by BC EAO in July 2013. It requires New Gold to provide NWFN with a draft consultation report with the goal of eliciting input from NWFN. Based on input received, New Gold will revise the Consultation report.

A strategy to resolve outstanding issues is also presented.

1.0 KEY CONTACTS

New Gold is committed to meaningful and respectful consultation with NWFN throughout the pre-Application and Application review stages. **Table 1** lists the anticipated key contacts from New Gold and NWFN for ongoing consultation activities.

Table 1: Key Contacts

New Gold	NWFN
Tim Bekhuys, Director of Environment & Sustainability	Martin Louie, Chief
Amber Teed, First Nations Coordinator	Jaime Sanchez, Land Use Planning Advisor (CSTC)
Brock Roadhouse, HR Manager	Beverly Ketlo, Councillor
Mitch LePage, Project Engineer Manager	

2.0 CONSULTATION ACTIVITIES CONDUCTED TO DATE

New Gold first engaged the NWFN in September 2012. New Gold aimed to engage the NWFN in a manner that is respectful. New Gold has continued to develop the relationship with the NWFN Chief and Council, as well as with other NWFN representatives.

Activities conducted to date include:

Meetings

Six in-person meetings were held with the NWFN and New Gold representatives, both formally and informally. One of these meetings included a formal meeting in July 2013. The purpose of the meeting was to discuss the Project and the proposed transmission line and demonstrate New Gold's commitment to relationship building. During the meeting, NWFN representatives requested additional information on the width of the proposed transmission line, archaeological studies, New Gold's company profile, construction employment opportunities, business contracting opportunities, and transmission line maintenance.

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Concerns were raised about any potential effects to the Nechako River, as there are some concerns from effects of the existing Endako Mine.

Other meetings focused on keeping NWFN representatives apprised of the Project details, Project timelines, proposed agreements for capacity funding, and site visits.

NWFN was offered a site tour of the proposed mine site and a helicopter tour of the proposed transmission line. To date, no tours have taken place.

Communications

In addition to meetings, there are ongoing communications between the NWFN and New Gold via emails and letters. To date, written correspondence between NWFN and New Gold has focused largely on administrative tasks such as arrangements for meetings, training opportunities, and discussions about capacity funding.

Agreements

Ongoing discussions with the NWFN regarding agreements began in 2012. The NWFN and New Gold are in the process of negotiating a capacity funding agreement, which will describe how consultation throughout the environmental assessment (EA) process will occur as well as how the NWFN would provide input into the Project through the provision of socioeconomic and Traditional Land Use information.

3.0 KEY COMMENTS EXPRESSED AND NEW GOLD'S RESPONSE

New Gold is committed to meaningful consideration of the rights and interests of the NWFN and will seek ways to address (i.e., avoid, reduce, and/or mitigate) any potential effects identified during the EA process.

New Gold maintains a record of communications with the NWFN to help identify issues raised throughout the consultation process and to follow up with NWFN concerns as appropriate. All contact is recorded in a database that identifies who was consulted, when the consultation took place, the nature of the conversation/consultation, and any follow-up actions required.

Table 2 provides a summary of key issues raised by the NWFN during pre-Application consultations to date, along with New Gold's response.

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Table 2: Key Comments Expressed by NWFN and Responses Provided by New Gold

