

Newmont Mining Corporation

Status of Implementation of the Community Relationships Review

April 21, 2012

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B – Status of Implementation of the Community Relationships Review, April 19, 2011

C – CRR Implementation Dashboard

D – Exploration ESR Guidebook

1 Introduction

This report represents our annual written communication on the progress we have made implementing the recommendations from the Community Relationships Review's, Report of the Environmental and Social Responsibility Committee of the Board of Directors. Please note that this communication has been prepared to update the status of the CRR and compliments the information in the CRR, the Advisory Panel's Report, the Main Community Relationships Review Report and interim status updates. For additional background information regarding the CRR please see Attachments A and B that present a Summary of the CRR and the April 19, 2011 Status of Implementation of the CRR, respectively.

This report is presented in two parts: Part I discusses our approach to prioritizing and the status of implementing global activities and programs in response to the recommendations from the CRR; and, Part II is a report of specific actions being taken in response to the recommendations in each of the five CRR site studies (Ahafo, Batu Hijau, Carlin, Waihi and Yanacocha).

2 Context

In April 2011, we announced our strategic plan to deliver 7 million attributable ounces of gold and 400 million pounds of copper by 2017 – profitably and responsibly – while demonstrating our values and our culture. It was clear that during 2011 community empowerment continues to grow. It was a year in which, amidst ongoing economic stagnation in most developed economies, some communities felt profoundly disenchanted with big business and status quo politics. Headlines were replete with stories of financial instability, the rise of the Arab Spring, Occupy Wall Street movement, and multiple demonstrations in major capitals around the world. The World Economic Forum report from Davos¹ identified rising inequality as one of the top risks to the world alongside TIME Magazine naming “The Protester” as the Person of the Year for 2011 while numerous governments endowed with resource wealth wrestled with the opportunities and challenges of increasing mineral taxation. Exhortations by a tech-savvy cooperative, enabled through indomitable social networks, led to frustrations boiling over and the rapid emergence of interest in a new social contract based on fair distribution, equality and transparency. Notably, protests and violent insurrections against mining projects were amongst the many that took place during the year including a number of high profile projects around the world such as the Tia Maria project and Santa Ana projects in Peru, the La Alumbrera project in Argentina, the Grasberg mine in Indonesia, and of course, our own Conga project in Peru.

“We have to make capitalism and the free market much more responsive to social needs. If business is not serving society, then business is not sustainable.”

*Klaus Schwab,
Founder and Executive Chairman of the
World
Economic Forum*

¹ World Economic Forum Annual Meeting 2012, The Great Transformation: Shaping New Models, Davos-Klosters, Switzerland 25 – 29 January, 2012.

Within this context, Newmont's work on implementing the actions identified in the CRR are more relevant than ever. It has been three years since the completion of the first-ever, and still unprecedented, study² which focused on the relationships between a mining operation and the nearby communities. Significant progress has been made; however, there is still much work to be done. In the midst of the events of 2011, we are aware of a sense of frustration in some of our stakeholders that the actions we are implementing as a result of the CRR do not appear to be advancing demonstrative change in the relationships with our mining operations and their nearby communities. The recommendations in the CRR reports were comprehensive and complex. To implement programs of change to respond to the many recommendations is also complex. To build and maintain strong relationships with communities requires developing innovative tools and strategies. To sustain change requires a change in the fundamental ways in which all of the employees view their respective roles in these complex relationships.

The approach we have taken is straightforward. We must establish a foundation of performance standards, supporting tools and complimentary programs to clearly define what our expectations should be for our behaviors in building community relationships. This approach requires implementing the performance standards and programs in a methodic and disciplined manner to drive the required change throughout the business.

We are implementing our programs within a relationship framework that is itself dynamic and complex. The ever increasing pace of growing community expectations and activism, catalyzed and enabled by social network technology, is very real. Within this milieu, our focus on building shared value with host communities through engagement and transparency is fundamentally sound; however, we recognize and acutely feel the sense of urgency to increase our pace and depth of implementation throughout the organization.

3 Creating Shared Value

Corporate social responsibility is being described as creating 'shared value' more and more frequently these days, as yet there is no common definition that adequately describes what it means. Our definition of shared value is creating value for our shareholders while also creating value for, and with, the people we impact in the communities which host our operations. The creation of 'shared value' is fundamental to social performance and is an important component in achieving sustainable development. We believe that if we are proactive and transparent, we can benefit by helping local communities and governments develop the capacity to take full advantage of the development opportunities and financial benefits that mining creates. To sustain our business, we need continued access to land, capital, approvals and resources which can only be assured through mutually beneficial relationships with host communities, i.e. through the creation of shared value.

Shared value can be realized in a number of ways and can include:

² See Attachment A for brief recap of the study.

- local employment, including training programs;
- local content, including building or strengthening the local economy;
- enhancing the asset base of a community, such as through infrastructure;
- increasing the resilience of a community, or a vulnerable group within the community; and,
- ensuring that processes and outcomes are socially and environmentally responsible, sustainable, and have an intergenerational focus.

Achieving shared value is directly linked with strong social performance. Social performance must include strategies for creating shared value and must engage all stakeholders, including the poorest and most marginalized, so that they also have an opportunity to benefit from the presence of mining.

4 Overview on 2011 Progress

Since the completion of the CRR, focus has been on core activities that are largely centered on developing and implementing performance standards, systems and procedures that promote transparency and engagement with our stakeholders as well as increasing our capacity (see Attachment B for the April 19, 2011 Report on CRR Implementation). We continued applying this approach in 2011, but in some cases, such as the Exploration ESR (Environmental and Social Responsibility) Guidebook and Conflict Identification and Resolution Training, we have begun the shift towards full integration into Newmont's standard business processes and structure so as to sustain the programs on a go-forward basis.

Other programs that are far more innovative, such as the Social Assessment Framework, require a sufficient degree of development, including significant internal consultation and testing, to ensure that they deliver the outcomes that we seek. These programs take more time, and in the case of the Social Assessment Framework, have experienced some setbacks, which are discussed in the report below. Nevertheless, even as we worked to begin the transition of these programs into the Company's business processes and practices, we have initiated new programs such as the Community Relationships Forum and "Community Relationships and You" cultural awareness building program, as a continuation of our response to recommendations in the three CRR reports³.

Importantly, during 2011, and as part of the Company's strategic objectives for the year, a set of metrics were identified to promote organizational accountability, improved stakeholder relationships and the generation of shared value. The initial metrics we have chosen are aligned with the recommendations of the CRR and will provide essential data and tracking for monitoring and continuing to improve our social performance. They are cumulative indicators of

³ "Community Relationships Review – Report of the Environmental Social Responsibility Committee of the Board of Directors", March 2009 (Committee Report); "Community Relationships Review - Global Summary Report", March 2009; Advisory Panel Report "Building Effective Community Relationships", February 2009.

a number of aspects of our performance and reflect how well we understand and manage elements of our business over which we have some control.

Finally, in recognition of the need to keep stakeholders up to date, we initiated regular meetings to discuss our progress related to the CRR implementation and other key issues related to community relationships. As part of fulfilling our commitment to transparency and open communication, this report is our annual summary of the CRR implementation activities as well as a description of new activities that are underway to help drive Newmont forward in an increasingly socially challenging world.

Since the completion of the CRR, and as we've gone through the process of implementing the actions described in this report, we have come to view community relationships differently. We understand that irrespective of any formal authorization our operations require from central, sovereign governments, communities have a right to self-determination that makes their approval of our operations just as, if not more, important. While the performance standards and programs we have initiated as a result of the CRR are setting a strong foundation for building relationships based on trust and respect, there remains both a challenge and a focus as to how to determine their effectiveness in altering our behavior and actions which result in improved community relationships.

5 Part I: CRR Implementation Progress – Global Programs and Activities

After the completion of the CRR study, we reviewed each of the 98 recommendations identified in the three CRR reports and categorized them into three main areas for prioritization and implementation. Reporting our progress associated with the CRR implementation is organized around each of these areas, which are: Strengthening Internal Capacity, Improved Engagement and Outreach, and Review and Revision of Management Systems. Corresponding to each area are actions and deliverables associated with the implementation plan as summarized in the “CRR Implementation Dashboard” shown in Attachment D. As the overall implementation of the CRR program matures and understanding and capacity within the Company evolves, the CRR Implementation Dashboard will be reviewed and updated.

5.1 Strengthening Internal Capacity

5.1.1 Exploration ESR Guidebook

The report of the ESRC recognized that the relationship between the Company and the community begins during geologic exploration, the earliest stage of the mine lifecycle. To be successful in building strong relationships, the implementation of the lessons learned must be addressed over the full lifecycle of a mining operation. To address this, Newmont undertook two years of research and analysis to develop policies, performance standards and best practices around environmental management and community relations during exploration. The inclusive process for development of the Exploration ESR Guidebook ensured that the end product represented consensus between ESR and Exploration around a common vision of what

environmental and community relations management means, why Newmont invests in it, and the practices explorers are expected to implement while in many instances creating the initial foundation of the relationship.

In 2008, work began to identify best practices in exploration-centered environmental and social management and the organizations and companies that were designing and implementing them. The review included existing internal management systems, external handbooks, toolkits and guides from several sources, including the Association of Mining and Exploration Companies, the Prospectors and Developers Association of Canada, the Association for Mineral Exploration in British Columbia, the Saskatchewan Mineral Exploration and Government Advisory Committee, the Australian Government, Conservation International, International Council on Mining and Metals (ICMM) and academic publications focused on public participation and stakeholder engagement as well as practices in other companies such as Rio Tinto, AngloGold Ashanti and Freeport. A series of interviews were conducted with project geologists, geoscientists, regional exploration directors and senior exploration team leadership to identify environmental and social impacts and risks for each phase of exploration activity and whether existing standard operating procedure aligned to the best practices gathered from the review. Newmont's Stage Gate project development framework provided common terminology and understanding around levels of feasibility and investment; it also serves to structure the Guidebook in a way that can be easily understood across all functions.

"The guidebook gives us direction around all of the necessary programs and procedures that must be in place to build positive relationships throughout West Africa; it gives us the tools for better understanding and managing ESR-related issues. For example, developing grievance mechanisms and commitment registers has forced us to think and act pro-actively regarding our relationships with communities; that mindset then spreads to planning access roads, building camps, etc."

"Now, to avoid conflict, the first thing we do when arriving in a new place, rather than rush to sample outcrops, we identify and map our stakeholders."

Regional Exploration Manager, Africa

Fact-finding and consensus-building trips to exploration projects in Australia and Burkina Faso informed further development and the first complete draft was reviewed and improved by Exploration leadership and the ESR Global Team in 2009. Aspects of the Guidebook were further vetted and developed in coordination with the Global Exploration Solutions team and at exploration projects in West Africa, Idaho and the Solomon Islands in 2010. The Guidebook was further field tested in Papua New Guinea, Suriname, Haiti, British Columbia, Mali and Guinea. The performance plan provides details around the organizational aspects of the role of ESR in Exploration and serves to diagnose and measure ESR performance throughout the range of projects in different stages of exploration maturity.

Newmont formally implemented the Exploration ESR program across the globe in October 2011. Each field visit begins with a site-wide discussion of the CRR, the lessons learned during the process, the implementation plan going forward and the relevance for exploration teams in the

field. This is followed by stakeholder mapping exercises and development of engagement plans. By the end of the field visit, geologists and, in some instances, the respective community relations' staff, understand the importance of, and tools for, establishing and maintaining positive community relationships.

Implementation in Papua New Guinea (PNG)

Implementation of the guidebook in PNG and the Solomon Islands led the Asia-Pacific Region to hire an Exploration ESR Manager to oversee ESR programs for the region. This position's responsibility is to ensure timely access to land by managing implementation of the guidebook at all Asia-Pacific Region generative exploration sites and providing mentoring to the ESR teams of each site.

Using the guidebook to develop comprehensive ESR programs with the aim of increasing effectiveness, the Exploration ESR Manager created site-specific risk assessments, land access procedures, grievance mechanisms, cultural awareness trainings, heritage management guidelines, community investment guidelines and a Voluntary Principles on Security and Human Rights due diligence checklist. Each of these issues was delegated to local geologists or respective ESR practitioners who were then trained and mentored by the Exploration ESR Manager.

In PNG, most communities are extremely remote and have limited and difficult access to other communities or medical services. The project geologists are often asked for the use of Newmont's helicopter for medical emergencies and other community needs. Through an open and transparent process, the PNG team developed a community medical assistance program that includes availability of a medic for the community, and in some instances, helicopter evacuation. This has promoted positive relationships with project neighbors.

*"It's good to have a structured, systematic approach to building positive relationships. We manage community investments and provision of local labor and supplies in a fair, consistent, predictable way that creates trust and respect among the Company and communities."
"We understand that the work we put into ESR allows us to conduct our technical works in the field more efficiently. Consequently, the entire exploration team realizes that we are all part of the effort to create and maintain mutually beneficial relationships."*

Manager, South America Exploration

Implementation in West Africa

In West Africa, the guidebook was implemented with our exploration teams in Guinea, Burkina Faso, Cote d'Ivoire and Mali. In Guinea, the guidebook implementation at the Toro Project led regional Exploration leadership to hire a West African consultant to conduct a study of community relations around the project and propose an action plan for improving them.

A workshop, requested by the West Africa Generative Exploration team, included two days of Conflict Identification and Resolution Training and two days for extensive capacity building around Newmont's social responsibility standards for social baseline studies, social impact

assessment, stakeholder mapping, stakeholder engagement, expectation and commitment management, complaints and grievances, and local community investment.

During each initial visit, a detailed implementation report was developed and the regional Exploration ESR contact stays in communication with the corporate office regarding challenges and issues that arise.

Best practices are identified and shared across the globe as they are developed and implemented; local employment programs in Haiti have been adapted to West Africa, local community investment programs from West Africa are being adapted to Suriname, and performance standards and procedures like the medical evacuation procedure from PNG are shared on an Exploration ESR website.

Next Steps

The Company will continue implementation of the Exploration ESR Guidebook at additional generative exploration sites. In addition, a working model to sustain the Exploration ESR program will be developed and implemented in conjunction with the Exploration and ESR functions. Conflict identification and resolution training held in West Africa is being planned for our South American and Asia-Pacific Regions.

5.1.2 Social Assessment Framework

While the Social Responsibility Performance Standards provide a foundation for our expected social performance, our success ultimately depends on the degree to which a commitment to social performance is embedded in our day-to-day activities. Social performance relates to a clear discipline in our behaviors in building relationships based on trust and respect. Relationships sit at the core of Newmont's approach to social performance and are predicated on our ability to successfully implement our social responsibility performance standards and programs including the ability to:

- uphold our obligations, commitments and agreements;
- openly listen to community perspectives, from development aspirations to criticism about the company's performance;
- understand grievances and resolve issues fairly through constructive dialogue; and,
- communicate accurate and reliable information in a timely, open and transparent manner.

By establishing a respectful relationship, community members are more inclined to engage in processes that provide the basis for the creation of shared value, such as community development planning. Without constructive community involvement, these processes are very difficult to implement and are far less effective. Social performance also entails effectively managing risks including:

- social risk – the risk that the mining will cause harm to the community;

- business risk – created by failing to manage impacts thereby jeopardizing the successful operation of the mine; and,
- reputational risk – created by reports of actual or perceived negative impacts rapidly spreading through traditional and modern-day networks.

The Social Assessment Framework

The Social Assessment Framework aligns with the recommendations and lessons from the CRR and is intended to ensure that our Social Responsibility performance standards and programs are upheld; encourages periodic and ongoing assessment of the respective community relationships plans and systems; provides understanding of our social performance at sites/projects across the company; diagnoses gaps in the way we manage our social performance; shares social performance lessons learned across the Company; and, establishes a platform for continual improvement.

The Social Assessment Framework has been under development since 2010 and continues to evolve as we test the various elements of the system. The framework is based on a tiered approach, shown in Figure 1, that is designed to maximize the involvement of site personnel through dialogue so as to increase our internal capacity in the area of social performance.

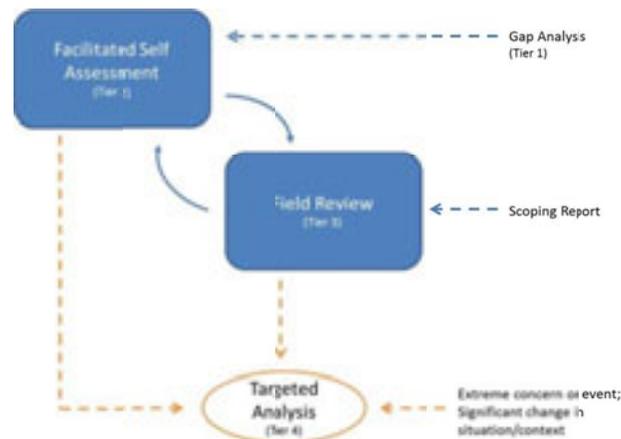


Figure 1 Newmont Social Assessment Framework

The Social Assessment Framework begins with a gap analysis (Tier 1) against our Social Responsibility performance standards. The output from the gap analysis provides a baseline conformance report and action plan for improving the effectiveness and efficiency of the various social performance systems called out by the performance standards. The gap analysis step is completed by the site staff.

The next step in the Social Assessment Framework is the Facilitated Self-Assessment (Tier 2) and is more unique in that it involves a series of on-site, facilitated discussions between external assessors and personnel responsible for implementation of the performance standards. This tier of the program is unique in that it focuses on enhancing internal capacity around the

implementation of the performance standards through understanding and empowerment rather than straight, orthodox conformance to the performance standards. While this step still utilizes protocols, they are designed to promote dialogue and discussion between and amongst the site team regarding removing the obstacles hindering the establishment of strong relationships and supporting the enablers that are helping them. Notably, the output from this step includes an action plan prepared for the site and signed off by senior site management. This level of engagement and approval of the action plan is necessary to ensure adequate bridging and support between the assessment and follow-on actions.

“Significantly, the Facilitated Self-Assessment provides the necessary foundation for site/regional direction on strategic engagement with all stakeholders.”

Jundee ESR Manager

A robust Field Review (Tier 3) follows Tier 2 which is designed to reconcile the site team’s perceptions of their social performance with the perceptions of the community. The Field Review directly engages senior management on strategic issues of social performance, captures community perspectives on the site’s social performance, including progress towards creating ‘shared value’, and supports continual improvement through follow-up on action plans. Simply put, the Field Review is a reckoning to understand through a disciplined process the health of our community relationships.

Finally, a Targeted Analysis (Tier 4) will be utilized where there has been a significant community incident, a claim of a human rights abuse, or a significant community protest. A Targeted Analysis can also be initiated to better understand the factors leading to successful outcomes so as to enable a culture of learning throughout the community relationships building efforts of the Company.

The tiered assessment cycle engages with a broad spectrum of the Company’s employees in processes that relate to the Social Responsibility performance standards and recognizing where performance improvements have been achieved. Over time the assessments will also help to build institutional memory about our social performance.

Specific Progress to Date

To initiate the design process of the Social Assessment Framework, the Company engaged the Centre for Social Responsibility in Mining (CSR/M) of the University of Queensland, Australia, to develop an options paper on the scope and methodology of an audit/assessment program focusing on performance against the Social Responsibility performance standards. The options paper identified a range of issues for consideration in the design of the program such as setting the program objectives, process vs. outcome focus, independence, style and approach, organizational responses to outputs, and methodologies. Subsequent to the finalization of the options paper the Company embarked upon a collaborative work process to define and develop the social assessment framework described above.

Specific progress on the program components includes formalization of the Gap Analysis tools and methodologies and completion of a gap analysis against the Social Responsibility performance standards at all of our operations. Progress on the Facilitated Self-Assessment (FSA) component includes developing a full set of audit/assessment protocols for each Social Responsibility Standard, a field test of the protocol design at Waihi, a pilot of the FSA at Minera Yanacocha in 2010, a pilot of the FSA at a closed site in 2011, and a FSA at Jundee in 2012.

Despite making good progress on developing the FSA program, we were not able to complete our plans to conduct two additional pilots of the FSA in 2011 at Batu Hijau and Hope Bay.

Another options paper was developed specifically to evaluate the various approaches for conducting the Field Review component of the program. The Company and CSRSM worked in partnership to develop a range of methodological options for the Field Review around which CSRSM then conducted interviews with ten of our key external stakeholders to gather their feedback. The paper was also circulated within the Company to gather input on the best option going forward.

After the preferred approach for the Field Review was selected, the development of processes and procedures was started. As the Field Review component developed it became apparent that an initial scoping study is a necessary step to help define the depth, breadth and most appropriate field approach, given the site's current context. As such, we developed the scoping step as shown in Figure 2 and prepared a scoping study for Yanacocha/Conga for testing in Q3 2011.



