

**Form 62-103F1**

***REQUIRED DISCLOSURE UNDER THE EARLY WARNING REQUIREMENTS***

State if this report is filed to amend information disclosed in an earlier report. Indicate the date of the report that is being amended.

**Item 1 – Security and Reporting Issuer**

- 1.1 ***State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.***

This report relates to common shares of Talisker Resources Ltd. (“**Talisker**”). The head office address of Talisker is 350 Bay Street, Suite 400, Toronto, Ontario, Canada M5H 2S6.

- 1.2 ***State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.***

Not applicable. The transaction that triggered the requirement to file this report was an acquisition of common shares of Talisker by way of purchase and sale agreement with PearTree Securities Inc. (the “**Purchase and Sale Agreement**”) on behalf of certain third party sellers.

**Item 2 Identity of the Acquiror**

- 2.1 ***State the name and address of the acquiror.***

New Gold Inc. (“**New Gold**”)  
181 Bay Street, Suite 3320, Toronto, Ontario, M5J 2T3

New Gold is a gold mining company organized under the laws of the Province of British Columbia.

- 2.2 ***State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.***

On April 15, 2021, New Gold entered into the Purchase and Sale Agreement pursuant to which New Gold acquired 37,366,932 common shares (the “**Purchased Shares**”) of Talisker at a price of \$0.37 per Purchased Share for total consideration of approximately \$13.8 million (the “**Transaction**”).

- 2.3 ***State the names of any joint actors.***

Not applicable.

### **Item 3 – Interest in Securities of the Reporting Issuer**

- 3.1 ***State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file this report and the change in the acquiror's securityholding percentage in the class of securities.***

Immediately prior to the closing of the Transaction, New Gold did not have beneficial ownership of, or control and direction over, any common shares of Talisker. Immediately following the closing of the Transaction, New Gold has beneficial ownership of, or control and direction over 37,366,932 common shares of Talisker, or approximately 14.9% of Talisker's issued and outstanding common shares.

- 3.2 ***State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.***

See Item 2.2 above.

- 3.3 ***If the transaction involved a securities lending arrangement, state that fact.***

Not applicable.

- 3.4 ***State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.***

See Item 3.1 above.

- 3.5 ***State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which***

- (a) ***the acquiror, either alone or together with any joint actors, has ownership and control,***

See Item 3.1 above.

- (b) ***the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and***

Not applicable.

- (c) ***the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.***

Not applicable.

- 3.6 ***If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material***

*terms of the related financial instrument and its impact on the acquiror's securityholdings.*

Not applicable.

- 3.7 *If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.*

*State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.*

Not applicable.

- 3.8 *If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.*

Not applicable.

#### **Item 4 – Consideration Paid**

- 4.1 *State the value, in Canadian dollars, of any consideration paid or received per security and in total.*

See Item 2.2 above.

- 4.2 *In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.*

See Item 2.2 above.

- 4.3 *If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.*

Not applicable.

#### **Item 5 – Purpose of the Transaction**

*State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:*

- (a) *the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;*
- (b) *a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;*
- (c) *a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;*
- (d) *a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;*
- (e) *a material change in the present capitalization or dividend policy of the reporting issuer;*
- (f) *a material change in the reporting issuer's business or corporate structure;*
- (g) *a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;*
- (h) *a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;*
- (i) *the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;*
- (j) *a solicitation of proxies from securityholders;*
- (k) *an action similar to any of those enumerated above.*

New Gold is acquiring the Purchased Shares for investment purposes. New Gold may, from time to time, acquire additional common shares or other securities of Talisker or dispose of some or all of the common shares or other securities of Talisker that it owns at such time. New Gold currently has no other plans or intentions that relate to or would result in any of the actions listed in items (a) to (k) above, but depending on market conditions, general economic and industry conditions, trading prices of Talisker's securities, Talisker's business, financial condition and prospects and/or other relevant factors, New Gold may develop such plans or intentions in the future and may from time to time engage in discussions with, or make proposals to, Talisker or third parties regarding any of the matters listed in items (a) through (k) above.

#### **Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer**

*Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option*

*arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.*

On April 15, 2021, New Gold entered into the Purchase and Sale Agreement pursuant to which New Gold acquired the Purchased Shares, representing approximately 14.9% of Talisker's issued and outstanding common shares.

In anticipation of New Gold acquiring its interest, New Gold and Talisker entered into an investor rights agreement providing that during the period commencing on the completion of the Transaction and ending on the date on which New Gold's ownership is less than 10% of the issued and outstanding common shares of Talisker, New Gold has the right, among other things, to:

- Have a nominee appointed to the board of directors of Talisker (the "**Talisker Board**") and have such nominee nominated for election at Talisker's meetings of shareholders. If the size of the Talisker Board is increased to eight or more members, New Gold shall be entitled to designate an additional nominee.
- Participate on a pro rata basis in equity financings by Talisker in order to maintain its 14.9% interest in Talisker. In addition, New Gold will have certain top-up rights that will allow it to maintain its interest in the event of other dilutive events undertaken by Talisker.
- Certain information and access rights to Talisker's properties.

In return for these rights, New Gold has agreed to, among other things:

- For a period of 24 months, ensure it is present at shareholder meetings of Talisker and, subject to certain exceptions, not vote against matters that have been unanimously approved by the Talisker Board.
- Certain restrictions on disposing its interest in Talisker.
- A 24-month standstill which will prohibit New Gold from taking certain actions, including acquiring more than 14.9% of the issued and outstanding common shares of Talisker, subject to certain exceptions.

#### **Item 7 – Change in Material Fact**

*If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.*

Not applicable.

#### **Item 8 – Exemption**

*If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.*

Not applicable.

**Item 9 – Certification**

*The acquiror must certify that the information in this report is true and complete in every respect. In the case of an agent, the certification is based on the agent's best knowledge, information and belief but the acquiror is still responsible for ensuring that the information filed by the agent is true and complete.*

*This report must be signed by each person on whose behalf the report is filed or his or her authorized representative.*

*It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.*

**Certificate**

I, as the acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

DATED this 15 day of April, 2021.

**NEW GOLD INC.**

By: ***“Sean Keating”***

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Name: Sean Keating

Title: Vice President, General Counsel  
and Corporate Secretary