Potential Issue	Concerns/Comments/ Issues	Proponent's Response	Status of Resolution
Aquatics	<p>Effects on the Nechako River from the transmission line crossing, including effects to salmon and water quality</p> <p>Effects to water flow in the NWFN traditional territory</p>	<p>Surface water and sediment quality will meet applicable provincial and federal standards downstream of the proposed mine site to avoid effects on fish, furbearers, or animals that use those waters. The proposed mine site will aim to operate as a zero discharge facility. During construction, sediment ponds will be used to contain site run-off and treat site runoff and reduce concentration of suspended solids.</p> <p>The drainage from the proposed mine site to the Nechako reservoir is approximately 50 kilometres long and receives contributions from a large number of streams. It is not anticipated that water quality effects will occur in the Nechako Reservoir as a consequence of the Project</p> <p>While no effects are anticipated to waterways in NWFN territory, studies are underway, including effects assessments, which will confirm if any effects will occur. Information has been provided to related scientific disciplines for further analysis in reports.</p> <p>New Gold offered to provide NWFN with a site visit, flyover of the proposed transmission line, and a flyover of the waterways in the Project area.</p>	<p>Ongoing – Additional surface and groundwater monitoring stations have been established as part of the baseline program. Results of all water quality sampling will continue to be posted for the Working Group's review, which includes Aboriginal groups.</p>
Traditional Use	Potential effects on Traditional Land Use (TLU) in the Project area, particularly berry picking	<p>New Gold is working with key Aboriginal groups in funding traditional land use studies. Locations of berry sites where collection takes place will be identified to determine if direct impacts will occur and appropriate avoidance and mitigation measures will then be developed.</p>	<p>Ongoing – New Gold will work with potentially affected Aboriginal groups to avoid and/or mitigate potential effects on traditional activities.</p>
Employment and Contracting Opportunities	Interest expressed for training, employment, and contracting opportunities for NWFN members at the Project	<p>New Gold will work with communities and the provincial and federal government to discuss training of Aboriginal groups to prepare for mine related employment. These plans will be documented within the Application.</p> <p>New Gold encourages Aboriginal employment. New Gold's New Afton mine has 23% Aboriginal employees, and Blackwater currently has 28% (self declared).</p>	<p>Ongoing</p>

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Potential Issue	Concerns/Comments/ Issues	Proponent's Response	Status of Resolution
		New Gold is committed to providing Aboriginal groups with the opportunity to provide contracting services to the Project. New Gold will work with communities and the provincial and federal government to discuss business capacity and opportunities for Aboriginal peoples to prepare for the mine during construction and operation. These plans will be documented within the Application.	
Consultation	Lack of capacity to properly participate in EA process	New Gold made an offer of capacity funding and negotiations are underway. New Gold and NWFN agreed to a third party to review the archaeological studies.	Ongoing

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The key comments and concerns listed in **Table 2** in relation to the Project were used, where appropriate, to inform the design of environmental baseline studies and proposed mitigation measures. New Gold will continue to work collaboratively with the NWFN to address and resolve these and other issues as they may arise throughout the life of the Project.

4.0 PROPOSED CONSULTATION DURING THE APPLICATION REVIEW PHASE

Table 3 outlines the proposed consultation activities with NWFN during the Application Review Phase.

Table 3: Application Review Consultation Activities

Proposed Activity	Description of Activity	Anticipated Timing
Provide Application to NWFN	Provide Application to NWFN and ensure a copy is available at the NWFN Band Office.	Q1 2014
Application Review	New Gold will engage NWFN in dialogue to review the Application and provide further clarification as requested.	Q2 2014
Meetings	Based on direction from NWFN, New Gold will host and/or attend meetings with NWFN representatives as requested. This may include meetings with leadership, one-on-one meetings with community members, or community meetings to discuss the Application.	Q2 2014
Project Site Tours	New Gold will offer an opportunity for site tours to interested NWFN parties.	Ongoing
Mitigation Meetings	New Gold intends to meet with NWFN to discuss mitigation and accommodation strategies.	Ongoing
Working Group Meetings	Working Group meetings will continue to provide opportunities for NWFN input and New Gold will attend the meetings as requested.	Ongoing, as requested

4.1 Methods and Processes to Resolve Outstanding Issues

New Gold is committed to transparency and integrity in all of its business operations and understands that the Project may affect NWFN. While implementing its Design for Closure approach, New Gold will work with NWFN to develop and implement long-term economic, social, and environmentally sustainable opportunities while avoiding, minimizing, and mitigating negative Project effects. New Gold remains committed to resolution of issues or concerns with NWFN through timely responses and transparent communication.