During 2011, guidelines for the Targeted Analysis component of the program were elaborated including approach, scope, study team, roles and responsibilities, deliverables and other considerations; such as, what triggers an analysis and the 'rules of engagement' regarding issues, gathering and analyzing evidence for investigations, and confidentiality.

Next steps

Throughout the remainder of 2012, we will continue refining the Social Assessment Framework based on internal feedback and clarify the interaction of the various components (e.g. links between the Field Review and Targeted Analysis). In addition, we will conduct FSAs at the remaining sites in the Asia-Pacific Region (Jundee was completed in Feb 2012) including Batu Hijau. We will return to our scheduled plan by conducting a Field Review pilot at Yanacocha/Conga in Q3 2012, barring any unforeseen circumstances, and finalize the tools and methodologies for this component.

During the period 2013 through 2014, we plan to transition the Social Assessment Framework into the regular business practices of the Company by embedding it into the ESR Audit system which has formal procedures for scheduling audits/assessments, report timelines, corrective action tracking and regular follow-ups. We will also complete a pilot of the Targeted Analysis component of the program and formalize the associated tools and methodologies. Finally, it is our intention to make our social assessments publicly available. We believe that transparency about our social performance is essential to building trust with our stakeholders as well as to our future success.

5.1.3 Conflict Identification and Resolution Training Program

One of the key lessons from the CRR was that the Company must identify the potential for conflict and manage community concerns before open conflict arises. We have partnered with RESOLVE, a Washington, D.C.-based consultancy specializing in dispute resolution, to develop a global training program for conflict identification and resolution. In addition, RESOLVE assisted us in developing a set of competencies regarding conflict management for integration into the tools that we use to manage employee skills.

In considering how to structure the conflict identification and resolution training, we followed the CRR recommendation that some staff need more intensive training than others based on their level of interaction with community members. Employees that have more interaction with the community or whose interactions affect the community directly need more intensive training. As such, the training programs are based on the amount of interaction that employees have with community members.

“I gained skills to identify and react to conflict issues and apply a disciplined approach to negotiation meetings to resolve them well.”

Participant, Conflict Identification and Resolution Training

Phase I of the program was implemented throughout 2010 and included benchmarking the Company’s systems against other extractive companies, developing a draft set of stakeholder engagement and conflict resolution competencies, forming a cross-functional working group to identify training needs and inform the training curricula, and conducting pilot training sessions.

In Phase II, which took place in 2011, we continued refining the content for the training and improved the delivery over the course of several pilots. Major highlights include developing a 3-hour “Aware” training, focused on interactions with community members, that minimizes theory, emphasizes principles, offers specific suggestions for handling difficult situations, and allows participants to practice the demonstrated skills. This training covers basic conflict theory, local causes of conflict, personal conflict style self-awareness, the

“The training prepared me to assess situations and design ways to work with communities.”

Participant, Conflict Identification and Resolution Training

Social Responsibility performance standards, and on-site systems for resolving conflicts. The content for the 8-hour “Engage” training was slightly revised and reorganized for better flow. We also reorganized it for earlier and more frequent engagement with participants, clearer transitions between theory, principles, and skills, and more relevant examples. Finally, we added more practice opportunities, which participants consistently requested.

Having successfully tested the variables across five sites, the “Aware” and “Engage” training curriculums are essentially complete. As such, in December 2011, the planning process was initiated for fully embedding the training program throughout the business.

Specific training that took place in 2011 included two training sessions in March and July in Indonesia. In August 2011, a total of five training sessions were conducted for the Nevada operations, and in October 2011 exploration staff in Africa were trained in stakeholder engagement and conflict management. Overall, since the initiation of the program a total of 408 employees have received the “Aware” or “Engage” training.

Next Steps

For 2012, we have planned training for Exploration personnel, project development sites and a number of operations. The inclusion of community members will be evaluated as this program evolves. In addition to delivering training we will develop an internal Conflict and Grievance Management handbook and complete the integration of the “Aware” module in our Human Resource Department’s Learning and Development systems.

As we develop the training program, there are a number of alternatives for implementation currently under evaluation ranging from developing in-house capability and capacity to utilizing third-party services providers such as NGOs.

In addition, during the period 2013 and 2014, we will develop a competency model for employees to focus on stakeholder engagement and conflict resolution so as to continue building the skills and capacity of employees in these key areas. We will also develop and pilot a monitoring system to evaluate the effectiveness and retention of the skills learned in the training sessions. Finally, by 2014 we expect that the Conflict Identification and Resolution Training will be fully implemented and integrated into the Company’s business systems.

5.1.4 Community Relationships Forum

To continue addressing employee accountability and capacity building recommendations in the CRR report, we are implementing an innovative program called the Community Relationships Forum (CRF). The CRF is a platform to strengthen the capacity of employees to effectively manage stakeholder relationships in a manner that is consistent with our Vision and Values, cultural commitments, and Social Responsibility performance standards. It is an innovative approach towards improving on-the-ground performance by creating a forum for dialogue and understanding.

The CRF will bring together frontline employees, with a broad range of functional expertise, to understand Newmont’s environmental and social responsibilities and how each individual, regardless of professional focus, can help play a role in shaping the Company’s future. The forum empowers our employees to speak up, collaborate and engage with one another to diagnose common struggles, encourages collaboration of innovative ideas and builds internal and external relationships.

The week-long CRF will offer an opportunity for site, regional and corporate ESR leadership to promote effective community relationships and build capacity for social responsibility from the grass roots level. During the week, attendees will participate in presentations, workshops and breakout sessions with opportunities to share and discuss topics, including:

- 2017 Strategic Goals;
- Social Responsibility performance standards and programs;
- Community Relationships Review;
- Vision, Mission and Values;
- Industry standards and best practices around social performance;
- Integrating ESR activities into the business; and,
- Expectations of host communities, government and business associations.

The CRF recognizes the importance and efforts of frontline staff to ensure the success of our future projects and operations while building confidence and professional skills to enhance on-the-ground performance. The CRF will encourage employee accountability, in all areas of the business, to promote effective community relationships. Groups will look at solutions for improving relationships amongst Newmont functions, as well as within the community. By facilitating an exchange of information and creating a platform to “speak up”, the CRF provides a regular opportunity to promote new behaviors, identify champions of our ESR culture, and facilitate exchange of information to enhance our reputation and relationships in the communities where we operate.

“I am particularly excited about the concept of CRF especially with the participation of other functions within the organization, aside from ESR. This reinforces that Newmont is gradually integrating ESR into our business. This makes we the ESR employees feel a part of the business. I hope that over time, CRF will change the behaviors of all employees in Newmont to treat community relations matters in the same rigor as they treat safety.”

*Communications Officer, Newmont
Akyem Project*

The CRF will has many potential benefits to the Company and the local communities. The CRF participants will increase awareness, knowledge and appreciation of the Community Relationship Review study and how their involvement shapes our relationships with local communities.

“I think the suggestion to create a platform for the frontline people to speak up on things that concern our relationships with the communities is very excellent. We employees on the ground have a lot more insights into Newmont relationship with our external stakeholders, but we have not had a targeted platform such as the CRF to share these insights. The CRF is a great idea and I think it will bring good results to the company.”

Senior CR Officer, Ahafo Mine

The CRF will empower frontline staff with analytical understanding of community issues that have direct correlation to the success of the company and enable staff to address these issues. It will motivate frontline employees to be advocates for change, leading to genuine changes in behaviors, practices, and improved accountability of ESR matters. The CRF will also increase skills, capabilities and professional development of frontline staff to keep pace with Newmont’s focus on corporate social performance as it enhances interpersonal relationships through increased networking and communication. Finally, the CRF will help participants appreciate the complementary roles that exist between the various functions in the Company and the need to effectively collaborate to sustain our business.

Each regional CRF will include 70 to 90 participants who interact with community members on a daily basis. We believe that effective relationships can be achieved through genuine dialogue with host communities and other key stakeholders. Listening and understanding the perspectives of these stakeholders is essential to managing our relationships more effectively.

Next Steps

The inaugural CRF is scheduled for the week of April 23, 2012 in Africa. The second CRF is scheduled for the Asia-Pacific Region in June 2012 and North American and South American regional CRFs are slated for Q3 2012 and Q4 2012, respectively. Following the completion of the CRFs, an evaluation and summary report will be prepared to document the lessons learned and the path forward. Depending upon the outcome from the regional CRFs in 2012, a global community relationships forum may be held in 2013.

5.1.5 “Community Relationships and You” Awareness Program

One of the key findings of the CRR was that “often at sites and within the management of the Company, employees believe that only ESR personnel are responsible for community relationships, engagement and conflict resolution”. In response to this finding, the ESR Committee of the Board of Directors noted in their March 2009 report that “all employees, regardless of their position in the Company, have a role to play in improving the Company’s relationships with the communities it impacts.”

In addition to this important observation by the CRR study directors, a company-wide mandate was put forth in August 2010 to “mainstream ESR”, that is, make it part of the culture of the Company. Given this mandate, and within the context of the CRR and Newmont’s commitment to “demonstrate leadership in safety, stewardship of the environment and social responsibility”,

an online program is being developed in 2012 to raise the level of awareness, and identify specific actions, for every employee to share the responsibility for strengthening our relationships with the communities where we explore, construct, operate and close mines.

The “Community Relationships and You” online program is currently being developed and will have an initial rollout during the second quarter of 2012. This program will engage employees on the vital role of strong relationships between the company and the communities around our operations. Employees will learn about the daily life and culture of these communities, as well as the potential positive and negative impacts that mining can create. Finally, employees will come to understand how their behaviors can affect these important relationships, and, subsequently, our ability to be successful.

Within the online program and through innovative technology in our Prospector intranet system, employees will generate and submit ideas which they believe will help foster positive community relationships. These ideas will be gathered, analyzed and used as a basis for developing action plans for 2013 that will further engage employees around specific actions they can take to improve community relationships.

During 2012, 400 to 700 employees from across the Company will be asked to champion the “Community Relationships and You” program and will build towards implementation in 2013 of the new ideas and innovative strategies that emerge.

Next Steps

By the end of 2012, all employees will be asked to go through this training with a specific target of reaching 60% of employees who have daily access to Prospector and 25% of all other employees. In 2014, we will compile a report on the progress and achievements from this program.

5.1.6 Social Responsibility Awareness Events

Since the completion of the CRR Study in 2009, a number of events have been held to disseminate information and promote dialogue related to the importance of community relationships and our social performance. Each year, we publish online our annual sustainability report, “Beyond the Mine”, which includes detailed information on the CRR. The full set of study documents⁴ in a user friendly format is also available. During 2011 and early 2012, we have continued to promote awareness throughout the company using interactive sessions with employees to demonstrate the role of credibility and trust in building relationships and the importance of strong community relationships to our business.

⁴ “Community Relationships Review – Report of the Environmental Social Responsibility Committee of the Board of Directors”, March 2009 (Committee Report); “Community Relationships Review - Global Summary Report”, March 2009; Advisory Panel Report “Building Effective Community Relationships”, February 2009.

Next Steps

During the remainder of 2012, we will continue to hold experiential learning sessions throughout the various functions and regions in the Company. We are also preparing a case study of the development of the Ahafo Social Responsibility Agreements to capture important lessons learned from that process.

During 2013 and 2014, we will continue to conduct awareness-building sessions throughout the organization to impart the key lessons of the CRR and the importance of strong and healthy community relationships to our future.

5.2 Improved Engagement and Outreach

5.2.1 External Stakeholder Engagement

Following the release of the CRR reports, we engaged and communicated with well over 1,600 external stakeholders, particularly from those communities that participated in the study, to inform them of the completion of the CRR study and to receive their feedback. In addition to this outreach, a Community Relationships Global Workshop was convened in November 2009 with a range of stakeholders including shareholders, international agencies, local governments, NGOs and local community members. We continue following up on a number of the suggestions that came out of that workshop.

Engagement with our stakeholders around the implementation of CRR related programs and activities has continued to be an area of focus in 2011. We are targeting holding meetings with interested shareholders at least two times per year. The first meeting was held in New York City on June 14, 2011, the second meeting was a teleconference on August 23, 2011, and on January 11, 2012 we held another teleconference to provide an update on our Peruvian operations and projects and the CRR.

In addition to focused engagements, the Company conducted external and internal stakeholder surveys to better understand how the Company is perceived to be performing in various areas. Our Communications group conducted a comprehensive engagement exercise in 2011 with 281 external stakeholders in Australia, Ghana, Indonesia, and the United States. Our Human Resources group conducted our first-ever, all-employee survey across a broad range of categories including environmental and social responsibility.

The external stakeholders interviewed represented various sectors including government, non-governmental organizations and civil society, business and trade media, mining industry experts and academics, and financial analysts. Approximately one-third of the interviews were conducted with stakeholders living in close proximity to Newmont's mining communities.

When asked to rate their overall impression of Newmont, a 51% favorable response was received, with 46% rating neutral. Among locally-based stakeholders, 68% rate their overall

impression of Newmont as favorable. When asked to rate Newmont's environmental performance, responses from locally-based stakeholders averaged approximately 8% more favorable than other external stakeholders. When asked to rate aspects of Newmont's social responsibility across 11 different factors, responses from stakeholders near our mine operations averaged approximately 21% more favorable than global stakeholders.

Our employee survey was sent to approximately 15,000 employees and received an overall response rate of 82.9%. When asked whether employees believe that the Company is "very committed to environmental health and sustainability" an 89% favorable response was received, and 85% believe that the Company is "very committed to social responsibility"..

When employees were asked whether the Company "has a positive reputation in the local community" a 75% favorable response was received. This last question can be benchmarked against the extractive industry as a whole and indicates that our employees rate the Company 19% more favorably than the norm.

On the whole, our employees have a higher opinion of our environmental and social performance than our local-level external stakeholders who, in turn, hold the Company in higher regard than other external stakeholders. These results suggest that impressions improve with proximity and familiarity with the Company. Overall, these studies constitute a useful baseline of various stakeholder's perceptions of the Company's environmental and social performance and will assist in crafting internal and external engagement plans.

In consideration of the CRR Advisory Panel's recommendation to create an ongoing mechanism to provide external input on key issues related to community relationship building across the Newmont system, we commissioned RESOLVE to develop a white paper to assist in our analysis. This research analyzes the background and context as well as key trends in industry and civil society that are relevant to attaining external input to our business. The white paper offers a business case for an advisory panel, including possible mandate and role; areas of focus; candidate profiles and characteristics; panel balance; terms of reference; ground rules; and other elements. The paper evaluates previous and existing models for external advisory panels, analyze characteristics of success, and present three models as options to consider.

Next Steps

During the remainder of 2012, we will reconvene the CRR Advisory Panel, tentatively scheduled for mid-May, to update them on our progress and discuss our plans and priorities for the next two years and beyond. We will also meet with interested shareholders at least once more during 2012.

During 2013 and 2014, we will conduct follow-up surveys to again assess perceptions in the various stakeholder groups compared to the baseline previously discussed. In addition, we will

evaluate in detail the formation of an external advisory panel to provide input to the Company on community relationship or broader matters, such as sustainability.

We will continue holding CRR update meetings with interested shareholders at least twice per year and we are planning to reconvene the CRR Advisory Panel in 2014 for the 5th year anniversary of the study completion. In addition, we also plan to hold another CRR Global Workshop in order to engage firsthand with stakeholders and hear their perspective on the CRR implementation.

5.2.2 Planning, Monitoring and Internal Stakeholder Engagement

Implementation of the recommendations from the CRR's Report of the Environmental and Social Responsibility Committee of the Board of Directors is strategically aligned with our objective to "deliver on our plans in a safe and environmentally and socially responsible manner." This year will be the fourth consecutive year that the CRR has been included in the Company's annual Objectives and Measures Guide, which is used to set priorities, align goals and establish accountability throughout the organization. The targets have been aligned with the recommendations from the Report of the Environmental and Social Responsibility Committee of the Board of Directors. The targets for each year are summarized as follows and discussed in further detail in this report:

- 2009 – Present the CRR to sites and socialize through a global workshop with stakeholders by year-end. Undertake a complete review and revision of the Social Responsibility performance standards.
- 2010 – Develop and pilot an updated social audit program based on the revised Social Responsibility performance standards. Pilot the program at a minimum of one operating site.
- 2011 – Identify departments and functions that have most influence and impact on external stakeholders. Develop metrics for organizational performance that measures Newmont's effectiveness in creating shared value with our host communities.
- 2012 – Engage employees to build capacity as well as generate ideas and actions that will be collated, analyzed and used as a basis for selecting, prioritizing and developing plans of action that each employee shall adopt for 2013, which will contribute to positive community relationships.

Another mechanism utilized by the Company to establish accountability for performance is the Newmont Leadership Pipeline, which describes the results expected at all leadership levels in the organization and is used as the basis for managing leadership performance. One of the elements included in the Leadership Pipeline sets forth the expected results in the area of Social Responsibility and in 2012 revisions will be made to further promote accountability for

implementing strategic objectives regarding community relationship building, one of the lessons learned from the CRR .

During 2011, we also initiated formal quarterly reporting from the sites that took part in the CRR study to track the implementation of site action plans. While tracking of site actions has been ongoing since 2009 we standardized the reporting template to better understand the level of implementation of the lessons learned as well as the pace of dissemination to other operations. Part II of this report presents the implementation of CRR site actions in further detail.

Next Steps

Throughout the remainder of 2012, we will review and revise the Social Responsibility Results in the Newmont Leadership Pipeline to enhance accountability for implementing strategic objectives regarding community relationship building.

During 2013 and 2014, we will continue to evolve the Company's annual objectives and measures commensurate with the evolution of the CRR implementation. We expect that as the performance standards, systems and procedures reach full implementation we will set targets based on sustaining the programs and continuously improving performance. From this platform, we will then extend the CRR implementation to practices that address more challenging and less well-defined issues, such as Free Prior Informed Consent, Artisanal Small-Scale Mining and local participation. We will also conduct another employee survey in 2013 to gauge our progress regarding employees beliefs about our commitment to environmental and social responsibility.

Finally, in 2014, we are planning to conduct a comprehensive internal assessment of our progress against the CRR recommendations and to evaluate the CRR implementation in terms of building effective, constructive and lasting company-community relationships. The assessment will be a global review similar in scope to the CRR, utilizing external assessors, a consistent study methodology, and peer reviews. The report will measure our progress relative to implementing the recommendations of the CRR and will appraise improvement or deterioration in the strength of our relationships with communities.

5.3 Review and Revision of Management Systems

5.3.1 Global Best Practice - Complaints and Grievances Mechanism Procedure

In the process of establishing complaints and grievances as a key metric for social performance in 2011, discussed in Section 5.4, we identified wide variations in the level of implementation and conformance to the Complaints and Grievances Management and Resolution Standard. Though we developed this standard in 2010 and began working within various parts of the Company to apply and integrate it, we have come to understand that we need to do more to improve our performance in this area. Although some Newmont sites, such as Ahafo, have been a source of good practice guidance and are generally seen as industry leaders with regard to their

complaints and grievance mechanisms, there are other parts of the Company where a more deliberate and focused approach is needed.

The CRR identified complaints and grievances mechanisms as an integral component of stakeholder relationship management. Our actions impact stakeholders, and the actions of stakeholders impact the Company and our operations. The CRR concluded that a crucial factor in determining the strength of Newmont's relationships with its community stakeholders is the degree to which stakeholders perceive that the company is listening to their concerns and engaging with them to resolve those concerns. If communities do not believe that the company is listening to their concerns and engaged in responding to them, that perception creates a significant risk for the company.

Effective complaints and grievances mechanisms can help ensure that we are accountable to the community for our actions. If we fail to address stakeholder complaints in an effective manner, these grievances have the potential to undermine goodwill between the stakeholders and the mine. Therefore, we must ensure that our management systems can capture and respond to community complaints and grievances so that stakeholders engage with the Company regarding the issues that are of concern to them. An effective complaints and grievances mechanism entails a disciplined process of both receiving *and* responding to stakeholder concerns through the systematized allocation of responsibility and accountability.

Next Steps

During 2012, we will focus on how effective the operating sites have been in implementation of the Complaints and Grievances Management and Resolution processes as defined by the performance standard. Each of the visits will evaluate the design and structure of the mechanism, performance of the mechanism and will include a workshop with key staff to discuss the practical aspects of implementation.