January 20, 2014

Shelley Murphy
Environmental Assessment Office
P.O. Box 9426 Stn Prov Govt.
Victoria, BC V8W 9V1

Dear Ms. Murphy,

RE: ABORIGINAL GROUPS CONSULTATION PLAN – LHOOSK’UZ DENE NATION

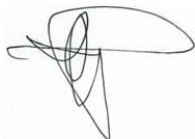
As required in Section 11.1.2 of the Order issued under Section 11 of the *Environmental Assessment Act*, New Gold Inc. developed an Aboriginal Groups Consultation Plan describing how the proponent intends to consult Lhoosk’uz Dene Nation in relation to the Blackwater Gold Project. New Gold provided the Aboriginal Groups Consultation Plan to Lhoosk’uz Dene Nation for review and input on the plan prior to its finalization.

New Gold initially sent the plan electronically to Lhoosk’uz Dene Nation on October 25, 2013 and sent it via courier on November 4, 2013. A follow up email was sent on November 4, 2013 to ensure Lhoosk’uz Dene Nation received it and to request a review meeting.

In addition, New Gold followed up with a letter to Chief Liliane Squinas requesting feedback on November 14, 2013. Comments and input was provided to New Gold on November 19, 2013 via email and the comments were discussed in a phone conference on November 20, 2013.

New Gold implemented the recommendations that were discussed with Lhoosk’uz Dene Nation and will send a revised Aboriginal Groups Consultation Plan to Lhoosk’uz Dene Nation in early 2014. The attached table lists the comments raised and New Gold’s response.

Sincerely,



Tim Bekhuys
Director, Environment & Sustainability

Table 1.0 Lhoosk'uz Dene Nation – Aboriginal Consultation Plan

Document, Section, Page	Lhoosk'uz Dene Nation Comment	New Gold Response
Consultation Plan, Section 3.1, page 4	CCTC is not authorized to represent Lhoosk'uz Dené Nation.	New Gold removed reference to CCTC.
Consultation Plan, Section 5.1.7, page 7	Lhoosk'uz Dene Nation would like more information on Mine Training 101 delivered by the British Columbia Institute of Technology (BCIT) and funded by New Gold.	No change to the Plan as a result of this comment. New Gold provided LDN further information on Mine Training 101 and will continue to encourage training.
Lhoosk'uz Dené Consultation Report (Appendix), Section 1-Table 1, page 3	Table 1 lists the Project Engineer Manager as a key contact although the representative is no longer working on the Blackwater Project.	New Gold agrees with the comment and deleted reference to the Project Engineer Manager.
Lhoosk'uz Dené Consultation Report (Appendix)	The description of consultation is consistent with Lhoosk'uz Dené Nation's recollection of consultation with New Gold.	No change to the plan as a result of this comment.

January 20, 2014

Shelley Murphy
Environmental Assessment Office
P.O. Box 9426 Stn Prov Govt.
Victoria, BC V8W 9V1

Dear Ms. Murphy,

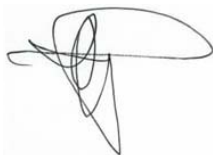
RE: ABORIGINAL GROUPS CONSULTATION PLAN – NADLEH WHUT'EN FIRST NATION

As required in Section 11.1.2 of the Order issued under Section 11 of the *Environmental Assessment Act*, New Gold Inc. developed an Aboriginal Groups Consultation Plan that describes how the proponent intends to consult Nadleh Whut'en First Nation in relation to the Blackwater Gold Project. New Gold provided the Plan to Nadleh Whut'en First Nation for review and input prior to its finalization.

New Gold initially hand delivered the plan to Nadleh Whut'en First Nation on October 23, 2013 and sent it electronically October 25, 2013. A follow up email was sent on October 31, 2013 to ensure the Plan was received and to request a review meeting. A confirmation of receipt of the plan was provided by Nadleh Whut'en First Nation on October 31, 2013 but no meeting was scheduled. A telephone call was placed on November 11, 2013 to inquire about the Plan but no response was given. In addition, New Gold followed up with a letter to Chief Martin Louie requesting feedback on November 14, 2013.

Despite efforts to obtain input from Nadleh Whut'en on the Aboriginal Groups Consultation Plan, no comments were received at the time of writing this letter.