Outcomes from the site review process will allow Newmont to determine specific capacity building needs and training to improve the complaint and grievance procedures currently in place. A role description for a "Grievance Officer" will be clearly articulated and incorporated into development plans for appropriate personnel. In addition, metrics will be proposed that can be used globally to track and report on the performance of the Company's complaints and grievances management per the Sustainability Metrics discussion below.

5.3.2 Global Best Practice - Social Impact Assessment Guidance Document

The Company established a Social Impact Assessment (SIA) standard in 2010 to ensure SIAs are developed and utilized by sites to enhance social performance outcomes. Mitigation of social impacts resulting from project development or operations is a key enabler to the development of lasting community relationships which facilitates access to the land, resources, approvals and capital need for development and expansion of mines as well as uninterrupted operations.

In 2011, tracking of mitigation actions derived from SIAs was selected as a key Sustainability metric as discussed in Section 5.4. As we evaluated various SIAs that have been prepared throughout the Company, as well as across the industry, we recognized that internal understanding and the capacity to complete high quality SIAs is inconsistent and further clarity and direction is required to support the regions and sites in the SIA process.

Next Steps

During 2012, specific guidance for the SIA process, as well as guidance on recommended scope of content will be developed to ensure that Newmont's corporate standard on social impact assessment reflects leading practice and provides practical advice and steps for implementation. The core components of a SIA will be described within a practical framework that presents the benefits of SIAs in understanding and managing social risks and opportunities, tools to assist local managers in defining the area of influence and engaging stakeholders throughout the assessment process, use of SIA outcomes in development and monitoring management plans and considerations in adapting the process to exploration and closure.

5.3.3 Revision of Social Responsibility Performance Standards

The CRR report identified that while we had strong Social Responsibility performance standards in place there were also critical gaps to be addressed, for instance in the area of complaint and grievance mechanisms. In total, a revised set of 11 Social Responsibility performance standards were rolled out throughout the organization in May 2010. For 2011, we set a target for, but did not accomplish, conducting additional work related to the performance standards including finalizing a community relations strategic planning standard, considering additions based on developments around human rights, and integrating the environmental and social elements of site closure and reclamation into one comprehensive standard.

Next Steps

During the remainder of 2012, the Company will undertake a complete review of both the Environmental as well as Social Responsibility performance standards to evaluate their relevance, applicability, functionality and effectiveness. It has been five years since our Environmental performance standards have undergone a full review and while the Social Responsibility performance standards were revised relatively recently, it is timely to check in with practitioners to ensure that they are driving improved social performance. As part of the review, there will be emphasis placed on merging the Environmental performance standards and Social Responsibility performance standards into a single set of Sustainability performance standards so as to further promote the link between managing the environmental impacts of mining and community relations, one of the lessons learned from the CRR. Finally, by the end of 2014, it is our intention to make our performance standards publicly available. We believe that transparency about how we manage key environmental risks and our processes for building strong community relationships is essential to our future success within the context we described in Section 1 of this report.

5.4 Sustainability Metrics

As we design, implement, mature and ultimately transition programs into the Company's standard business processes we need ways in which to measure our effectiveness. Some of the programs described above have feedback mechanisms incorporated into them, such as the Field Review in the Social Assessment Framework, but others – like the conflict identification and resolution training – are less obvious. As the CRR report identified, the Company must develop, refine and implement a number of performance standards, systems, procedures in order to foster meaningful relationships with host communities and other stakeholders.

Clear and meaningful targets are an essential part measuring the implementation, execution, consistency, and value creation of our programs. As with any measurement, the true goal is not the metric itself – the metric is simply a measure of the output generated by inputs and processes – but rather influencing the desired change in our behaviors and actions that affect our performance.

The initial metrics we have chosen are aligned with the recommendations of the CRR and will provide essential data and tracking for monitoring and continuing to improve our social performance. They are cumulative indicators of a number of aspects of our performance in that they reflect how well we understand and manage elements of our business over which we have some control. While these four metrics are critical to building positive community relationships, they do not alone guarantee success. The sustainability metrics that were selected are inextricably linked to one another and the realization of shared value with communities and are as follows:

- Local Employment;
- Local Economic Development (a.k.a. Local Content);
- Social and Economic Impacts of Operations (Social Impact Assessments); and,
- Complaints and Grievances Management

Throughout the lifecycle of a mining project, communities and local stakeholders have expectations. They expect they will find employment with the Company and they expect the local economy to improve through stimulation and growth of local businesses. They also have concerns about the resources and the impact of our operations on the environment and their lives. All of these expectations directly affect the acceptance of the Company in local communities.

Reviews and discussions across the various business functions during 2011 identified the need to establish metric baseline data during 2012 which will be used to measure our performance going forward. Those sites which currently have the systems, processes, and targets in place will continue to report and improve on their performance, while other locations will focus on assembling the necessary resources to internally report against the metrics in following years. These four metrics represent the beginning of our process for consistently defining and

measuring shared value. Over time, we will continue to mature these metrics and add new ones that we feel reflect true social performance.

Specific details on each metric are discussed in the following sections.

5.4.1 Local Employment

One of the most immediate and effective ways to create and demonstrate shared value, through an immediate alleviation of poverty in developing countries, is through local employment. The proposed metric will focus on the percentage of local employment that is relevant to the region or site in the context of both the relationship with the respective communities and the creation of shared value. In addition, local employment is a real and tangible demonstration of our commitment to the local residents or to a traditional population in that country or region, such as Indigenous populations.

In some instances, a local employment strategy and target is mandated through mineral or land access agreements or voluntary agreements. The metric is intended to focus on improving employability, retention and capacity in order to support our business needs and will be the basis for ongoing stakeholder engagement. The business benefit of a work force with material levels of local employees is higher levels of productivity and higher retention rate of employees (as they are living locally), which in turn reduces recruitment and training costs and potentially leads to an improved safety record due to reduced turnover.

The 2012 Local Employment Metric states that:

“100% of the selected operations and major projects will develop employment plans during 2012 which identify meaningful, time-bound targets for implementation, monitoring and reporting beginning in January 2013.”

For those sites with existing employment targets (Ahafo and Akyem), we will internally report the percent achievement of identified targets. (Example: Target = 35 out of every 100 or 35% new hires will be locals. If a site has 40 local new hires, they are achieving 114% of target).

5.4.2 Local Content

Regardless of how many local community members we employ at our operations, there is an additional expectation that our operations will help catalyze local and regional business development, including those that could act as suppliers or vendors to the Company. The involvement of local suppliers and contractors creates a sense of ownership in the Company's operations by local residents, which helps promote goodwill in the community and maintains the informal approval that we need from the community and host country to continue to develop, operate and close mines. Through developing robust entrepreneurial capacity and business acumen, it also provides a strong foundation for sustainable economic activity after mining ceases.

Through the sourcing of content (goods and services) from local and regional community business, we generate indirect employment through 2nd and 3rd tier local job markets. One recent study⁵ conducted in Ghana estimated Newmont's impact on jobs in Ghana in 2009 to be 27 to 1 (i.e. while we employed 1,700 direct employees, we generated another 46,300 jobs indirectly). Locating the financial benefits nearest to where the potential adverse impacts occur can support the alignment of local communities with our operational success. Through this metric, the Company will work with local and regional businesses to help them develop markets for their goods and services beyond the mine operation.

The 2012 Local Content Metric establishes spending targets for goods and services with local businesses within each region.

5.4.3 Social Impact Assessments

Social Impact Assessments (SIAs) allow us to understand our direct and indirect impacts (both positive and negative) on host communities resulting from the presence of our operations. If we fail to understand and act upon these impacts, we are limited in our ability to build the trust and respect with our stakeholders because they will not perceive us as understanding how we impact their lives.

SIAs enable us to identify and evaluate social impacts relative to an operation and to develop and implement effective short-term and long-term mitigation and development plans. Conducting periodic, thorough SIAs enables us to predict social risks and address them in a timely and cost-effective manner. SIAs also allow us to identify opportunities for sustainable contributions to support local socio-economic development and enhance the value of the operation to the local community.

A two-part metric has been established as a means of ensuring SIAs are carried out and/or updated at all sites (operations and/or major capital projects) and that social impacts identified through the SIA process are being managed in an effective, timely and cost effective manner.

The first part of the metric is for 100% of operations and/or major capital projects to complete a SIA or conduct an update by 2013. The second part of the metric is for 100% of the direct moderate or major (significant) social impacts identified and documented in the SIAs to be mitigated or actively evaluated and addressed within one year. Indirect social impacts resulting from Sites will be evaluated on a case-by-case basis and those which result in a moderate or significant business risk will be included in the mitigation and/or development plans.

5.4.4 Complaints and Grievances Mechanisms

The CRR and our resulting Conflict Management Training program identified that the foundation for building trust with local stakeholders is to have a transparent, accessible, and fair process to hear and resolve complaints and grievances. If local communities don't know how

⁵ Kapstein E. and Kim, R. *Sourcing Locally for Impact*. Stanford Social Innovation Review, Fall 2011.

their issues are heard and addressed, the informal (and formal) approvals we need to conduct our business will be elusive.

As we expand our search for new sources of reserves, initiate operations of new projects, and sustain current operations, we need to be able to rapidly address concerns, complaints and grievances related to the impacts of our mining projects. The timeliness and adequacy with which complaints and grievances are addressed not only reduces operational delays, but it also strengthens relationships with the local community.

The Complaints and Grievances Metric for 2012 specifies that operations must implement a fully functional complaints and grievances mechanism (1st, 2nd and 3rd order escalation) and begin reporting against targets by the end of 2012. Operations will report the percentage of complaints and grievances acknowledged within a set timeframe and the percentage of complaints and grievances resolved within a set timeframe.

5.4.5 Next Steps

During 2012 and beyond, we will continue to enhance our sophistication and breadth in applying metrics to the social performance aspects of our business. This will include follow-up discussions and development of supporting documentation and plans which will optimize the benefit that we gain from our sustainability programs. During the 2013 – 2014 period, we will finalize the processes for target setting and will initiate public reporting of our performance against these measures.

6 Part I Conclusions and Observations

The approach we have taken to implement the recommendations from the CRR is straightforward. We must establish a foundation of performance standards, supporting tools and complimentary programs to clearly define what our expectations should be for our behaviors in building community relationships.

This approach requires implementing the performance standards and programs in a methodic and disciplined manner to drive the required change throughout the business.

We then must implement our programs within a relationship framework that is itself dynamic and complex. The ever increasing pace of growing community expectations and activism, catalyzed and enabled by social network technology, is very real. Our focus on building shared value with host communities through engagement and transparency is fundamentally sound and will reflect long-term, solid community relationships. While a number of programs related to CRR implementation are reaching the point where they can soon be embedded in our normal business processes, we will continue to stretch our efforts and our imagination to promote the profound cultural shift we are striving for which will result in strong and lasting relationships built around the concept of shared value.

7 Part II: CRR Implementation Progress – Progress on Site Action Plans

This section of the report discusses the various actions that have been undertaken at the five sites that participated in the CRR study: Ahafo, Batu Hijau, Carlin, Waihi and Yanacocha.

7.1 Ahafo Site Action Plan Update

Newmont Ghana's approach following the release of the CRR report included reviews by the Environmental and Social Responsibility (ESR) teams at both the site and regional levels and a series of presentations to the broader site and regional leadership teams to create awareness and elicit feedback. Following this engagement, a comprehensive action plan and communication plan was developed to address the recommendations of the CRR study. This section describes the highlights of the actions taken as in response to the CRR action plan.

Newmont Ghana has sponsored capacity building training for key members of the Ahafo Development Foundation (NADeF) and the District Assembly so they could effectively coordinate development programs and optimize the value Newmont brings to the Asutifi District and the Brong-Ahafo Region. Newmont has also brokered a partnership arrangement with the District Assembly to help align the efforts of the District Assembly and the community development programs and promote dialogue around long term planning, which ultimately would benefit the local communities and the Brong-Ahafo region in general.

With long-term planning in mind, Newmont Ahafo (Ahafo) utilized an approach called the Community Consultative Committee to create a regular platform for engaging the communities. The objective of this committee is to help community members understand their role in community development so as to reduce the level of dependency on the mine. The establishment of the Community Consultative Committee and the Ahafo Social Responsibility Forum has significantly helped to empower local community members to participate in the discussion and implementation of Ahafo social programs.

Ahafo continues to develop systems to support its community development goals and is actively working on a variety of monitoring and evaluation programs to validate the effectiveness of not only the internal programs and processes, but the impacts and outcomes that these activities have on communities.

7.1.1 Recommendation 1 – Institutional Support and Development

Continue to support the capacity and development of institutions like the Social Responsibility Forum. To be effective, these institutions must be well governed and accountable to the people they serve, and not perceived as elitist or strengthening a particular constituency. As new community-based structures, such institutions will need time to deepen their capacity and significance in the lives of the local population affected by the mine. It is important that Ahafo not place undue pressure on the institutions to deliver specific outcomes simply to demonstrate that activities have taken place.

Programs & Activities	Status (Percent Complete)
Newmont Ahafo Development Foundation (NADeF) Capacity Building	100% (ongoing)
NADeF Development Programs	60% (ongoing)
NADeF Strategy Development	65% (ongoing)
IFC Financial Evaluation Tool	60% (ongoing)
NADeF Accountability	Ongoing

Since the CRR, Ahafo has focused efforts on providing support and capacity building for the Newmont Ahafo Development Foundation (NADeF). In order to promote the development of necessary skills for managing the NADeF, Ahafo seconded their Community Development Manager to act as the Executive Secretary. Ahafo also funded a technical advisor from the ALAC Foundation in Peru. Together, these resources organized workshops and trainings in order to share global best practices and assist NADeF in the formalization of systems and procedures aimed at creating a sustainable organization. These efforts have helped to increase the proficiencies of the NADeF sub-committees leading to increased stability of the organization. This newfound level of stability has freed the secretariat of the Foundation to explore other strategic initiatives such as Grant Making as an avenue to test the provision of further inflows into the Foundation coffers as part of its overall sustainability strategy.

Ahafo's ongoing support and capacity development led to the Foundation's participation in the pilot of the IFC Financial Valuation Tool, a joint exercise between Newmont Ghana, IFC and Deloitte Consultants. This pilot provided a number of learnings as well as a clearer understanding for the assessment of value creation of the Foundation's work.

7.1.2 Recommendation 2 – Local Government Capacity Development

Promote the capacity of local government to play a more effective leadership role in the development of the community and the local economy. The royalties that local authorities will derive from activities at the Ahafo Mine will contribute toward this over time. It is in Ahafo's interest, however, to ensure that these royalties are delivered and utilized in an accountable and transparent manner.

Programs & Activities	Status (Percent Complete)
Partnerships with District Assemblies	100%
Stakeholder Forums	50% Ahafo now has a dedicated Public Affairs officer to lead interactions with the District Assembly and agreement for regular

	meetings
Revenue Mobilization and Management Review (IFC)	20%

Ahafo has partnered with the district assembly and public institutions that are responsible for the execution of community development plans, mitigation programs and stakeholder support for Ahafo projects. These partnerships have led to the establishment of a partnering agreement and management framework aimed at promoting dialogue and training to help better manage constraints related to financial and capacity issues. One example of this is the Revenue Mobilization Review which will provide the districts with a framework and better level of certainty for managing the overall budgeting, planning and financial strategies to support project implementation.

7.1.3 Recommendation 3– Evaluation and Support for Livelihood/Resettlement Initiatives

Continue to support and regularly evaluate initiatives established to support the livelihoods of households that have been resettled. Households and communities change over time — so, too, must the way in which the mine provides support.

Programs & Activities	Status (Percent Complete)
Livelihood Enhancement and Community Empowerment Program (LEEP)	Completed and closed out 100%
Agricultural Improvement and Land Access Program (AILAP)	Ongoing at year 5 on ECD4 & TSF plus final stage of Amoma & Subika projects 100% on Ahafo South 90% Subika Amoma 30% on ECD4 & TSF
Resettlement Action Plan (RAP)	Same as AILAP
Monitoring and Evaluation Plans	40% Complete
Social Impact Assessment Management Plan Reviews/Updates	10% Complete

Ahafo continues to support, evaluate and improve upon the livelihood and resettlement initiatives in and around the mining areas. One of the cornerstone programs is the Agricultural Improvement and Land Access Program (AILAP) which is run with support from key external stakeholders such as the Traditional Councils, Chief Farmers, and the Ministry of Food and Agriculture (MOFA) among others. The Ministry of Food and Agriculture (MOFA) plays a vital role in monitoring, training and dissemination of information on innovative agricultural practices to the Project Affected Persons (PAPs).

Since its inception the AILAP program has helped to re-establish access to PAPs and has had additional positive impact through the implementation of improved farming practices leading to increased yields and produce availability in the local communities.

One of the complementary support programs is the Livelihood Enhancement and Community Empowerment Program (LEEP) which was established in February 2005. This program has been closed out and replaced by the Skills Development and Income Improvement Program (SDIIP). This new program has leveraged the work of LEEP and has been utilized to re-establish the livelihoods of Ahafo South Project Affected Persons. Some key highlights from the LEEP/SDIIP program include:

- Establishment and capacity building of Small, Micro and Medium Size Enterprises (SMMEs) for income generation for 1,500 women and men.
- Technical and vocational skill enhancement for 600 youth for employment and self-employment.
- Improved access to micro-credit for business creation, expansion and performance improvements for a target of 800 clients.
- Increase access to potable water and sanitation facilities for 10,000 people.
- Increased social/organizational and motivational capacities of resettled and relocated youth.

Newmont Ghana has organized annual reviews with stakeholders including participants from the Akyem Project in order to share lessons learned and continuously improve the programs.

7.1.4 Recommendation 4 – Strategic Dialogues on Sustainability

Engage in strategic dialogues with relevant institutions about the long-term future of the Brong-Ahafo region and, in particular, the communities in the immediate mine environs. The Ahafo Mine's participation in such broader development initiatives will enhance the legitimacy and social value of the mine in the eyes of the local community.

Programs & Activities	Status (Percent Complete)
Social Responsibility Forum	100%
Community Consultative Committees	100%
Community Development Plan	100%

The Ahafo Social Responsibility Forum (SRF) is now the major vehicle for continuous dialogue and engagement on all aspects of Ahafo operations and the associated relationships with communities. This source of information exchange is enhanced by other mechanisms such as the Community Consultative Committees (CCC) – a multi-stakeholder group established in October 2009 to promote regular discussions on sustainability. Programs such as the SRF and the CCC have provided consistency in the manner in which our sustainability efforts are being managed

and communicated to stakeholders. The success of these programs is now manifesting itself in other areas such as promoting engagement by community members with local governments to enhance accountability.

7.1.5 Recommendation 5 – Timely and Transparent Communication

Communicate with local stakeholders in a timely and transparent manner regarding incidents or problems impacting the surrounding communities.

Programs & Activities	Status (Percent Complete)
Stakeholder Engagement Plan	90% executed for 2011
Communication Plan	100%
Community Consultative Committees	100%.

A focus of the communication and engagement strategy at Ahafo has been the proactive management and reporting of issues in a timely fashion in order to maintain trust and avoid conflicts with stakeholders. Protocols have been developed to ensure timely dissemination of operational related issues to all stakeholders and not just regulators. This has resulted in improved understanding of mining operations and activities.

Ahafo reviewed its Stakeholder Engagement Plan and developed a strategic template on addressing issues that emerge from focus groups. This strategy has been integrated with the annual schedule of targeted stakeholder engagement forums. The result is a more proactive, open and accessible program which complements the existing engagement infrastructures such as the community information centers and Community Consultative Committees.

7.1.6 Recommendation 6 – Legitimacy of “Local” Relationships

Monitor changes in local political relationships and debates about who counts as a “local” person, and work toward ensuring that the mine’s mechanisms to achieve fairness in the allocation of resources remain relevant and meaningful within the local community.

Programs & Activities	Status (Percent Complete)
Stakeholder Mapping	100% and being continuously updated.
Social Responsibility Agreement	100%

Ahafo has established a routine schedule to ensure the regular review and update of stakeholder maps. Correspondingly, Ahafo also continues to participate in dialogue with key stakeholders on the role that they play in helping Newmont to manage employment mechanisms so as to achieve fair allocation of resources per the Social Responsibility Agreement. Ahafo has been developing

regular employment reports on local hiring practices for socialization with stakeholders. This has been identified as an effective tool to manage stakeholder's perceptions about the fairness of the process. As part of the continuous improvement of the program more focus is being placed on contractors and their social responsibility expectations in the eyes of Newmont and communities.

7.1.7 Recommendation 7 – Environmental Audits & Community Risks

Conduct environmental audits on a regular basis to determine risks the community might face as a result of mining operations. All risks need to be mitigated properly. The success and failure of environmental management must be communicated to the community, which must be given the opportunity to highlight risks they believe they face and secure a response from the mine.