Sincerely,



Tim Bekhuys
Director, Environment & Sustainability

January 20, 2014

Shelley Murphy
Environmental Assessment Office
P.O. Box 9426 Stn Prov Govt.
Victoria, BC V8W 9V1

Dear Ms. Murphy,

RE: ABORIGINAL GROUPS CONSULTATION PLAN – SAIK'UZ FIRST NATION

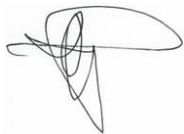
As required in Section 11.1.2 of the Order issued under Section 11 of the *Environmental Assessment Act*, New Gold Inc. developed an Aboriginal Groups Consultation Plan that describes how the proponent intends to consult Saik'uz First Nation in relation to the Blackwater Gold Project. New Gold provided the Plan to Saik'uz First Nation for review and input prior to its finalization.

New Gold initially hand delivered the plan to Saik'uz First Nation on September 19, 2013 and sent it electronically the same day. A follow up email was sent on September 26, 2013 to ensure the Plan was received and to request a review meeting. A meeting was held on September 27, 2013 and the plan was reviewed. At the time, Saik'uz First Nation noted an intention to provide comments and concerns in writing. A telephone call was placed on October 15, 2013 to inquire about the comments for the Plan but at the time New Gold was informed by the Lands and Resource manager that internal resource constraints were delaying a formal response. At a meeting held on November 4, 2013 in Vancouver an inquiry was made as to when New Gold could expect comments on the Plan but no date was given.

In addition, New Gold followed up with a letter to Chief Stanley Thomas requesting feedback on November 14, 2013.

Despite efforts to obtain feedback from Saik'uz First Nation on the Aboriginal Groups Consultation Plan, no comments were received at the time of writing this letter.

Sincerely,



Tim Bekhuys
Director, Environment & Sustainability

January 20, 2014

Shelley Murphy
Environmental Assessment Office
P.O. Box 9426 Stn Prov Govt.
Victoria, BC V8W 9V1

Dear Ms. Murphy,

RE: ABORIGINAL GROUPS CONSULTATION PLAN – STELLAT'EN FIRST NATION

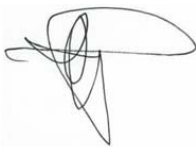
As required in Section 11.1.2 of the Order issued under Section 11 of the *Environmental Assessment Act*, New Gold Inc. developed an Aboriginal Groups Consultation Plan that describes how the proponent intends to consult Stellat'en First Nation in relation to the Blackwater Gold Project. New Gold provided the Aboriginal Groups Consultation Plan to Stellat'en First Nation for review and input prior to its finalization.

New Gold hand delivered the plan to Stellat'en First Nation on October 25, 2013 and sent it electronically the same day. A follow up email was sent on November 7, 2013 to ensure Stellat'en First Nation received it. In addition, New Gold followed up with a letter to Chief Archie Patrick requesting feedback on November 14, 2013. New Gold received confirmation via email that Stellat'en had received the document and was reviewing it on November 20, 2013.

The attached table 1.0 shows the comments that were provided back to New Gold Inc. via email on November 25, 2013.

On December 20, 2013 a Capacity Agreement was signed with Stellat'en. This agreement addresses the concerns stated by the First Nation.

Sincerely,



Tim Bekhuys
Director, Environment & Sustainability

Table 1.0 Comments Provided by Stellat'en First Nation

Document, Section, Page	Stellat'en First Nation Comment	New Gold Response
Consultation Plan, Section 6.1-1, Page 10	- to date there is no capacity funding agreement and Stellat'en First Nation cannot agree that this part of the workplan is accurate (vegetation).	No change to the plan as a result of this comment. New Gold acknowledges this comment. On December 20, 2013 a Capacity Agreement was signed between New Gold and Stellat'en First Nation.
Consultation Plan, Section 6.1-1, Page 10	- to date there is no capacity funding agreement and Stellat'en First Nation cannot agree that this part of the workplan is accurate. Stellat'en First Nation requires a third party to review the findings (archaeology).	No change to the plan as a result of this comment. New Gold acknowledges this comment. On December 20, 2013 a Capacity Agreement was signed between New Gold and Stellat'en First Nation.
Consultation Plan, Section 7.0, Page 12	The bullet titled Community Meetings: Stellat'en First Nation informed New Gold that it needs a capacity funding agreement in place first before New Gold can present its project proposal to the larger community. That said, New Gold has not presented or met with Stellat'en community members about the project. The results of the Project plans, Project updates, or the results of environmental studies are unknown because there is no Stellat'en participation in the baseline studies.	No change to the plan as a result of this comment. New Gold acknowledges this comment. On December 20, 2013 a Capacity Agreement was signed between New Gold and Stellat'en First Nation. It includes funding for community meetings.
Consultation Plan, Section 7.0, Page 12	The bullet titled TK/TLU Studies: Stellat'en First Nation has not received capacity funding to develop a TK/TLU study.	No change to the plan as a result of this comment. New Gold acknowledges this comment. On December 20, 2013 a Capacity Agreement was

		signed between New Gold and Stelat'en First Nation and it provides funding for a TK/TLU study.
Stelat'en Consultation Report (Appendix)	The Stelat'en First Nation and New Gold meetings to date have not produced material progress towards a working relationship.	No change to the plan as a result of this comment. New Gold acknowledges this comment. On December 20, 2013 a Capacity Agreement was signed between New Gold and Stelat'en First Nation.

January 20, 2014

Shelley Murphy
Environmental Assessment Office
P.O. Box 9426 Stn Prov Govt.
Victoria, BC V8W 9V1

Dear Ms. Murphy,

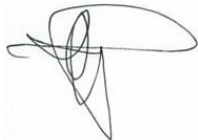
RE: ABORIGINAL GROUPS CONSULTATION PLAN – ULKATCHO FIRST NATION

As required in Section 11.1.2 of the Order issued under Section 11 of the *Environmental Assessment Act*, New Gold Inc. developed an Aboriginal Groups Consultation Plan describing how the proponent intends to consult Ulkatcho First Nation in relation to the Blackwater Gold Project. New Gold provided the Aboriginal Groups Consultation Plan to Ulkatcho First Nation for review and input on the plan prior to its finalization.

New Gold sent the plan electronically to Ulkatcho First Nation on October 25, 2013 and sent it via courier on November 4, 2013. A follow up email was sent on November 4, 2013 to ensure Ulkatcho First Nation received it and to request a meeting to review the document. New Gold also provided a letter to Chief Zach Parker requesting feedback on November 14, 2013. Comments and input was provided by Ulkatcho First Nation through a teleconference held on November 27, 2013.

New Gold implemented the recommendations that were discussed with Ulkatcho First Nation and will send a revised Aboriginal Groups Consultation Plan to Ulkatcho in early 2014. The attached table lists the comments raised and New Gold's response.

Sincerely,



Tim Bekhuys
Director, Environment & Sustainability

Table 1.0 Ulkatcho First Nation Comments on Aboriginal Groups Consultation Plan and Consultation Report

Document, Section, Page	Ulkatcho First Nation Comment	New Gold Response
Consultation Plan, Section 3.1, page 4	Carrier Chilcotin Tribal Council (CCTC) does not represent Ulkatcho First Nation.	New Gold removed reference to CCTC.
Ulkatcho Consultation Report (Appendix), Section 3-Table 2, page 6	Table 2 identifies mushroom gathering as an issue/concern but medicinal plants are missing. The traditional land use study and input from elders demonstrates that medicinal plants are important to Ulkatcho people.	New Gold updated Table 2 to include potential effects on medicinal plant gathering.
Ulkatcho Consultation Report (Appendix), Section 3-Table 2, page 6-7	Table 2 should include potential effects on archaeological such as artefacts and/or cabins as a concern for Ulkatcho people	New Gold revised Table 2 to more clearly indicate archaeological artifacts as a concern and historic sites, including cabins are a concern
Ulkatcho Consultation Report (Appendix), Section 3-Table 2, page 6	Water resources are not included and should be added to the table as potential effects on water resources are a concern for UFN and this concern was raised at a community meeting.	New Gold updated Table 2 to include potential effects on water resources as a concern.