Programs & Activities	Status (Percent Complete)
Work plan from 2008 Legal Compliance Audit (LCA). 2011 LCA just completed. Recommendations developed into an Action Plan which is under review and awaiting approval.	All actions completed except Mining & Geochem related actions which is 98% complete.
2010 Ghana EPA Akoben Audit - Action Plan	100%
2011 Ghana EPA Akoben Audit	Awaiting Report from EPA
ISO 14001 Surveillance Audit – Oct 2011, Work plan	65%
Implementation of Community Participatory Monitoring program	60%
APELL Framework Implementation	20%

Ahafo has developed and implemented a number of industry-leading environmental risk mitigation programs and initiatives which collectively help to prevent and/or reduce the adverse impacts and risks of our operations on the environment and communities.

The 3-yearly Legal Compliance Audit (LCA), last conducted in Q4, 2011 evaluates our operational compliance to Newmont Environmental performance standards and Ghanaian Regulatory requirements. The 2011 LCA has identified opportunities that will enable Ahafo to enhance its environmental compliance and provides further assurance of our mitigation programs and initiatives to the communities impacted by our operation. The audit findings have been developed into an Action Plan for corporate review and approval which will guide our continuous improvement activities.

Newmont Ghana is also subject to regulatory audits by groups such as the Ghana EPA, which includes their annual Akoben environmental and social performance ratings program. Newmont Ghana was one of only two mining companies to achieve a BLUE Rating in the 2010 EPA Akoben Rating exercise. This accomplishment is evidence to host communities and stakeholders that our environmental and social mitigation and compliance programs comply with Ghana

Environmental performance standards, and international sustainability commitments. The 2011 Akoben audit and field verification was completed in February 2012. The final audit report from the Ghana EPA is pending.

Ahafo has also implemented an integrated management system which has been certified by ERM-CVS as ISO14001 and OHSAS 18001 conformant. As part of the 2013 Ahafo ISO 14001 & OHSAS 18001 Re-certification road-map, there are ongoing bi-annual surveillance audits which provide the opportunity to identify Environmental system weaknesses, develop suitable and sufficient mitigation plans and implement before they manifest into undesired events which can adversely impact the environment, our communities and our reputation. The last surveillance audit was conducted in October 2011. Opportunities for continuous improvement have been developed into a work plan which is being implemented across the site. The next surveillance audit is scheduled for May 2012.

As part of our commitment to be industry-leading, we commenced the phased implementation of the United Nations Environment Program's (UNEP), Awareness Preparedness of Emergencies at the Local Level (APELL) in Q1, 2012. This framework ensures collaboration between Newmont Ahafo, local communities and key agencies such as the Fire Service, the National Disaster Management Organization (NADMO), Police, the District Assembly and local hospitals among others. This cooperation will increase our communities understanding of the risks and impacts of our operations and also better equip them to adequately respond to low-likelihood, high-consequence environmental and community events. This will eventually lead to improvement in our Emergency Preparedness/Response Plans for Ahafo Operations.

The first phase of the Ahafo Participatory Monitoring Program for Environment has been completed. A steering committee has been established with membership from Ahafo and the Community Consultative Committee (CCC). As part of the second phase of the program, participants will collect their own surface water as well as rain water samples for analysis. This will be supervised by an Independent Technical Expert who is a research fellow from the Water Research Institute. As this program is communicated with stakeholders, the lessons learned are also being shared across Newmont Ghana to share the best practices that have been identified at Ahafo.

7.1.8 Recommendation 8 – Stakeholder Agreement on Grievance Mechanisms

Ensure that a grievance mechanism is established and agreed upon by the government, community organizations, and the company. This grievance mechanism should explore various ways in which disputes can be resolved as well as the possibility of involving independent, trusted facilitators.

Programs & Activities	Status (Percent Complete)
RESOLVE Conflict Management Training	60%.
Community Consultative Committee (CCC) – Complaints and Grievance Committee	65% The CCC Sub-Committee on C&G is used as a platform to resolve escalated complaints; however, they are yet to develop their standard process for resolving such complaints.
C&G Standard Operating Procedure	100%

The most important achievement in our grievance management is the community agreement of our current standard operating procedure (SOP) for settling complaints and grievances. After the document was socialized with key stakeholders and their feedback incorporated, this document has become been identified as a best practice, validated at workshops organized by the ICMM, and shared with other Newmont sites.

There has also been the involvement by the Complaints and Grievances team and some community representatives in training offered by the Chamber for Alternative Dispute Resolution Mechanisms. Joint participation of community representatives and stakeholders in such initiatives demonstrated a shared commitment and understanding between community-company stakeholders.

This has proven valuable in the various Resettlement and Crop Compensation Committees where community representatives play a key role in the resolution of issues and complaints. This cooperative relationship between corporate and traditional community structures respects both traditional customs and norms and at the same time tests the rigors of our formalized systems. This has resulted in a focused set of team members in the company and the community who acknowledge the need for such forums to promote dialogue around issues and generate acceptable resolutions.

7.1.9 Recommendation 9 – Socio-Economic Monitoring & Program Management

Monitor the impact of the potential increasing income disparity in the community and ensure that the various programs in place are able to respond effectively to the changing socioeconomic environment. The mine, together with other development agencies, must work together to be able to respond to particular issues (e.g., the food crisis), which can increase vulnerabilities.

Programs & Activities	Status (Percent Complete)
Demographic Survey	50% Complete
IFC Social Completion Test	80% Complete
Socio-Economic Monitoring Program Plan	50% Complete

Newmont has implemented a program called the Ahafo Health and Demographic Surveillance System (HDSS), currently its third year of a five-year project life. The HDSS is a study of a defined population and has at its core the registration and monitoring of births, deaths and migration events. The HDSS provide a platform for which impact studies can be launched and helps to monitor socioeconomic changes in the population and the identification of health issues which can affect the workforce and community members. The objective of the HDSS is to serve the following purposes:

- To monitor significant health and demographic variables;
- To broadly monitor social and economic indicators of development and equity;
- To assess and quantify over time the health impacts of the Ahafo project;
- To provide timely and accurate information to key stakeholders; and
- To demonstrate responsible public-private sector alliances.

The first technical report covering trends in basic health, demographic and socioeconomic variables within the footprint of the Ahafo mine from the period January 2010 to June 2011, was released in January 2012. During the upcoming 4th and 5th rounds of census updates, immunization and educational modules will be covered. The immunization module will collect information on the number of children under five years protected from the main childhood diseases (polio, tuberculosis, diphtheria, pertussis, Tetanus, hymophilus influenza B, and Hepatitis B. The educational module will provide information on educational background of each person enrolled into the HDSS. Reporting will also include trends in mortality and fertility.

In addition to the HDSS monitoring, Newmont Ghana also continues to engage with the IFC to conduct the Completion Audit which is aimed at assessing the extent to which the Company has fulfilled commitments related to resettlement and livelihood re-establishment as elaborated in the Social Action Plan (SAP) and the Resettlement Action Plan (RAP).

Quantitative and qualitative data collection for the Ahafo South RAP Completion Audit has been completed. Ahafo is currently engaged in discussion with the lead consultant to agree on a program for delivering the final draft RAP completion report.

A key monitoring program that Newmont has undertaken is the socioeconomic impact study of Newmont's Ahafo Mine Operation in 2010. This study was aimed at answering the following questions:

- *What are the costs and the benefits of the mining activities to Ghana's socio-economic development?*
- *Is Ghana making good use of its gold wealth to aid in the process of development?*
- *Is Newmont a good partner in that endeavor?*

The socioeconomic impact study generated some facts about Ahafo's socio-economic effects. The key findings of the study included the following:

1. NGGL is a major contributor to Ghana's economy, generating nearly 10% of the nation's total exports and 4.5% of its total foreign direct investment;
2. NGGL directly and indirectly produces some 48,000 jobs in Ghana;
3. NGGL has played a significant developmental role in the communities around the Ahafo mine, and in 2009 alone it provided 99 local companies with nearly USD\$ 6 million in contracts, supporting more than 400 jobs.

A proposed follow up study seeks to analyze all direct, indirect, positive and negative impacts of the Ahafo mining operations and to assess the extent to which the presence of the mine has produced net sustainable benefits to the local communities. The study will also provide a platform for identifying areas where potential partnership activities could be strengthened to increase benefits to local communities.

7.2 Batu Hijau Site Action Plan Summary Update

Batu Hijau has encountered a number of obstacles and challenges towards implementing the CRR recommendations. The External Relations function, and more clearly, the Community Relations section, has assumed sole responsibility for the implementation of the CRR programs. In doing so, there has been disjointed communication and management between the External Relations group and the Site Leadership Team.

The team at Batu Hijau continues to learn from and work towards implementing actions to improve community relationships; however, the lack of a unified and systematic approach to the CRR has created challenges and limited the effectiveness of the subsequent programs and activities.

The two main overarching themes and perhaps the largest issues facing the Batu Hijau team is the availability of qualified personnel and the lack of a clear and aligned approach to Social Responsibility. The team continues to work on the development and internal socialization of Social Strategic Plans which are needed in order to drive the level of change that is needed at the organization. A thorough review of available and necessary skillsets and competencies is needed to identify and deliver requisite training programs. This will help to ensure that the right people are in place to manage the activities that will build improved relationships with host communities.

7.2.1 Recommendation 1 – SIA Management Plan

Most critically, conduct a detailed SIA and develop an integrated impact management plan. An integrated exercise needs to be undertaken to improve the sustainability of development programs and expand the basis for the mine closure plan.

Central to this exercise must be the collection and generation of new social “baseline” data and the detailed assessment of impacts on stakeholders. This assessment needs to be fed into the design of an integrated sustainable community development plan containing mitigation measures, indicators for monitoring and evaluation, and clear lines of responsibility.

Community input into the planning and implementation of this program is essential, and the vulnerability of traditionally neglected groups should be considered. Such an integrated SIA and management plan, incorporating clear community development plans developed jointly with communities and shared transparently with stakeholders, would remove a large part of the pressure applied to community relations staff to acquiesce to demands with discretionary actions.

Programs & Activities	Status (Percent Complete)
SIA by Amec Geomatrix	100%
Socialization of SIA	100%
Development of Management Plans	20%

The Batu Hijau Social Impact Assessment, (SIA) was specifically conducted in order to directly support and respond to the recommended actions of the CRR. Some parts of the SIA were also used to compliment the existing Mine Closure Plan (MCP). The SIA was initiated in 2007 and completed in 2010 followed by socialization with stakeholders in 2011. Socialization with community members indicated that the SIA findings were generally appropriate and that there is interest in receiving more progress updates.

Separate stakeholder analysis and mapping was undertaken in June 2011 for the Elang Project and March 2012 for Batu Hijau. Community input was received into the planning and implementation of the program; however, marginal groups (e.g. women) were still below adequately representative levels.

A strategic plan for Sustainable Community Development Programs (Strategic Plan) was developed for the 2009 – 2013 period with activities focused on village-specific needs including health, education, agriculture, small-scale economic development and socio-cultural activities. The plan was produced in direct consultation with key stakeholders in the community and endorsed by local authority; and the activities within the strategic plan are consistent with SIA

findings. The mitigation measures, indicators for monitoring and evaluation, and clear lines of responsibility have been addressed in the Strategic Plan; however, a formal and systematic process to validate the progress of community development is currently under development with an expected commencement in April 2012.

Although the SIA monitoring and evaluation programs have not been finalized, anecdotal evidence suggests that some community development programs such as community health and education have been relatively successful through involvement with the relevant local government bodies.

7.2.2 Recommendation 2 – Community Development Team Leadership & Support

Raise the profile, support, and professional standards of the community development team, which has been short-staffed for a number of years, and lacks a Community Development Manager.

The influence of community development perspectives and mandates in the management, planning, and implementing of the ESR program should be increased. Although there are good officers on the community development team, they appear to lack the support and leadership that could enable the promotion of sustainable development perspectives and methods in the community programs.

Programs & Activities	Status (Percent Complete)
Community Development Manager Appointment	100%
Manager External Relations Strategic Planning Appointment	100%
Community Development Team Responsibilities and Staffing Needs Review	20%
Training Needs Analysis	20%

A Community Development Manager was appointed in 2008 and remains in place today. To help build the internal capacity of the community development team, training has been provided including Conflict Resolution, Mine Closure Planning, Stakeholder Mapping and Communications training.

In accordance with the expectations of community leaders, the focus of the Community Development team has been predominately on infrastructure projects which are tangible and perceived as higher value than more intangible capacity development programs.

Some community development programs, such as community health and education, have been relatively institutionalized as the programs have involved the relevant local government bodies; however, other programs such as donations, financial assistance, community infrastructure and

community economic development programs remain in the control and direction of the company and therefore are not currently sustainable. The company has, in these cases, built the infrastructure, but the capacity to maintain it and utilize it effectively does not yet exist in the community without company support.

7.2.3 Recommendation 3 – Focus on Sustainable Development

Bring sustainable development into the center of the community relations/community development programs instead of focusing on short-term efforts to smooth the way for operations. There appears to be too much focus in the ESR program on the goal of “keeping the mine operation running,” which is in tension with the goal of “aspiring to be the best.” Due in part to the department’s lack of community development professionals, the program appears weighted towards the promotion of good relationships at the expense of long-term sustainable development.

Programs & Activities	Status (Percent Complete)
Participatory Monitoring Program	50%
Poverty Mapping	100%
Incident Management	100%
Community Development Strategic Plan	100%

Batu Hijau continues to work on changing the mindset from one of “keeping the mine operation running” to a mindset of “sustainable development”. This is encouraged by the expectations of influential community members that community development focus on tangible benefits over longer term capacity building and sustainability. Nevertheless, the Community Development Strategic Plan 2009 – 2013 has been made available and is used as a guide for community relationship improvements. Current programs aimed at shifting the focus from a short-term to long-term approach include a Participatory Monitoring Program which has been implemented for evaluation of the socio-economic impacts of Submarine Tailings Placement. Work has also been completed around poverty mapping and will be updated during 2012 in order to measure the progress.

In addition, recent personnel changes have been made with the intent of bolstering support to PTNNT’s community development professionals to change the focus from short-term infrastructure projects to longer term capacity building and development. A lack of social responsibility skills within the team has led to a reactive response to social incidents, rather than a strategic approach focusing on sound social research, program prioritization and delivery.

7.2.4 Recommendation 4 – Staff Training and Development

Invest more in staff development, especially for those personnel who deal directly with the community. Training, capacity, and morale-building programs should not be provided only to supervisors, with the expectation that they will pass along the knowledge.

Programs & Activities	Status (Percent Complete)
Training Needs Analysis	100%
Training Program/Module Development and Implementation	50%
Training Plans / Tracking	100%

Many types of relevant training activities have been offered with a focus on frontline staff, in order to develop their capacity. The training department has developed training profiles for staff members and tracks completion of the recommended activities. Currently the identified training is assessed through interviews to gauge interest in various training programs. Training sessions have included the conflict identification and resolution training conducted by RESOLVE, as well as training on human rights, stakeholder mapping, mine closure planning and communications. New skills and knowledge acquired from training needs to be applied more consistently in day-to-day tasks as well as monitored and evaluated against training objectives. A more rigorous skills and competency audit aligned to roles is needed to evaluate training effectiveness.

7.2.5 Recommendation 5 – Improved Stakeholder Identification/Analysis

Improve the process of stakeholder identification, mapping, and analysis, including greater participation by a wider range of responsible staff in the analysis and mapping of stakeholders. Fully integrate the national level and site level identification processes, and create and maintain an integrated stakeholder engagement plan. As part of this process, develop a better understanding of sustainability, and how it is practiced, in the extractives industry.

Programs & Activities	Status (Percent Complete)
Stakeholder Management Database Development	40%
Stakeholder Mapping	90%
SOP for Stakeholder Mapping	0%

Since the CRR there exists an improved understanding around the definition of stakeholders. Where previously it focused on the “elites” and influential people of the community, the revised focus now attempts to include marginal groups such as women and non-muslims. The new approach provides a new horizon in the stakeholder’s engagement, focusing on sustainable

business management. By engaging and listening to the needs of the marginalized community groups, the current “short term” community development focus will shift to one of capacity building and poverty alleviation.

Updated stakeholder maps have recently been completed for Batu Hijau and they still require some improvements in order to be operational and institutionalized. The next steps will be to develop a master stakeholder engagement plan which integrates with the stakeholder mapping exercise and conflict management program. The challenge will be implementing this plan within the existing structure and with the existing teams which require additional skill set development and support.

Stakeholder mapping and Social Baseline studies have been undertaken for the Elang Exploration Project in a cross-functional and integrated team approach, due in part to lessons learned from the CRR. Elang, as a generative exploration project, has benefitted from the use of the Stage Gate project process which supported ESR planning and methodologies to be implemented with other functions in a formalized manner. As a steady-state operation, Batu Hijau faces hurdles with regards to retrofitting new social responsibility methodologies and expectations into existing teams and cultures that had not been previously exposed to the formal and systematic processes around Social Responsibility.

Stakeholder expectations around the Elang project are higher as a result of activities at Batu Hijau and awareness of the support that the Batu Hijau mine provides to communities. The effort therefore in Elang project will require a greater level of Social Responsibility formality, methodology, research and implementation.

7.2.6 Recommendation 6 – Integrated Communications Plan

Develop a comprehensive and integrated communications plan that includes national and local stakeholders. Many stakeholders commented that information from Newmont was inconsistently available and was not always spread widely enough among the communities. Although the Suara Batu Hijau company newspaper did reach some people, many others said they did not receive it. Community Relations offices should have “standardized” bulletin/news boards with up-to-date information. In addition, it appears that communications coordination between the national, provincial, and local ESR teams could be improved.

Programs & Activities	Status (Percent Complete)
External Relations Organizational Structure	100%
Communication Plan Development	80%
Stakeholder Engagement Plan	0%

The External Relations organization has gone through a reorganization wherein the External Relations function will be headed by a General Manager who supervises three Senior Managers: Corporate Communication, Government Affairs and Community Affairs. As such, the Public Relations function has been separated from the External Relations group with a new mandate of and focus on developing both internal and external messaging.

A five-year integrated communication master plan for the period of 2012 – 2016 has been developed with assistance from a third party consultant and will eventually be linked with the stakeholder engagement plan. This newly developed plan is anticipated to generate a collective level of awareness and consistency around annual communications and engagements that had not existed previously.

To date, the desired level of consistency related to timing and delivery of communications has not fully materialized. With management support, ongoing evaluation of this initiative will be used to drive improvements and measure the success of the communications program.

7.2.7 Recommendation 7 – Management & Transparency of Community Foundation

Review the role of the company-supported community foundation, the Yayasan Olat Perigi, to assess its management and determine how its program funds are allocated. Many complaints centered on the foundation’s small size as an impediment to its success. The foundation also needs to be more transparent in its processes, more sustainable, and involve community members directly in decision-making regarding programs in order to make them central to the development experience.

Programs & Activities	Status (Percent Complete)
Yayayasan Olat Perigi (YOP) Audits	90%

Following upon the CRR recommendation, the role of the company-supported community foundation, Yayasan Olat Perigi, has been reviewed. Initially, there was only one office to serve the eight sub-districts around the mining area. In 2007, the decision was made to decentralize the office and open up seven locations in the districts of Taliwang, Jereweh, Maluku, and Sekongkang; however, the costs associated with running these offices increased the operational overhead, representing nearly 80% of the investment into the foundation. Due to the large overhead and inefficiency, the offices have now been consolidated into two offices located in Taliwang and Maluku. Organizational restructuring took place in December 2011, converting the organization from a philanthropic organization into an organization based on “responsibility and function”. Personnel working within the foundation have been placed according to individual competencies and experience, including the appointment of a PTNNT employee to act as the Operation and Program Manager. These changes to the organization are intended to improve management; clarify program funding mechanisms; provide increased levels of transparency;

direct the foundation towards sustainable community programming; and encouraging a participatory approach to planning, execution, and monitoring/evaluation.

The Yayasan Olat Perigi annual program audit has been completed and the report development is in progress. While the adjustments to the new structure take place, training and development programs will be developed to fill the gaps identified in the audit.

7.2.8 Recommendation 8 – Participatory Monitoring

Involve community members in the monitoring and evaluation of community and environmental programs. Participatory planning exercises, that should be used for program monitoring, evaluation, and adjustment, as well as for the initial planning stage, appear to have declined over the past few years.

Reinvigorating participatory processes both to ensure that programs are still meeting community needs and aspirations, which may have changed over time, and to encourage increased community management of development programs, would provide for greater community understanding and ownership.

Programs & Activities	Status (Percent Complete)
Participatory Monitoring Program	50%

Participatory Monitoring and Evaluation (PME) has been applied at Batu Hijau since 2005 for Community Development Programs; however, it has not been utilized consistently. PME was reintroduced to the Environmental Group in 2010 and is also used by the Community Development team. The Environmental team has used PME to monitor and evaluate the impacts of tailings on local community income. The intended outcomes of the program are to involve community members in the planning, monitoring and evaluation stages, establishing community ownership of the program and provisioning of learning experiences which can lead to sustainability of the program.

7.2.9 Recommendation 9 – Partnerships with Community Institutions

Work with existing community institutions for development planning purposes, rather than trying to run a separate body for community input into Newmont's community development plans. Stakeholders observed that the Village Development Committees established by Newmont were not fully functioning, as they had few organic roles or purposes. Both internal and external stakeholders recommended that it would be more productive for Newmont to work through the existing village committee system: there is a people's representative body at even the lowest level of community organization, and committees feed their input to higher levels. This is more likely to lead to an integrated tripartite community development planning process, which in turn is more likely to produce sustainable development output.

Programs & Activities	Status (Percent Complete)
Association of Heads of Villages & Representatives of Villages Partnerships	100%

The Participatory Monitoring and Evaluation (PME) program has been reliably functioning since 2010 on the issue of environmental tailings disposal. This program is driven by regulatory requirements stipulated by the Ministry of Environment (MOE) and the “PROPER” Performance Ranking Assessment Program. The objective of the “PROPER” program, driven by the MOE, is to encourage companies to improve and communicate their environmental performance utilizing a participatory framework. This evaluation ranks the environmental performance into five categories: gold, green, blue, black, and red. In order to be awarded the gold category, the company has to achieve three consecutive Green Awards and its monitoring and evaluation must be verified by the stakeholders. The Batu Hijau operation has received three consecutive Green Awards and is optimistic about receiving a gold award this year.

Although the Tailings PME program has been successful there is room for improvement to involve community member on other environmental and social programs - particularly once the Sustainable Development programs and metrics are in place. For 2000-2008 a PME was established for Community development projects. It was discontinued in 2008, but recently revived in 2011.

7.3 Carlin Site Action Plan Summary Update

Upon receipt of the Carlin CRR report, the regional ESR leadership team personally contacted each of the external stakeholders that participated in the study and provided them a copy of the report and the opportunity to discuss the findings.

With input from internal and external stakeholders an action plan was developed to address the key findings with established targets and deadlines. A key focus of the improvement plans has been the formalization of systems and procedures to help improve the sustainability of programs and the integration of ESR across multiple functions.

Current tools and procedures, both formal and informal, were reviewed and are in the process of revision to ensure that they drive a systematic approach to stakeholder management. A concentrated effort has been placed on four significant areas for improvement including complaints and grievances, social impact assessments, stakeholder engagement, and monitoring and evaluation programs.

A number of the goals from the CRR work plans have been included in the 2011 and 2012 North America leadership team objectives with a scorecard to monitor and measure progress. This signifies the advancements made with regards to social responsibility awareness at our North

American operations and an improved understanding of the cross-functional roles in managing community relationships.

7.3.1 Recommendation 1 – Stakeholder Engagement Focus

Broaden stakeholder engagement efforts to include groups that feel excluded from current dialogue efforts — namely, indigenous peoples, regional NGOs, and members of the Hispanic community.

Although each of these groups seeks enhanced engagement with Newmont with regard to specific issues at Carlin, the Western Shoshone are the most significant gap in the mine's current community relations efforts.

Key engagement issues to address with the Western Shoshone include respect for their traditional beliefs regarding the land, the long-term environmental impact of company operations, and claims to land ownership.

Programs & Activities	Status (Percent Complete)
Stakeholder Maps	100%
Stakeholder Engagement Plans	60%
Western Shoshone	25%
NGOs (Great Basin Mine Watch)	50%
Cultural Awareness Training (Indigenous Focus)	25%

As a result of stakeholder engagement findings, a strategic focus was developed to ensure ongoing review and updates to stakeholder information and planning throughout the Company's Nevada operations. Critical to this process is the maintenance of current and accurate stakeholder maps. These are now reviewed on a bi-annual basis or more frequently if new projects or expansions to existing operations occur to ensure that affected stakeholders are included. The completion of a stakeholder map, community communication plan and management plan for the Long Canyon project clearly exemplify progress in this area. As a result of the findings from the social assessment Tier 1 gap analysis that was performed in 2011 work is also ongoing to redefine our stakeholder engagement plan to include an updated complaints and grievance mechanism and stakeholder tracking that will be communicated with employees at various levels.

The Western Shoshone were specifically identified as a gap in our stakeholder engagement efforts. To address this concern a Western Shoshone contractor has been hired to establish outreach dialogue with targeted Western Shoshone Bands and Tribes in our region. As our Long Canyon project is in the early stages of permitting and engineering this will provide the opportunity to engage from the start, through the operations phase, and ultimately the closure of

this facility. The process will involve initial introductions, followed by discussion on specific issues or projects of interest and possibly partnerships on activities, events or projects. It is estimated that this effort will take 12 to 18 months for initial implementation followed by a similar time period to be institutionalized. Previous engagement activities have continued with the Battle Mountain Band on a regular basis and provided for dialogue and input on their areas of interest as well as tours of projects. Sponsorships of cultural activities have also continued with more details provided below under the relationship with Western Shoshone section.

Although regular informal meetings have been held with Great Basin Resource Watch (GBRW), the major NGO in the region, efforts have been focused on identifying a specific joint project where the Company and GBRW could partner. This would involve the sharing of environmental information at the early stages of a project and continuing throughout the operations. As a result of this dialogue, a scope of work has been developed with a University of Nevada Reno to establish this first-ever project. If successful, it could be a pilot for further coordinating work between the Company and GBRW.

7.3.2 Recommendation 2 – Management System Implementation

Design and implement management systems to ensure that the company's community relations principles are fully implemented in operations and those employees are held accountable for their implementation.

Although the community relations program at Carlin is quite successful, it has not been converted into a comprehensive set of management policies and procedures that will ensure continued success independent of changes in the external environment or the transition of key staff.

Programs & Activities	Status (Percent Complete)
Integrated Management System	25%
Social Audit Program Gap Analysis	15% - 2012 focus will be on mitigation efforts identified in the gap analysis

The revised Social Responsibility performance standards have been adopted by the North American region. To promote conformance with these performance standards a Tier 1 gap analysis, as discussed in Section 5.1.2, was performed in late 2011 and identified four significant areas for improvement: complaints and grievances, social impact assessments, stakeholder engagement and monitoring/evaluation. A project team has been assigned and the North American Leadership Team (NALT) has included this effort as one of their 2012 goals and objectives to ensure bridging between the findings and follow-up action.

A 2011 North American regional objective was ISO 14001 certification which was successfully achieved via the implementation of an Integrated Management System (IMS). Although the primary focus of the ISO14001 certification was on environmental programs, an evaluation of social performance standards and specifically communications with our local communities was also conducted.

Progress continues to be made on the formalization of standard operating procedures (SOPs) and other departmental documents. The External Relations Risk Register is regularly updated as part of the IMS quarterly review to assess changes to previous risks and determine if additional ones should be included. Several risks assessments have occurred that have specifically focused on impacts/risks to communities. With the establishment of Site Leadership Teams, external relations risks are also included in individual site risk registers.

Recertification to the ISO 14001 performance standards is essential to the organization and will continue to drive efforts to achieve consistent outcomes and ensure program sustainability. As with all of the findings of the Carlin CRR study, the lessons learned and continuous improvement efforts are being implemented across all operations in Nevada.

7.3.3 Recommendation 3 – Succession Planning

Ensure succession planning by systematizing the community relations experience to provide for continuity during transition.

The aforementioned management systems and training should prioritize the need to share the tools and experience of the Regional Director ESR and the Director of External Relations with a broader group of managers at the regional office and mine site.

Programs & Activities	Status (Percent Complete)
Succession Plan Reviews/Updates	100%
Staffing – Manager of External Relations	100%
Leadership Team Appointment – Director of External Relations	100%
ESR Training	75%

A clear finding in the Carlin CRR study was the dependency on a very small employee base to sustain the community relations work. The departure or absence of one or two people would have resulted in a significant gap in continuing with this work.

Starting in 2010, the North American Leadership Team (NALT) began to focus on succession planning for critical roles in the region. Critical roles were identified and planning sessions held to review development plans for succession, including the role of Director of External Relations. Succession planning was included as a 2011 goal for the NALT team and detailed reviews were

held throughout the year. Following on and building from these reviews, additional work on development goals is on the NALT goals and objectives for 2012.

Specific to the External Relations department has been the new position of Manager of External Relations that was established and filled in 2011. With the acquisition of Fronteer Gold in April 2011 an additional External Relations representative was added to the organization so that new communities would have a point of contact within the Company.

The CRR also identified the need to develop training programs in order to build the knowledge and experience needed to ensure sustainability of programs. In August 2011, RESOLVE conflict identification and resolution training was completed for key ESR and service department personnel. This incorporated two full-day “Engage” sessions in Winnemucca and Elko and three “Aware” sessions (2 in Winnemucca and 1 in Elko). A total of thirty eight staff from the Nevada operations participated in the training including both ESR personnel and the Land and Exploration functions.

In addition to the conflict training, targeted employee Social Responsibility training has also been included in the new hire, supervisor and annual refresher classes. All Social Responsibility staff have also received media relations training. The Tier 1 Gap Analysis performed in 2011 provided a learning opportunity for staff to understand the standards in more depth and develop an action plan of continuous improvement.

7.3.4 Recommendation 4 – Integration of ESR

Integrate site managers and hourly employees into the company’s community relations efforts.

Community relations skills should be developed at the mine sites. Instead of referring all community relations issues to the regional office in Elko, site managers and employees should receive training, systems, tools, and coaching to address stakeholder concerns in coordination with the regional office. Their site-level access to external stakeholders could add a valuable perspective to overall community relations efforts.

Programs & Activities	Status (Percent Complete)
North America Region Statement of Commitment	100%
SR Representation of Site Leadership Teams	100%
RESOLVE Conflict Resolution Training	100%

With a Nevada workforce of 3,800 employees it is important that each individual recognize the role that they have in our local communities. The North American Statement of Commitment was updated to clarify every employee’s responsibility in the areas of Safety, Environmental Stewardship and Social Responsibility.

To expand this knowledge base with our employees, the primary focus of our 2011 and 2012 annual refresher training has been on everyone's responsibility in the area of social responsibility. In addition to the annual refresher training several general audience modules have been reviewed and updated to ensure adequate coverage of Social Responsibility including New Hire training and Supervisor training. Feedback has been very positive and several suggestions have been received by employees. As we utilize contractors and vendors in our operations, it is also important to get the "ESR" message to each of them. This has been accomplished by working with our supply chain department to include the "ESR" message in mailings, contracts and during the annual contractor summits.

Another significant change that is further integrating ESR in the organization has been the inclusion of our site Community Relations representatives on the site leadership teams. They are expected to be an equal partner with all aspects of the operations and have a voice on decisions that affect the sites. The representatives use the improved communication opportunity to share issues and projects with the site leadership group and other departments. Several of the site leadership teams have included community projects on their annual goals and objectives and keep a scorecard to ensure compliance with this goal.

With the acquisition of Fronteer Gold we will now have a future operation near communities that do not have a history with mining or Newmont. It was recognized that this might result in some conflict and so a targeted group of employees from ESR, Land, Exploration and Geology and Projects attended the Conflict Identification and Resolution training discussed in Section 5.1.3 to expand their understanding of identifying and handling potential conflict. This training will be expanded to a broader audience in the future.

7.3.5 Recommendation 5 – Promotion of Post-Closure Economic Sustainability

Promote a sense of urgency regarding post-closure economic sustainability in the region with key local stakeholders to motivate them to take advantage of company sustainability efforts.

A public outreach campaign that targets key community leaders with technical information and communicates a message of greater urgency to the public at large would help motivate the community to prepare for post-closure economic sustainability.

Programs & Activities	Status (Percent Complete)
Legacy Fund	80%
Supply Chain Local Sourcing Strategy	20% - will be addressed through the establishment of the new metric

With the 45-year history of Newmont operations in Nevada and life of mine operations continuing for another 20 years, there has not been overall community understanding or acceptance that mining will eventually end in Northern Nevada. Nevertheless, we have acknowledged that this is the time to start that planning process both internally within the Company and externally to our local communities.

The current community investment standard operating procedure prioritizes eight areas for community investment; however, there had not historically been a tie to economic sustainability in Northern Nevada. Further, the annual employee giving program was solely distributed through the United Way of the Great Basin to local non-profit agencies. This resulted in an increasing dependency on the generosity of Newmont employees with the matching Newmont corporate funding to meet the needs of the local non-profit organizations.

An extensive evaluation of the “as-is” community investment program was completed in 2010 and resulted in a decision by the Company to focus on long-term community sustainability by moving towards a more inclusive strategic investment program. The investment program, called the NMC Legacy Fund, encompasses a direct employee giving program, community investment program and a newly implemented endowment program. The employee giving portion of the program allows employees to allocate their contributions to non-profit organizations that meet the social service needs in our local communities and is accompanied by the dollar-for-dollar company match. The community investment program provides an avenue by which charities may contact Newmont to request support or donations for their programs following a review by a community investment committee. While the employee giving and community investment programs support short term community programs, the recently established endowment fund provides for annual contributions to an investment fund that will continue to grow until mining operations cease in Nevada. Newmont has committed to provide \$100,000 annually for the endowment as well as matching employee donations. Going forward, criteria will be established to direct funding to programs, activities and services that support the long-term sustainability of local communities.

In the 2011 campaign employees donated approximately \$650,000 to the fund (\$1.3M USD with the Newmont match) of which \$243,000 was earmarked for the endowment fund. This funding resulted in over 100 local non-profit organizations benefiting from the contributions of Newmont and its employees. The primary targeted areas included health and human services, seniors and hospice services, youth services, food banks and the endowment fund.

In its second year, the NMC Legacy Fund built upon its previous success with \$937,000 pledged by 69% of our employees and 100% matched by Newmont (bringing the total 2012 pledged contributions to \$1.8 million USD – of which \$220,368 was earmarked for the endowment fund). The generosity of our employees along with the Newmont match makes a tremendous difference in the programs and services that the local non-profit organizations can provide in our local communities.

Realizing that our local communities are largely dependent on our operations, regular meetings with local business and community members are held that include updates on short and longer term business goals. The site leadership teams participate in these meetings and the sessions close with the opportunity to ask questions from all participants. Attendance at these meetings is generally diverse and positive feedback has been received from participants.

7.3.6 Recommendation 6 – Integrated Closure Strategy

Develop and implement an integrated strategy to guide post- closure efforts.

Although the company is already working on the issue of post- closure sustainability, especially through its active participation in such initiatives as the Northern Nevada Partnership for Mining Sustainability and the Elko County Economic Diversification Authority, it still lacks an integrated strategy to guide such efforts.

Programs & Activities	Status (Percent Complete)
Closure Strategy	10%

Due to the extended mine life of Newmont’s operations in Nevada, action on this finding of the CRR study has not yet become a priority. Nevertheless, strong building blocks for developing an integrated strategy are being put in place, such as through the establishment of the endowment fund previously discussed. An additional effort that is planned includes developing a long term schedule for social impact assessments that occur on a regular basis and include closure aspects. The recently completed Long Canyon social impact assessment incorporated closure issues and the management plan that is in development will address post-closure efforts.

7.3.7 Recommendation 6 – Sustainability Metrics Development

Design sustainability metrics to measure the short, medium, and long-term impact of company investment in community development.

Newmont does not have clear metrics to demonstrate to internal and external stakeholders the tangible impact of its sustainability initiatives.

Clear metrics would help the company better define the reasoning behind its prioritization of areas for community investment and develop indicators to measure not only program inputs (e.g., budget and management time invested) but, more importantly, impacts on quality of life (e.g., income generation, health, and education).

Programs & Activities	Status (Percent Complete)
SIA Metric	10%
Local Employment Metric	10%
Local Procurement Metric	10%
Complaints and Grievances Metric	10%

As discussed in Section 5.4, sustainability metrics were developed by the Company that include social impact assessments, local employment, local procurement and complaints and grievances. In 2012 these metrics will be defined within the North American region with the expectation to have specific targets for 2013. Resources have been committed to this work and cross-functional teams established to ensure they are well socialized and the necessary support and enablement programs are in place.

7.4 Waihi Site Action Plan Summary Update

Since the completion of the CRR study, the landscape of the Waihi Operation has changed dramatically from that of an operation preparing for closure to that of an operation with a number of projects which will extend the mine-life into 2021. Nevertheless, the CRR provided insight into a number of community engagement program improvement opportunities which has supported the development of revised programs, procedures and strategies. This balanced approach continues to drive proactive stakeholder engagement in support of informed decision making and operational growth.

7.4.1 Recommendation 1 - Communication/Engagement Plan for Mine Closure

Develop a sensitive, proactive approach to communication and engagement with respect to the possibility of, and uncertainty surrounding, open pit expansion. In light of Waihi's strong commitments to securing "broad community support" for any pit expansion, such an approach should be tailored to the needs of all stakeholders and give particular consideration to the concerns of minority groups such as the Iwi who are eager to secure closure with respect to the mining of the Pukewa Mountain.

Programs & Activities	Status (Percent Complete)
Operating Scenarios Timeline	100%
Waihi Community Vision	Ongoing

In 2007 when the CRR study was carried out, Waihi operations were approaching closure with an approximate 3-year life of mine. Extensions to the mine life had been occurring in a piecemeal fashion since the Martha Mine Project was permitted in the 1980's leading to the 'mirage of closure' point of view. With near-mine exploration being carried out there was potential for new

projects to be permitted that would see operations continue beyond 2010. The development of the Operating Scenarios timeline provided a visual explanation of how new projects could extend the life of mine by showing the differing scenarios for the operations and associated “footprints” should prospective projects go ahead. This timeline is updated as projects move through the Stage Gate process, and is regularly communicated to the community, including through the web (www.marthamine.co.nz). Since August 2011, Waihi has also operated a public information shop (“Golden Link”) in the main street of Waihi which contains information about our existing and proposed activities. An updated Operating Scenarios Timeline is presented in the shop. The messaging focus now relates to Waihi staying open rather than preparing for closure.

The Waihi Community Vision (WCV), an incorporated society made up of the company, local council and community members, held its Annual General Meeting in May 2011. At the meeting the results of a major review of community aspirations were presented and have been formally accepted and are now being planned for action. The WCV focus has shifted from post-closure planning to integrated community outcomes in the presence of the ongoing mining activities. The new focus is on the Golden Link project which will extend the mine life through to 2021. In response to the specific finding of the CRR there is a greater emphasis on proactive stakeholder engagement that keeps the community informed about project plans. As such, closure and associated social economic work is ongoing through the involvement of the WCV group and the Vision Waihi Trust.

7.4.2 Recommendation 2 - Iwi (Indigenous) Engagement Mechanisms

Continue the discussions initiated with the Iwi regarding engagement mechanisms, including cultural heritage mapping, WCV input, and memoranda of understanding for engagement — particularly with the Ngati Tamatera and the Waihi Community Marae.

Programs & Activities	Status (Percent Complete)
Cultural Impact Assessment	100%
Opportunities Assessment	100%
Terms of Reference	100%

The main objective of Newmont Waihi Gold in commissioning a Cultural Impact Assessment was to capture the views and report on the concerns of Tangata Whenua communities affected by Waihi operations and to examine the respective Iwi input to closure planning and make recommendations for future involvement and processes for involvement.

A series of individual and group meetings with different Iwi were held throughout 2010 and 2011 following the completion of the Cultural Impact Assessment. Initially it was hoped that the different Iwi groups would work together and form a collective to address issues in Waihi. The meetings identified that it would be extremely difficult for an Iwi collective on Waihi mining issues to be formed due to (i) differences of opinion between different Iwi as to who had

legitimate interests in Waihi; (ii) the relatively low capacity of Iwi to engage with the company; and, (iii) the dedication of most Iwi resources to ongoing negotiations with Central Government over their Treaty of Waitangi Claims.

Nevertheless, the Cultural Impact Assessment did identify the possibility of collective Iwi interest in water quality in the Ohinemuri River and once the Treaty of Waitangi settlement process is completed (expected by the end of 2012) we will investigate whether a joint Iwi-Company group or process on this issue might be feasible.

Separate from the Cultural Impact Assessment, we are engaging directly with the Hauraki Iwi Collective (representing 12 individual Iwi in their negotiations with government over Treaty of Waitangi claims) on issues related to exploration access to land that is likely to become collectively held Iwi property post-settlement.

With regional exploration extending into areas of the Coromandel Peninsula it has become even more important for Waihi to identify and engage with Iwi stakeholders. A major research project entitled 'Maori & Mining' has been completed and will provide important background information for planning future engagement. As engagement with Iwi is seen as an integral part of the operations in Waihi personnel will continue to meet with the various local groups.

7.4.3 Recommendation 3 - Strategy for Regional Structuring

Develop strategies to minimize any adverse impacts, real or perceived, that relate to the recent regional restructuring (e.g., the change from General Managers with direct responsibility for community relations to a management team that reports to regional managers in Australia).

Programs & Activities	Status (Percent Complete)
Identification and Staffing of new positions	100%
Regional Adviser Role	100%
Gold Link Project Resource Allocation	100%

The CRR was carried out in 2007 and significant changes have occurred since then with regards to organizational structure. Waihi employs an External Affairs Manager with reporting lines to the site General Manager and the Regional ESR Manager. The recent appointment of a site Operations Manager allows greater involvement in community relations by the General Manager.

Restructuring of the External Affairs team has resulted in an additional resource to assist the Company Liaison Officer (CLO) in the front line management of stakeholder queries, concerns and complaints. The appointment of the additional community engagement resource has also

meant an additional point of contact. Previously Waihi operated a single telephone on the free calling number. The CLO phone is now diverted to a second phone if we experience higher volumes of calls. All contact from members of the community is reported to management daily.

Additionally, the former Waihi External Affairs Manager is now based as Regional Manager for the Asia Pacific Region. In this new role, lessons learned from Waihi have been applied to help with the development of guidelines and processes that support informed decision making and program improvements to address identified social responsibility issues and potential issues that may arise.

7.4.4 Recommendation 4 - Proactive Exploration Engagement

Commit to proactive engagement with respect to the exploration program beyond the Waihi area, including with oppositional groups, to ensure that channels of communication remain open throughout this process.

Programs & Activities	Status (Percent Complete)
Exploration Strategy	Existing (100%) but to be revised in 2012
Community Needs Analysis	Existing (100%) but to be revised in 2012
Stakeholder Engagements	Existing (100%) but to be revised in 2012

Historically at Waihi, exploration in the Coromandel Peninsula has been hampered by the actions of anti-mining protesters who maintain a close watch on the company's activities. A strategy for the Coromandel exploration program was developed in coordination with the Exploration team in 2008, with input from senior management and industry representative groups. Key issues addressed by the Strategy include a review of the legislation of mining on Conservation Land, strong anti-mining sentiment, 60% absentee landlords due to holiday homes and tourism economic focus. The Strategy focuses on communicating Newmont's strong social responsibility and environmental stewardship values, programs and systems. Target audiences are opinion leaders in Waikato and Auckland region (base of absentee landowners), and presentations have highlighted building awareness of Waihi operations, conduct and behavior, and early engagement with communities. This has been delivered to key local communities in exploration areas of interest and will continue as project development warrants.

The appointment of a Regional Adviser for exploration has created a dedicated point of contact between the Exploration and External Affairs Departments and stakeholders (including oppositional groups) within the area of interest. The intended outcome of this appointment is to ensure appropriate engagement with stakeholders to build positive relationships in support of a successful exploration program. While anti-mining protests occurred on six separate occasions

during 2011, the procedures that have been developed ensured that these protests took place without risk to the protesters themselves or Newmont staff and contractors while dialogue was maintained between the parties.

The Coromandel Exploration strategy will be revised in 2012 to include two new streams of work: (i) demographic research and polling to better understand Coromandel residents; and (ii) negotiations with the Hauraki Iwi Collective on exploration access to lands that are likely to be owned by the Collective once Treaty of Waitangi claim negotiations are completed in 2012.

7.4.5 Recommendation 5 – Grievance Management and Effectiveness Focus

Consider processes to more effectively address grievances that fall outside the immediate amenity focus (e.g., those related to local procurement and supply, hiring policies, and contracting).

Programs & Activities	Status (Percent Complete)
Complaints and Grievance Database Updates	100%
Univ. of Queensland Grievance Mechanism Review	100%
Issues Register Development	100%

In response to the CRR findings relating to grievance management clear guidelines were developed to demonstrate how complaints and grievances are managed by the Company. The grievance management guidelines have been made available to stakeholders in hard copy and also on the Waihi website. The Community Engagement Line continues to be widely advertised in the local newspaper. The site's complaints/grievances database has been updated to be used for non-amenity related complaints and the site procedures have been amended accordingly.

During the development of the grievance guidelines an issue was highlighted with Waihi's consent conditions. The consent conditions stipulate that complainants who are not satisfied with Waihi's resolution to a grievance must be directed to the Hauraki District Council (HDC); however, at this time there is no procedure in place to govern issue resolution between HDC, Waihi and the complainant. This is a gap that will be addressed with the local council in the coming months.

A review of the grievance mechanism by the University of Queensland as part of the global implementation plan identified gaps that have subsequently addressed allowing for the site management team to review complaints and ensure corrective actions have been implemented. Additionally, an issue register has been developed to monitor wider issues such as graffiti, vandalism, negative media, web comments, and so on. The registers are reviewed biweekly by the External Affairs team as a regular agenda item. With regard to grievances or complaints that do not concern amenity issues the CLO remains the first point of contact for members of the

community. Depending on the nature of the grievance the Event Management System (Cintellate) may be used to report and allocate corrective actions.

7.4.6 Recommendation 6 – Amenity Effects Program Engagements

Ensure that engagement with organizations such as DRAT and the Social Development Group are not undermined by a perception that financial support for initiatives such as the AEP represents an effort to prevent stakeholders from expressing legitimate grievances.

Programs & Activities	Status (Percent Complete)
AEP Communication Strategy	100%
Social Impact Assessment (2009)	100%

The Amenity Effects Program (AEP) was finalized with local community residents in 2008. A communication strategy was developed in 2009 to address the issues identified by the CRR report and provide clarification to stakeholders. The communication strategy includes update materials in local newspapers, letters and information sheets to current recipients and those registering interest, web page information, face-to-face visits, and informational meetings as part of the Community Sector group meetings. An update is provided to local newspapers at each biannual payment period. Originally there was a perception in some quarters that the AEP was designed to prevent stakeholders from expressing legitimate grievances; however the Company continues to spread the message that it wants to hear from people who feel they are adversely affected by mining operations.

Additionally, new registrations of interest by the Company Liaison Officer are followed up by visits from the External Affairs Manager and CLO. Monitoring is carried out to determine if the residence meets AEP criteria. An updated Social Impact Assessment completed in 2009 did not identify the AEP as an ongoing issue given the implementation of the communication plan, payment structures, household visits and personal check deliveries to stakeholders who qualified for the scheme.

As part of recent project work at Waihi – the Corenso Project - Waihi polled the community on a number of issues including levels of understanding of and support for the AEP, and areas where the community thinks that it is most appropriate for Waihi to provide support. Feedback on the AEP suggested that stakeholders liked the scheme, but found it complex to understand. Based on this feedback a plan was put in place to simplify the program. The AEP and our broader Property and Community Improvement Policy (PCIP) have gone through extensive review and consultation since the announcement of the Golden Link projects in 2011. A revised and improved PCIP will be delivered in 2012. Proposed changes to the program include “payment

zones' with the same compensation being made to every occupant within each zone to reduce the confusion around AEP payments.

7.5 Yanacocha Site Action Plan Summary Update

The release of the CRR Reports in 2009 marked the beginning of a series of briefings with urban and rural stakeholders within Yanacocha's area of influence to socialize the findings and confirm the intent to implement programs in support of the recommendations.

Yanacocha prioritized the distribution of the CRR report and a multi-functional team, including ESR, Communications, Government Affairs, and Operations designed a work plan in response to the recommendations.

Since mid-2009, Yanacocha has been working to develop and implement an overarching program called the Social Responsibility Culture Plan. This plan, which was led by the Senior Management Team at Yanacocha was aimed at increasing awareness around expected behaviors of all personnel and has established a foundation for Yanacocha to build upon while implementing a number of programs in support of the CRR recommendations.

Since 2010, Yanacocha has been developing annual progress reports which are distributed to interest groups both locally and nationally. These reports are also posted on the Yanacocha website and distributed internally to share progress updates with personnel.

As part of the ongoing continuous improvement programs, the team continues to build upon the lessons learned by integrating and enhancing programs and procedures and transferring knowledge to peers working on the Conga Project.

7.5.1 Recommendation 1 – ESR Oversight Committee

Develop an oversight committee, spearheaded by the Corporate ESR Department in Denver, which reviews the community relations efforts, changes, and performance. Ensure that this committee is provided with the capacity to enforce its recommendations.

Programs & Activities	Status (Percent Complete)
ESR Re-Organization	100%
Evaluation and improvement of the ESR/Operations Management Model	90%

In February 2011, the Corporate ESR department reorganized to create direct links between Senior Directors and Regional ESR Group Executives through a business partnership. The reorganization marked the strengthening of initiatives and programs to implement the

recommendations of the CRR. Through this leadership the Social Responsibility Culture Plan was established which aims to improve social performance via a joint working scheme with the operational areas.

The Social Responsibility Culture Plan aims to generate a socially responsible attitude for all employees who in turn create value for the business and society. The Culture Plan has helped to drive awareness of social investment plans and proactive mitigation projects across various aspects of the business. Through this increased level of awareness, we have been able to align “social schedules” with “operational schedules” to ensure proper planning of activities and engagements in accordance with our social responsibility policy.

During 2011, a management model was implemented which included the formation of an ad-hoc team with representatives from operational areas, exploration and ESR. This team was established to improve awareness and promote dialogue around project feasibility with consideration given to various plan options and their associated impacts. It is now common practice to form multidisciplinary teams to improve the management of operational and exploration project activities and the prioritization of key deliverables.

As a result of the lessons learned at Yanacocha, the Conga Project now employs a cross-functional team comprising members from the Environmental, Social and Construction teams to manage project challenges from both the ESR and construction perspective. The aim of this team is to address unforeseen impacts, conduct mitigation within the Conga area of influence and continuously review and improve procedures.

7.5.2 Recommendation 2 – Reinforcement of Positive Attitudes/Behaviors

Promote positive behaviors among employees and discourage negative behaviors. Suggested methods include (a) modeling good behavior from the top down, including holding management accountable for demonstrating respect for and proactively engaging with communities; (b) providing “humble,” non-defensive training about the Statement of Commitment and its significance to employees, using external experts to review and lead the training; and (c) working with the Regional Director ESR and the Vice-President, Corporate ESR Department to drive social responsibility awareness throughout the organization and its contractors.

Programs & Activities	Status (Percent Complete)
Social Responsibility Culture Plan	95%
Social Responsibility Workshops	85%
Social Responsibility Area Plans	90%
Community Relations Management Manual	100%
Contractor Behavior Standards in Contracts	95%
Improvement Plan for hiring and local employing	90%

In 2007 Yanacocha began to craft the Social Responsibility Culture Plan which encompasses the implementation of various activities with the aim of promoting a socially responsible attitude across multiple functions. These activities range from improving our employees awareness – through talks, general inductions, workshops, and Social Responsibility Internship programs to the development of sustainability plans for various functional areas in order to drive implementation of actions that can contribute to improved community relationships.

Highlights and key activities within the Social Responsibility Culture Plan include:

- A workshop program on Social Responsibility which has covered 85% of personnel with the remaining focus on contractor staff.
- A Community Relations Management Manual which was developed with input based on the research performed by experts in local culture. This manual has been socialized in workshops with staff from the community relations department.
- Awareness training and discussions on Newmont’s corporate social mandates and the Yanacocha Declaration of Commitment. This has been integrated into the Plans of Social Responsibility that each area has developed.
- The company has incorporated social responsibility topics as part of routine training including Induction, Annual Refresher; Safety & ESR Committees, and Contractor Meetings.

These programs are all supported by monthly talks carried out across the operation which provide a mechanism to inform personnel about key social topics or situations and/or clarify specific issues with respect to our activities. This increased awareness has generated significant collaborative efforts related to the management of community relations whereas previously this was viewed mainly as an “ESR activity”.

Currently, work is underway on the design of a Critical Performance Indicator (CPI) which will help to evaluate the social performance of different areas within the operation against identified goals. The aim is to raise awareness amongst Yanacocha employees to allow them to better understand their contributions to the development of their communities and the mine operation.

7.5.3 Recommendation 3 – Broadened Community Engagements and Mechanisms

Broaden community engagement with rural communities, so that ESR staff is in those communities more regularly, exchanging information and developing long-term relationships.

Develop engagement mechanisms that include the broad community, not just identified leaders and authorities.

Yanacocha needs to better understand the frequently different dynamics in different local communities. Engagement must entail not just communicating the company's deeds, but also listening and responding to the concerns the community members.

Programs & Activities	Status (Percent Complete)
Social Management Manual	100%
New Approach Strategy – To consolidate intervention strategies in the scope area	85%
Commitments and Obligations Standard Operating Procedure (SOP)	95%
Training plan to strengthen skills and sensitivity of the Social Responsibility staff in their interactions with the community	95%

Yanacocha has implemented a new Social Management model referred to as the “New Approach” which incorporates mechanisms and guidelines for managing and improving relations with communities and overall social performance. The Manual of Social Management provides guidelines for a variety of processes including social investment, stakeholder mapping and analysis, operational feasibility, and the establishment of community commitments. This document is designed around a number of strategic alliances and combined efforts with local authorities, institutions, public and private organizations, and the community.

One of the prioritized mechanisms to encourage the participation of the community in these processes is the participation of ESR staff in assembly meetings in each of the villages. Time is allocated in these meeting for discussions on items such as community investment programs and complaints and concerns regarding our activities.

Personnel that participate in these community meetings have also participated in a training program to develop and/or strengthen their abilities and knowledge around cultural issues, conflict handling, and project development management.

7.5.4 Recommendation 4 – Learn from Mistakes, Dialogue for the Future

Respond to past challenges, and accept past mistakes as a way of creating an opening for future dialogue.

In particular, the Choropampa, San Juan, and Magdalena communities could be engaged once litigation has been finalized, and an investigation led by the Corporate ESR Department could be initiated into the allegations that have been brought against FORZA, the local security provider. Results could be made public as a means of establishing trust in the company.

Programs & Activities	Status (Percent Complete)
Answers to the accusations related to the security company: FORZA	100%
Closure of Negotiation Tables with canals of the scope of influence	85%

The Choropampa incident and the Forza allegations have highlighted the need to provide clear and objective information to both internal and external stakeholders. Currently, across the South America Region, regular presentations and talks are held with community leaders to disseminate information and address questions and concerns. The organizational culture places more emphasis on preventative measures and providing discussion spaces by which additional consideration is given to social impacts. As a result of past experiences, close follow-up of social conflicts is undertaken. A specialized Social Analysis and Monitoring team exists to identify potential conflicts through root-cause analysis of social events from which scenarios and recommendations are produced.

Forza Allegations

In 2009, Newmont undertook an investigation into the alleged monitoring of anti-mining activists (FORZA allegations). This investigation and resulting public report by Dr. Gino Costa led to new policies, procedures and safety principles being implemented as part of the identified action plan. The security and human rights complaints that resulted from the allegations against FORZA are no longer considered a significant issue amongst the communities in and around Yanacocha.

Oxfam America and Newmont, as signatories to the Voluntary Principles on Security and Human Rights, held a conversation and agreed to commission an independent review of policies, procedures, practices and safety principles at Yanacocha. A summary of the main conclusions and recommendations, unedited, would be made available to the general public; this was done. The report of this review was published on the website of Yanacocha.

Choropampa

Following the Choropampa event, the company took the responsibility for implementing controls and procedures throughout the supply route as well as contractor and HAZMAT reviews to prevent the recurrence of such an incident. Isolated claims and periodic issues are ongoing resulting from the Choropampa incident relating to ongoing legal matters associated with compensation and the after-effects of the spill. Newmont is in the process of evaluating the publication of a document regarding the actions that have been implemented as a response to the event.

Canal Users

Negotiation tables were established with irrigation canal users from communities neighboring the operation. These “panels” were established as a result of impacts to their water sources at the beginning of the operations. In 2008, definitive agreements were reached with Quishuar, Encajón – Collotán and La Shacsha, and in 2011 with Tual. Outcomes from the negotiation tables with the Llagamarca canal are still pending; however, preliminary agreements have been reached and the goal is to finalize the agreements during 2012. These agreements will bring closure to the canal user complaints and include the acceptance of a definitive source of water supply provided by the Company and the implementation of various development projects and compensation.

7.5.5 Recommendation 5 – Perception Management Tools

Develop processes that help the company manage perceptions, not only facts and figures.

Programs & Activities	Status (Percent Complete)
Yanacocha Sustainability Reporting Program	100%
Social Responsibility Culture Plan	95%
Participatory monitoring of water (Regular and occasional program)	100%

As an outcome of the CRR, there has been a greater sensitivity amongst staff towards facilitating and encouraging community participation in the social and environmental processes. Since 2009, Yanacocha has developed annual sustainability reports which incorporate Global Reporting Initiative (GRI) indicators which consider environmental, social, economic, and human resource performance. These reports are presented at public events where local authorities, private and public institutions, and the general community participate. Feedback from participants is collected and used to improve upon the reporting mechanism.

The Social Responsibility Culture Plan is also helping to manage the perceptions in the community as it has provided a framework for employees to be proactive and respond to community concerns without the requirement for technical or legal support. As part of this plan,

work is ongoing to improve upon the existing social responsibility procedures with a focus on Stakeholder Engagement.

A key program used to help improve community perception has been the promotion of participatory monitoring programs such as water monitoring. In these programs, community members are involved in the sampling and testing of water discharges at our operations with support from local authorities (technical, political, administrative and legal). This has helped improve the credibility of monitoring data and assists in the management of allegations or complaints regarding environmental and other incidents.

In addition to the participatory monitoring program, Yanacocha is in the process of initiating an external evaluation of the community development projects implemented. The objective of this evaluation is to provide a mechanism by which stakeholders within the influence area can raise concerns while at the same time providing a platform from which they can be more involved in the implementation and outcomes of these projects.

These evaluations build upon the existing external surveys which Yanacocha conducts on an annual basis to gauge stakeholder perception. The results of these surveys indicate that community perception around the behavior of Yanacocha personnel and ESR performance is improving, but opportunities for improvement still exist.

These lessons learned at Yanacocha have been shared with personnel working on the Conga Project. As a result, the Community Development Committees (CODECOS) made up of community representatives and leaders were established. These CODECOS are engaged and work with the Conga personnel to produce Development Plans for their respective communities.

A partnership has also been formed called “The Alliance for Development and Fight Against Poverty” which brings together sixteen public and private institutions. This partnership is aimed at aligning the efforts of the community institutions and those of the Company to improve community development program effectiveness.

7.5.6 Recommendation 6 – Grievance Mechanism Evaluation & Improvement

Engage external international experts to evaluate and improve the site’s grievance mechanisms. There remains confusion, particularly among rural community stakeholders, regarding how to best engage with the company about their concerns.

Programs & Activities	Status (Percent Complete)
Evaluation of the Grievance Mechanism Communications	100%
Diffusion of the Public Assistance & Information Office	95%
Update of the process for the claims and complaints	100%
The implementation of an integrated system for the claims and complaints	30%

Yanacocha has established a Public Relations Office which has a direct report to the South America Regional Vice Presidency and Legal Management team. Additionally, a Compliance Line has been setup for reporting of incidents or complaints of alleged human rights abuse by personnel of the company. ESR staff attend regular community meetings which provides an additional forum to communicate the existence of the grievance mechanisms as well as providing a forum to address community concerns. As Yanacocha has worked to socialize the existence of the Public Relations Office the amount of people who visit the to obtain information or lodge complaints has increased over the years suggesting a greater level of dialogue between involved parties.

The procedures for handling complaints and grievances were reviewed by the University of Queensland in March 2009 and the feedback and recommendations incorporated into revisions of procedural documents. Procedures have been updated to ensure better management and resolution; however, work is still ongoing to ensure alignment of the existing procedures with the corporate standards. To this end, Yanacocha is working on the development of a Critical Performance Indicators (CPI) to evaluate the social performance Complaints and Grievances.

7.5.7 Recommendation 7 – Establishment of Local Advisory Panel

Create an advisory panel of locally elected community members (perhaps organized or supported by third parties to establish the perception of independence and credibility), that could help to communicate key technical, political, and financial issues to local community members and ensure that their questions regarding social and environmental issues are fully addressed.

Programs & Activities	Status (Percent Complete)
External Assessments	100%
SR Participation in Community Meetings	90%

While an Advisory Panel of community members that can help communicate key issues to stakeholders does not currently exist, mechanisms are in place to evaluate community concerns including community surveys, employee participation in public assemblies, and the Public

Relations Office. In addition, ESR staff are engaged in training programs to strengthen their abilities in understanding and managing people's concerns and feedback regarding Newmont operations.

In addition to the above mentioned mechanisms, quantitative and qualitative studies by external consultants and organizations continue to be the primary means of identifying the main issues of concern to our stakeholders to help us adjust our intervention strategies.

Involvement in community meetings has been increased as a strategy of building relationships that allows us to hear and answer the questions and concerns of the mine's neighbors, and to discuss and establish more participatory and sustainable arrangements. At present we are coordinating an external evaluation of development projects, implemented jointly with both participant families and involved institutions.

We maintain coordination meetings for analysis and evaluation of demands and potential conflicts with different areas of the operation as a means of proactive conflict management. The conclusions of these meetings are reported to Yanacocha's Senior Management, thereby keeping a constant flow of information and feedback which has led to improved management of stakeholder concerns.

Furthermore, the South America Region has established and continues to organize a Visitors Program to the operations for both the general public and special interest groups of communities. In these guided tours visitors can learn about the operation, ask questions and see firsthand the programs and mechanisms we have in place to manage their concerns.

8 Observations and Conclusions

The full emergence of the new paradigm of community self-determination empowered through social connectivity in today's world only serves to reinforce the importance of social responsibility for the multi-national, multi-cultural extractive company. Accessing the resources, land, approvals and capital needed to sustain our business is more complex than it has ever been. It now depends not only on navigating a byzantine labyrinth of legal requirements, but also on engaging, transparently and respectfully with a broad range of stakeholders that will be impacted directly and indirectly by our projects.

As we move forward over the next two years we will continue to monitor the context in which we are operating and adjust our plans, activities and programs to be responsive to the needs of our stakeholders so as to continue building our understanding and capacity around our social performance. We believe this to be essential to our vision to be the most valued and respected mining company through industry leading performance.

Attachment A – Summary of the Community Relationships Review

In April 2007, the Board of Directors recommended and the stockholders approved a non-binding resolution directing the Company to prepare a report regarding its policies and practices relating to existing and future relationships with the local communities near its operations. The resolution was submitted by a group of stockholders led by Christian Brothers Investment Services, Inc. The Board and management of the Company supported the proposal because it aligned with Newmont’s values and our strong belief that establishing and maintaining a healthy relationship with the communities near which the Company operates is a business imperative that translates tangibly into shareholder profits, long-term access to land, resources, capital and approvals, as well as employee attraction and retention. The resolution provided an opportunity for the Company to learn from experiences of the past, both our mistakes and our successes, so as to improve the relationships with communities and other stakeholders in the future.

The Environmental and Social Responsibility Committee of the Board (ESRC), a committee comprised solely of independent directors, agreed to oversee the Community Relationships Review (CRR) which culminated in a CRR Global Summary Report (CRR Report). The ESRC engaged an independent study director to do an in-depth review of the relationships with communities at five of our operations: Ahafo in Ghana, Batu Hijau in Indonesia, the Carlin Trend in Nevada, Waihi in New Zealand, and Yanacocha in Peru. The ESRC engaged an independent Advisory Panel (AP) comprised of representatives from certain Non-Governmental Organizations (NGO) and other community-minded stakeholders to provide frank input and advice to the Board.

The ESRC received and accepted the final version of the CRR Report, titled “Community Relationships Review Global Summary Report,” during its December 1, 2008 telephonic meeting.¹ The ESRC also received and reviewed initial comments from the AP at that meeting and accepted the AP’s “Building Effective Community Relationships - Final Report of the Advisory Panel to Newmont’s Community Relationships Review” (AP Report), at its meeting on February 17, 2009.²

After careful review of the findings captured in the CRR Report and the recommendations of the AP, the ESRC oversaw management during the balance of 2009 and the first half of 2010 in developing and executing an Action Plan to:

1. Engage with representatives of the impacted communities who participated in the study to understand from them whether they believe the CRR Report properly captured their comments.

¹ Available at www.beyondthemine.com

² Available at www.beyondthemine.com

2. Engage key community representatives and local authorities to determine the appropriate forum(s) to discuss the findings from the report and opportunities to move forward which may include a workshop or other type of community engagement process. The Company will also commence a dialogue with community representatives and other stakeholders aimed at increasing the level of engagement and trust with due regard for the findings in the CRR.
3. Convene a global workshop; bringing together the Company's management, the study directors, community representatives and other stakeholders as appropriate, to discuss the findings from the CRR and AP Reports and opportunities for moving forward.
4. Revise the Company's Environmental and Social Responsibility policies and standards with reference to the CRR Report and the best practices to be identified as described in point number 5 below. We expect that the Company's ESR global team will lead this effort so as to draw from regions and sites around the world. We also expect that all levels of management will participate to the extent appropriate in the development and implementation of updated policies and standards. This will include undertaking additional research and analysis to develop policies, standards and best practices for the initial geological exploration stage of future projects.
5. Investigate other examples of high-quality community relationship and conflict management programs employed by other global enterprises, not solely mining companies, as a basis for informing the development of appropriate grievance mechanisms and conflict management programs at all Newmont operated sites.
6. Develop a set of key metrics, including metrics for individual and organizational accountability, to allow management to measure and monitor the Company's performance on the issues identified in the CRR Report. This will be part of a refined assessment or audit program that will be developed and tested over the next 18 months as the performance standards are revised. We expect that the new audit program will be fully implemented by 2011.
7. Revise and amend as appropriate the Company's current three-year ESR strategic plan to incorporate explicit action plans implementing the CRR's findings and recommendations. For those sites that participated in the CRR, we expect the development and implementation of site-specific action plans to address the key findings of the site assessment process.
8. Work to integrate the updated ESR strategic plan and the revised policies and standards into the Company's comprehensive Management Operating Systems, planning processes and audit programs.

9. Management will report to the ESRC on progress made toward achieving these objectives prior to the 2010 Annual General Meeting of Stockholders.

Newmont Mining Corporation

Status of Implementation of the Community Relationships Review

April 19, 2011

I. Introduction

In April 2007, the Board of Directors recommended and the stockholders approved a non-binding resolution directing the Newmont Mining Corporation (Company) to prepare a report regarding its policies and practices relating to existing and future relationships with the local communities near its operations. The resolution was submitted by a group of stockholders led by Christian Brothers Investment Services, Inc. The Board and management of the Company supported the proposal because it aligned with the Company's values and would support our strong belief that establishing and maintaining a healthy relationship with the communities near which the Company operates is a business imperative that translates tangibly into shareholder value through long-term access to land, resources, capital and approvals, as well as employee attraction and retention. The resolution provided an opportunity for the Company to learn from experiences of the past, both our mistakes and our successes, so as to improve the relationships with communities and other stakeholders in the future.

The Environmental and Social Responsibility Committee of the Board of Directors (Committee), a committee comprised solely of independent directors, directed the Community Relationships Review (CRR) which culminated in a CRR Global Summary Report (CRR Report) and a report from the Committee to the shareholders on their recommended actions for the Company. The Committee engaged an independent study director to do an in-depth review of the relationships with communities at five of our operations: Ahafo in Ghana, Batu Hijau in Indonesia, Eastern Nevada (Carlin Trend) in Nevada, Martha Mine in New Zealand, and Yanacocha mine in Peru. The Committee convened an independent Advisory Panel (AP), comprised of representatives from certain Non-Governmental Organizations (NGO) and other community-minded stakeholders, to provide frank input and advice to the Committee during the study.

The Committee received and accepted the final version of the CRR Report, titled "Community Relationships Review Global Summary Report," on December 1, 2008. The Committee also received and reviewed initial comments from the AP at that meeting and was presented the AP's "Building Effective Community Relationships - Final Report of the Advisory Panel to Newmont's Community Relationships Review" (AP Report), at its meeting on February 17, 2009. The Committee published its report, "Community Relationships Review – Report of the Environmental and Social Responsibility Committee of the Board of Directors (Committee

Report),” summarizing the CRR’s lessons learned and putting forth the recommended next steps to management.¹

After careful review of the lessons learned and the recommendations in the CRR Report and the input of the AP Report, the Committee oversaw management in developing and executing an Action Plan that aligned in three areas as summarized in the Committee’s Report² and included *verbatim* below:

Analysis, Planning and Monitoring (Lessons 1, 2 and 8)

The study directors note that the Company has strong social responsibility and community relationships standards in place, but also identified significant critical gaps that must be addressed. Moreover, the study directors were uncertain if individual sites fully complied with the standards. We agree with the study directors that the Company must ensure it has industry leading standards that are routinely updated and verify compliance globally while planning for the future. In particular, the study directors and the AP both note that the relationship between the Company and the community may begin at the early exploration stage, which will require an integrated mine-lifecycle approach to planning for every site.

Engagement and Conflict Management (Lessons 4 through 8)

As with any relationship, there will, at times, be conflict. The study directors found that the Company has grievance procedures in place at all sites, but also note that the procedures sometimes lack effectiveness. Moreover, the study directors and the AP found that the Company sometimes employs a rather legalistic approach to conflicts and conflict resolution. The Board agrees that the Company can and must do a better job of managing these relationships, especially during times of conflict, with a culturally appropriate and localized approach to conflict management (regardless of whether the community has recourse to a reliable legal system to resolve grievances). We agree that the Company can and must do a better job of understanding how to identify and resolve issues within the local cultural norms, not necessarily through the Company’s historical or legal approach. We can and will do this by hiring and training more local employees who often understand much better than our expatriate employees the communities and their respective cultures.

Accountability and Capacity (Lesson 3)

The study directors note that the Company’s Environmental and Social Responsibility (ESR) personnel in the corporate and regional offices generally have the requisite skill sets to implement effective environmental and social responsibility standards and policies. The study directors further note, however, that management of community relationships and conflict management at the site

¹ All reports are available at www.Newmont.com or www.BeyondtheMine.com.

² Community Relationships Review – Report of the Environmental and Social Responsibility Committee of the Board of Directors, March 2009

level varies in quality by site, and is in some cases adversely impacted by lack of requisite skill sets and globally accepted practices. Finally, the study directors note that often at sites and within the management of the Company, employees believe that only ESR personnel are responsible for community relationships, engagement and conflict resolution.

The Board agrees with the study directors that all employees, regardless of their position in the Company, have a role to play in improving the Company's relationships with the communities it impacts. Following the path that has been established in implementing both safety and environmental standards and practices Company-wide, we expect that the CRR now provides a solid basis and guide for establishing an effective community relationship program and focus throughout the Company. Every one of our employees and managers has a role to play, and we agree that management needs to provide better training to employees so they can effectively engage and take on their individual responsibility to improve our relationships with impacted communities.

These three areas of focus provide a good summary for how the implementation strategy should be developed and implemented. To be most effective, we must take a thoughtful and deliberate approach that strategically prioritizes implementation of the CRR learnings. This report to the shareholders provides a summary of our approach to and an overview of our implementation of the Action Plan since the completion of the CRR study in 2009.

II. Newmont's Approach to Implementation of Actions from the CRR

The Company's ability to do business requires continued access to land, capital, approvals, and resources. Our exploration activities, operating facilities, and closure sites are determined by geologic terrains and are often associated with communities where people live and make their homes. Our ability to successfully develop mines is, therefore, predicated upon establishing and maintaining transparent and healthy relationships with these host communities. We recognize that our operations have an impact on people's lives. The manner in which we build and maintain strong relationships with communities and other key stakeholders must be a reflection of our values. The CRR Report, the AP Report and Committee Report identified the need to make a fundamental cultural shift in the organization with respect to how we establish and maintain relationships with communities. We recognized that a truly profound shift in our culture would require building, or re-building, the foundation of our community relations efforts.

To achieve sustained effect, we must take a thoughtful and deliberate approach that prioritizes implementation of the recommendations from the Committee in a strategic manner. The actions we must undertake cannot be mandated, but must be the outcome of measured, substantive internal engagement within our organization that results in a solid foundation of practices that are culturally appropriate and fit-for-purpose. Once this foundation is established, we can then embark upon addressing the more vexing and complex issues that are at the boundary of established and defined good practice.

The recommendations from the Committee Report, which tracked closely with the independent analysis of the AP Report, highlighted the need for improved conflict management, stronger engagement, strategic and action planning, capacity building and accountability in building and maintaining the relationships with communities. The subsequent actions that arise from the recommendations are numerous and multidimensional. Inherent limits in our assimilative capacity require that we prioritize the execution of the various activities, programs and actions.

Our focus for the initial phase of implementation, therefore, has been on core activities that are largely internally focused and centered on developing and implementing standards, systems and procedures that will support behaviors and expectations that define and frame transparency and engagement with our stakeholders, as well as increasing internal capacity. These practices will enable the profound cultural shift we are striving for and result in strong and lasting relationships built around the concept of shared value.

Establishing this foundation of behaviors and actions that engender integrity, trust and respect, we will have a robust platform of understanding and acceptance of the value of company-community relationships. From this platform, we will then extend the CRR implementation to evolve our practices to address more challenging and less well-defined issues associated with any community relationship.

III. Detailed CRR Implementation Summary

We have taken deliberate and measured steps towards building a solid foundation since the CRR was released in April 2009. The activities in this section describe how we are working to build the foundation that will lead to lasting and meaningful change within the organization.

Stakeholder Engagement

Following the release of the CRR reports we committed to engage and communicate with external stakeholders on the results of the studies and recommendations; particularly those stakeholders from the communities that participated in the study. It was essential that we follow through on the commitments to these stakeholders to deliver the results from the CRR in which they had participated. By engaging directly with our stakeholders that had participated in the studies, we honored the principles identified in the CRR, as well as our commitments to them, and directly addressed number of the lessons and recommendations put forth in the CRR reports.

Throughout 2009, following the release of the three CRR reports, the Company teams prepared and executed a global communication/engagement plan that comprised face-to-face meetings, presentations, and media releases across all of our operating regions. Throughout the communication/engagement process we contacted over 1,600 external stakeholders to inform them of the completion of the CRR study and to receive their feedback to understand whether

they believed that the CRR Report properly captured their comments. In addition, numerous internal communication sessions were held with all functional departments including contractors.

In addition to the implementation of these engagement and communication plans, in November 2009 a Community Relationships Global Workshop was convened with a range of stakeholders including shareholders, international agencies, local governments, NGOs and local community members. This meeting responded to a recommendation out of the Committee Report and was an important step in our process of understanding the expectations arising from the CRR. Workshop participants expressed an earnest desire that the Company take the lessons from the CRR to heart and that we take concerted action on implementing the recommendations. A chronological summary of our engagement activities since the CRR reports follows:

- Early – mid-2009 – Extensive communication of the final CRR documents including engagement with the original stakeholders interviewed for the studies and representatives of the impacted communities;
- Mid-2009 – Spanish and Bahasa Indonesian versions of the CRR reports were prepared and made publically available on the Company’s Beyond the Mine website;
- Late 2009 – Community Relationships Global Workshop, held in November 2009 in Washington, D.C. with 19 external stakeholders, and 10 Newmont representatives;
- Early 2010 – Executive Leadership Team conference calls with employees across the globe in May 2010 hosted by Richard O’Brien, Newmont’s President and CEO, and Dave Baker, Newmont’s Vice President and Chief Sustainability Officer, to discuss the CRR, the expectations of the Executive Leadership Team, what it means to our employees and how it will help make the Company sustainable, profitable and responsible;
- Mid-2010 – Newmont’s Global Leadership Meeting, where the top 100 Company executives participated in a broad range of discussions, working sessions and presentations from external thought leaders that focused on: a) performance as foundational to our credibility, and b) relationships with stakeholders and community involvement in our business as a central tenet to creating and delivering on shared value with our communities and other key stakeholders.

As discussed in Section II of this report, since the initial publication of the CRR reports, we have largely focused on developing, expanding and improving our internal systems, standards, procedures and capacity as a first step towards sustained and improved consistent social performance. As we proceed with implementation, over the next two years we plan to enhance engagement with our stakeholders so that we can learn from their views and input about

our activities and provide reassurance and visibility into the Company's implementation of the CRR, including:

- Developing and implementing metrics and indicators, with input from our stakeholders, to measure our progress on CRR implementation and how well we are performing;
- Publishing an annual written report summarizing the status of CRR implementation across the Company; and,
- Conducting a meeting with interested shareholders either face-to-face or remotely, at least annually, to provide a verbal update regarding our progress on CRR implementation.

Standards, Systems and Procedures

As discussed in Section II, our focus for the past two years has been on core activities that are largely internally focused and centered on implementing standards, systems and procedures that promote transparency and engagement with our stakeholders as well as increasing capacity. This section describes the work we have done to date.

Social Responsibility Standards

Our performance is directly a function of and is attributed to our behaviors and actions as we conduct our day-to-day business. As such, it is imperative that we establish clear expectations of requirements that must be met in regards to community relations. The CRR Report identified that we had strong social responsibility and community relationship standards in place, but also identified significant critical gaps to be addressed. Following the release of the CRR reports, the Company stepped through an iterative internal review process that drew upon contemporary research and investigation into leading practice, as directed by the Committee, so as to revise our social responsibility standards to address key issues and risks that were identified in the CRR reports. The updated Social Responsibility Standards were rolled out across the organization in May 2010.

Conflict Identification and Resolution Training

Conflict with communities was a specific area of focus in the Committee Report. The University of Queensland was retained to prepare an overview of best practice in operating site-level grievance mechanisms, incorporating work by the United Nations' Special Representative on Business and Human Rights, Professor John Ruggie. Using the findings of this research, a three-tiered approach addressing complaints and grievance management and resolution was developed and incorporated into the Company's revised Social Responsibility Standards. To support the implementation of the new Complaints and Grievances Management and Resolution

standard, The Company entered into partnership with RESOLVE, a US-based consultancy specializing in dispute resolution training, to develop a global, culturally appropriate training program.

The RESOLVE team built on the learnings and recommendations from the CRR reports and identified specific areas of community relationships challenges with the Company staff, as well as reviewed job descriptions and performance management systems, studied our leadership and development approach, and appraised our training programs. RESOLVE also benchmarked Newmont against other extractive industry environmental, social, human rights, security, and other standards, as well as case studies from the CRR, extractive company associations and academia.

RESOLVE and Newmont collaborated to develop materials that are culturally appropriate and locally tuned to complement job-related training, as well as Newmont's proprietary Leadership Pipeline development and training program. Stakeholder engagement and conflict resolution competencies for each function and leadership level in Newmont's Leadership Pipeline model were updated.

The Committee was clear in its perspective that all employees, regardless of their position in the Company, have a role to play in improving the Company's relationships with the communities it impacts. As such, in considering how to structure the training, we acknowledged the issues identified in the CRR site studies and the CRR reports that certain staff functions need more intensive training than others based on their level of interaction with community members. Employees that have more interaction with the community or whose interactions affect the community directly need more intensive training and, therefore, the training programs are based on the respective degree of interaction with community members, as described below.

The Conflict Identification and Resolution Training address three different levels of employee and community interaction:

1. *Front Line*: The front line training is for employees that regularly and routinely interact with the community and are important in their ability to affect the Company's relationships with the community. This 16-hour training provides staff with detailed knowledge and hands-on skills for identifying, understanding, and de-escalating situations that have the potential to result in conflict.
2. *Specific Awareness*: The specific awareness training is for staff whose activities indirectly affect the community or those who may have intermittent interactions with the community. The 4-hour training teaches participants to understand the sources of conflict

stemming from the Company’s activities and to identify opportunities to avoid creating potential conflict through their work.

3. *General Awareness*: The general awareness training is for all Newmont staff. The training helps all employees understand Newmont’s policies for handling conflict and grievances from communities. The training lasts 2 hours and can be delivered in person, online, or in the context of other new employee training.

In November 2010 and March 2011, respectively, training was conducted at the Ahafo and Batu Hijau operations, including Elang Project personnel, and included sessions with external stakeholders from the local communities. As of the date of this report, a total of 204 Newmont employees or contractors have received training under this program. To fully realize the value from this program, it is important that members of the local communities have an understanding of the program including its purpose and how they and others in the community can access it. As such, 43 community members have also received training. Training sessions will be conducted at operations in our North and South American region in 2011.

Social Audit Program

Drawing upon extensive experience in the field of environmental and social management systems, as well as internal experience gained during the implementation of ISO 14001, Newmont has worked with the University of Queensland’s Centre for Socially Responsible Mining (CSRSM) to develop a new social audit program based on the revised Social Responsibility Standards and the CRR reports. The conceptual approach to the social audit program is shown below. While some aspects are still evolving, such as the Social Climate Survey (Tier 3), the overarching goal of the program aligns to the Committee Report recommendation that the interests of communities and Newmont’s business plans be aligned.

Specific progress to date includes development of the social audit program framework and a full set of audit/assessment protocols for each Social Responsibility Standard. A field evaluation and pilot of the protocol design was conducted at Newmont’s Martha mine operations in New Zealand, and a pilot of the Facilitated Self-Assessment (Tier 2) was conducted at Minera Yanacocha in Peru during October 2010. Development of the Tier 3 methodology will be concluded and piloted in 2011. The following summarizes the social audit program components.

	Scope	Description
Tier 4	Focused Review	Targeted on-site review of specific issues based on Tier 2 and Tier 3 feedback or other risk based evaluation. May include community participation.
Tier 3	Social Climate Survey	Rigorous outcomes review based on

		community perception analysis through various fit-for-purpose methodologies including surveys, interviews, focus groups, etc.
Tier 2	Facilitated Self-Assessments	Corporate-sponsored assessments by facilitators with social expertise utilizing “soft-touch” protocols to assess: a) process performance of management system elements required by social standards; and b) incorporation of social responsibility information flow by site management team to guide strategic community relations decision-making.
Tier 1	Gap Analysis	Site/Region driven gap analysis to test and ensure conformance of management systems to the Social Responsibility Standards.

A chronological summary of our activities regarding standards, systems and procedures since the CRR reports were issued follows:

- Mid-2009 – Early 2010 – Research into best practice in company site-level grievance mechanisms, incorporating work by the United Nations’ Special Representative on Business and Human Rights, Professor John Ruggie and incorporation of findings into the Complaints and Grievances Management and Resolution Standard.
- Late 2009 – Early 2010 – Development and initial implementation throughout the organization of new social responsibility standards, in light of the findings of the CRR. Newmont Social Responsibility Standards set core requirements in the following areas, which are described briefly below:
 - Social Baseline Studies - baseline studies describe a comprehensive social context and characteristics of the populations living near a potential mine sites;
 - Social Impact Assessment - identifies and evaluates social impacts, both adverse and beneficial, related to a mine's area of impact and influence, in order to provide an informed analysis upon which to develop effective short- and long-term engagement and development plans;

- Stakeholder Mapping – identifies people and groups (stakeholders) who have an interest in Newmont activities relative to their general needs and interests, and relationships between groups or communities, which can serve as a guide to the development of effective engagement strategies;
- Stakeholder Engagement – addresses planning, implementing, and monitoring stakeholder engagement practice, as the basis for developing and maintaining constructive, long-term relationships;
- Expectation and Commitment Management – puts in place a system to assist in the management of stakeholder expectations and to monitor and track commitments made by the Company;
- Complaints and Grievances Management and Resolution – defines and formalizes the management process and key procedures to understand, prioritize and manage complaints and grievances related to the Company’s activities;
- Monitoring and Evaluation – defines monitoring and evaluation activities to ensure the ongoing, methodical collection and analysis of data on engagement and program activities to assess their success at achieving specified goals and objectives;
- Local Community Investment – ensures that each Newmont site has a strategic program for providing financial and in-kind assistance that helps to foster sustainable development in local communities while ensuring compliance with Newmont's anti-corruption policy;
- Security and Human Rights - provides safety and security for Newmont employees and assets in a manner that respects human rights and is consistent with Newmont's commitment to the Voluntary Principles on Security and Human Rights;
- Land Acquisition and Resettlement – sets requirements for accessing or acquiring land, so that the rights and needs of local communities related to land access and acquisition are assessed and addressed and such interactions between the company and the local community are done in a manner that fosters trust and mutual respect, and;
- Management of Cultural and Heritage Sites – sets controls for identification, protection and management of sites with cultural or heritage significance to local stakeholders within the areas of influence of the Company’s activity so as to prevent unauthorized disturbance by Company personnel

- Mid-2010 – Initiation of a gap analysis against the new Social Responsibility Standards at Newmont operations. Approximately 90% of the Company’s operations have completed this gap analysis and developed respective action plans.
- Late 2010 – A pilot Conflict Identification and Resolution Training session was completed at the Ahafo mine site in November 2010 and included a session with external stakeholders from local communities to better understand how Ahafo can provide capacity building and education.
- Early – Late 2010 – A new social audit program was designed, tested and piloted at Minera Yanacocha mine. The overarching goal of the program aligns to the Committee’s Report recommendation that the interests of communities be aligned with Newmont’s business plans.
- Early 2011 – Conflict Identification and Resolution Training was conducted at the Batu Hijau operation with Elang personnel in attendance. A total of 169 staff and community leaders received the training.

Exploration-ESR Guidebook

In the Committee Report, it was accepted that the AP’s perspective that the relationship with a community begins during geologic exploration and that the CRR implementation should address the full lifecycle of a mining operation. During the last two years, Newmont researched and evaluated a range of industry-leading community relations practices and toolkits to identify leading good practices for greenfield exploration. Building upon this learning and in collaboration with all levels of Newmont’s Exploration management team and field geologists, Newmont developed the “Exploration-ESR Guidebook” (Guidebook). The Guidebook provides practical advice and guidance on the expectations for explorers based upon the Company’s existing environmental and social responsibility performance standards. The scope of the Guidebook encompasses key phases of exploration activity including generative exploration analysis, greenfield exploration at a regional scale, target identification at a district scale, target testing during prospect exploration, advanced exploration of a deposit, and early project opportunity assessment. The Guidebook includes:

- Principles for ESR management during exploration;
- A framework for ESR risk analysis based on the exploration stage;
- A fit-for-purpose guide for conforming to ESR standards, and;
- An Exploration ESR code of conduct.

The Guidebook has been utilized on exploration activities in western Africa, North and South America and Indonesia and the South Pacific. Implementation of the Guidebook will continue throughout the remainder of 2011.

IV. Next Steps

In 2011, the Company will continue its implementation of actions arising from the CRR with specific emphasis on internal capacity building and external engagement and communications. We will also seek opportunities for external engagement with stakeholders outside the communities in which we operate.

Metrics and Indicators

The Committee intends to measure and monitor the Company's performance on the issues identified in the CRR Report. Systems of internal accountability are crucially important to the effective measurement, monitoring and management of environmental performance and community relationships. The Company's employees must be held accountable for implementing its environmental and community relations objectives in a manner guided by Newmont's standards and assessed against identified organizational performance indicators.

As such, the Board of Directors charged management to develop a set of key metrics, including metrics for individual and organizational accountability, to empower and enable the Committee and management to measure and monitor our performance on the issues identified in the CRR Report.

During 2011, we will develop metrics for organizational performance; including initial environmental and social responsibility performance metrics specific to the departments and functions that will have the most impact on communities and external stakeholders as part of the measure of the Company's effectiveness in creating shared value with our host communities.

For the organization as a whole, sustainability metrics will be designed to measure the short, medium, and long-term impact of the Company's investment in community development. Currently we do not have clear metrics to demonstrate to internal or external stakeholders the tangible impact of our community development or other sustainability initiatives. Clear metrics will help us better define the reasoning behind our prioritization of areas for community investment and develop indicators to measure not only program inputs (e.g., budget, time invested, etc.), but impacts on quality of life as well (e.g., income generation, health, education, etc.).

Social Responsibility Standards

Additional work will be conducted on the following standards:

- Integrated Community Relations Strategic Planning standard – the CRR calls for strategic planning around Community Relations. A draft standard has been developed and will be reviewed and finalized in 2011 for inclusion in the Social Audit Program.
- Human Rights – continue to monitor John Ruggie’s work and evaluate whether to revise the Company’s current standard.
- Site Closure and Reclamation – evaluate integrating environmental and social issues into one comprehensive standard.

Conflict Resolution Training

The 2011 plan for the Conflict Identification and Resolution Training will further refine and expand the training program across the Company. We will include one of the Company’s growth projects, for instance Akyem, Minas Conga, or another to be determined, to evaluate the functionality and need for modification of the program in the project development setting.

Social Audit Program

During 2011, the next phase of the social audit program will further evaluate the effectiveness of the Tier 1 and Tier 2 self-assessment process as the program is used at additional sites. It will be important to identify and engage appropriate facilitators to support the audit program over the longer term. Also during 2011, methodology for the Tier 3 Social Climate Survey will be completed and piloted. Initial guidelines for the implementation of Tier 4 Focused Reviews will be developed.

ESR Exploration Guidebook

Although each exploration site is typically quite different from the next, they share some similar aspects and challenges. First, from the perspective of a community, exploration is inherently uncertain and field work commences and ceases with no apparent reason. Second, it is often the case that the field geologist manages all aspects of an early exploration project, including health and safety, local hiring, legal compliance, permitting, communications, land acquisition, camp management, procurement, community investments, contractor management, environmental management, accounting and, last but not least, finding and drilling an economic gold deposit. Lastly, as we strive to grow our resource base, there is also an expectation to enhance mining’s contribution to development and poverty reduction. Ensuring that our investments in minerals development creates shared value by enhancing local and national social, environmental and economic outcomes is an important part of fulfilling our commitment as a leading gold company committed to sustainability.

We are increasingly aware, however, that such broad development outcomes are difficult to achieve when companies act unilaterally or lack the mandate to address such issues. Multi-stakeholder partnerships potentially offer opportunities for participation from government,

international and regional development agencies, and civil society groups in efforts to further sustainable development where we operate, but these discussions must be initiated early in the project phase in order to gain the benefits of collaboration and minimize erroneous expectations. In 2011, the Company will continue the implementation of the Guidebook throughout the exploration organization, and will analyze the creating multi-sector partnerships at an exploration level and the possible benefits at the local and regional levels.

Conclusion

The CRR represents an unprecedented undertaking to understand the nature of relationships, and the manner in which they can be strengthened, between a major multi-national, multi-cultural mining company and the communities in which it operates. Just as the CRR study was a foray into uncharted waters, so too is the change of an entire mining company's workforce culture around community relations. In order to be effective over the long-term, these changes must be set on a solid foundation that promotes appropriate behaviors, actions and outcomes. Our focus for the past two years, therefore, has been on core activities that are largely internally focused and centered on implementing standards, systems and procedures that develop increased capacity and promote transparency and engagement with our stakeholders. These practices will enable the profound cultural shift we are striving for and result in strong and lasting relationships built around the concept of shared value. As we proceed into the future we will continue this deliberate approach and increase our engagement with external stakeholders so that we can continue to benefit from the input and perspective of those from outside the company and better the lives of those we touch.

CRR Implementation Program Dashboard

LEGEND:

100% Complete
 75-99% Complete
 50%-74% Complete
 25%-49% Complete
 0% - 24% Complete

On Track
Lagging
Off Track
Not Started

Year	Program or Activity	Status
Strengthening Internal Capacity		
Exploration ESR Guidebook		
2009	Research and analyze ESR policies, standards and best practices in Exploration	●
2009	Draft guidebook in collaboration with Exploration	●
2010	Develop and pilot performance management workbook	●
2011	Finalization and release of the Exploration ESR Guidebook	●
2011	Continue implementation of Exploration ESR Guidebook at 5 exploration projects	●
2011	Develop white paper discussing role of multi-sector partnerships	◐
2011	Development of Exploration-ESR Working Model	◑
2012	Complete development of Exploration website for sharing best practices	●
2012	Continue implementation of Exploration ESR Guidebook at additional GENEX projects	○
2012	Conduct Conflict Identification and Resolution Training in APAC and South America	○
2012	Engage and consult Exploration and ESR leadership on working model	○
2013	Full implementation and resourcing of Exploration-ESR Working Model	○
2014	Exploration-ESR Guidebook fully embedded into business	○
Social Assessment Program		
2010	Develop Background Paper and Options Paper for social audit program	●
2010	Design Conceptual Social Audit Framework	●
2010	All operations conduct Gap Analysis against SR Standards	●
2010	Develop Tier 2 assessment protocols for each SR Standard	●
2010	Pilot Tier 2 assessment protocol approach	●
2010	Pilot Tier 2 Facilitated Self Assessment (FSA) at one site	●
2011	Conduct Facilitated Self Assessments (FSA) at Batu Hijau, Hope Bay and Resurrection	◐
2011	Formalize Tier 1 Gap Analysis Tools and Methodologies	●
2011	Formalize Tier 2 Facilitated Self Assessment Tools and Methodologies	◐
2011	Develop Tier 3 Field Review Options Paper and Engage Stakeholders	●
2011	Pilot Tier 3 Field Review	◑
2011	Develop Tier 4 Targeted Analysis guidelines	●
2011	Social Assessment Framework Program Overview drafted	●
2012	Conduct four Tier 2 Facilitated Self Assessments	◐
2012	Formalize Tier 3 Field Review Tools and Methodologies	○
2013	Conduct two Tier 3 Field Reviews	○
2013	Pilot Tier 4 Targeted Analysis	○
2013	Formalize Tier 4 Targeted Analysis Tools and Methodologies	○
2014	Finalize Social Assessment Program and embed into ESR Audit System	○
2014	Publish social assessment reports	○
Conflict Identification and Resolution Training Program		
2010	Benchmark analysis of Newmont systems against other extractives - RESOLVE	●
2010	Draft stakeholder engagement and conflict resolution staff competencies	●
2010	Cross-functional working group to identify training needs, audiences and approach	●
2010	Pilot Conflict Identification and Resolution Training	●
2011	Rollout of Conflict Identification and Resolution Training - 3 sites	●
2011	Pilot Conflict Identification and Resolution Training at Development Project	◐
2011	Pilot Conflict Identification and Resolution Training at Legacy Site	●
2012	Integration of Conflict Training with Newmont Learning & Development Program	◐
2012	Conduct training in 1 Exploration region, 2 Project Development site and 4 Operations	○

CRR Implementation Program Dashboard

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 25%-49% Complete
 0% - 24% Complete

On Track
Lagging
Off Track
Not Started

Year	Program or Activity	Status
2012	Develop Newmont Conflict and Grievance Management Handbook	○
2013	Develop Stakeholder Engagement and Conflict Resolution Competency Model with HR	○
2013	Develop and Implement plan to sustain the "Engage" (f. Frontline) Training Module	○
2013	Continue conducting training sessions throughout the organization	○
2013	Develop and Pilot Training Monitoring System	○
2014	Finalize Conflict Identification and Resolution Training Program and embed into the business	○
Community Relationships Forum (CRF)		
2011	Develop "value proposition" for CRF	●
2012	Develop CRF conceptual approach, and agenda	●
2012	Hold Community Relationships Forum in each region (4)	○
2012	Evaluate effectiveness/impact of CRF approach and issue summary report	○
2013	Convene Community Relationships Global Forum - <i>tentative</i>	○
2014	Hold Community Relationships Forum in each region (4) - <i>tentative</i>	○
"Community Relationships and You" Awareness Program		
2011	Develop Training Targets/Objectives	●
2012	Develop Training Content, Delivery Mechanisms and Initial Rollout	◐
2012	Mobile Device Rollout of Training	○
2012	Gather Community Relationships (CR) Improvement Ideas through Newmont Prospector Intranet	○
2012	Identify 400 - 700 Community Relationships "Champions"	○
2012	Collate ideas and develop action plans for 2013 implementation through CR Champions	○
2013	Kickoff of Community Relationships Champions Program	○
2014	Report on Champions Program progress and achievements	○
Social Responsibility Awareness Events		
2009	Annual sustainability report - Beyond the Mine	●
2010	CEO hosted calls with VP, ESR to discuss CRR with Senior Leadership Teams	●
2010	Annual sustainability report - Beyond the Mine	●
2010	Global Leadership Team meeting with ESR focus attended by top 100+ company management	●
2011	Annual sustainability report - Beyond the Mine	●
2011	Social Responsibility Awareness session - Corporate (Lunch & Learn)	●
2012	Social Responsibility Experiential Awareness pilot session - Corporate	●
2012	Annual sustainability report - Beyond the Mine	◐
2012	Prepare and disseminate Ahafo Social Responsibility Agreement Case Study	◐
2012	Social Responsibility Experiential Awareness session - D&D Group	○
2013	Annual sustainability report - Beyond the Mine	○
2013	Social Responsibility Experiential Awareness session - 2 Regions	○
2013	Social Responsibility Experiential Awareness session - D&D Group	○
2014	Annual sustainability report - Beyond the Mine	○
2014	Social Responsibility Experiential Awareness session - 2 Regions	○
Improved Engagement and Outreach		
External Stakeholder Engagement		
2009	Develop and Execute Global Communications to CRR Stakeholders after report release	●
2009	Translate CRR reports into Spanish and Bahasa Indonesian	●
2009	Convene CRR Global Workshop with external stakeholders	●
2010	Prepare and Submit Annual CRR Update to Shareholders	●

CRR Implementation Program Dashboard

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On Track
Lagging
Off Track
Not Started

Year	Program or Activity	Status
2011	Meetings with Shareholders on CRR Progress (2x/year)	●
2011	Prepare and Submit Annual CRR Update to Shareholders	●
2011	Conduct external stakeholder engagement exercise (GlobeScan)	●
2012	White paper on best practice for establishing a standing expert external advisory body	●
2012	Meetings with stakeholders on CRR Progress (2x/year)	◐
2012	Reconvene Advisory Panel for 3-year update	◑
2013	Determine path forward on forming a standing expert external advisory body	○
2013	Prepare and Submit Annual CRR Update to Shareholders	○
2013	Meetings with stakeholders on CRR Progress (2x/year)	○
2014	Conduct follow-up external stakeholder engagement exercise	○
2014	Reconvene CRR Global Workshop with external stakeholders	○
2014	Prepare and Submit Annual CRR Update to Shareholders	○
2014	Reconvene Advisory Panel for 5-year update	○
Planning, Monitoring and Internal Stakeholder Engagement		
2009	Include CRR target in the 2009 Newmont Objectives and Measures Guide	●
2010	Include CRR target in the 2010 Newmont Objectives and Measures Guide	●
2011	Include CRR target in the 2011 Newmont Objectives and Measures Guide	●
2011	Review CRR recommendations and update strategy	◐
2011	Establish formal quarterly CRR Site Action Plan Internal Progress Reporting Program	●
2011	Baseline survey of company-wide employee perceptions of Newmont's ESR commitment	●
2012	Include CRR target in the 2012 Newmont Objectives and Measures Guide	●
2012	Review and Update Global and Site CRR Action Plans	◐
2012	Revise Social Responsibility Results in Newmont's Leadership Pipeline to incorporate CRR attributes	○
2012	Develop and implement a CRR communication program for new programs	○
2012	Develop CRR site/blog on Newmont Prospector intranet	○
2013	Include CRR target in the 2013 Newmont Objectives and Measures Guide	○
2013	Improve Monitoring/Performance Management of Quarterly CRR Reports	○
2013	Repeat company-wide employee survey on Newmont's ESR commitment and compare to baseline	○
2014	Include CRR target in the 2014 Newmont Objectives and Measures Guide	○
2014	Global internal assessments against CRR Recommendations - <i>link to Social Assessment Program</i>	○
Review and Revision of Management Systems		
Global Best Practice Complaint/Grievance Mechanism Procedure		
2011	Develop scope for assessing existing complaint/grievance mechanisms	●
2012	Conduct site assessments of existing mechanisms	○
2012	Update existing complaint/grievance management standard based on assessments	○
2012	Link complaint/grievance metrics into Shared Value metrics	○
2012	Identify capacity development requirements based on assessments	○
2013	Deliver capacity building focused on complaint/grievance revised procedure	○
2014	Review complaint/grievance mechanism effectiveness	○
Global Best Practice Social Impact Assessment Guidance Document		
2011	Identify and share existing best practices of Social Impact Assessment examples	●
2012	Concept development and internal stakeholder interviews	○
2012	Preliminary draft of guidance document based upon global best practice review and interviews	○
2012	Update and finalization of SIA Guidance Document	○
2012	Implementation of SIA Guidance Document - <i>link to Shared Value Metrics</i>	○

CRR Implementation Program Dashboard

LEGEND:

100% Complete
 75-99% Complete
 50%-74% Complete
 25%-49% Complete
 0% - 24% Complete

On Track
Lagging
Off Track
Not Started

Year	Program or Activity	Status
2013	Deliver capacity building focused on SIA best practice	○
2014	Review SIA implementation effectiveness	○
Revision of Social Responsibility (SR) Standards		
2009	Research best practice on site-level grievance mechanisms	●
2009	SR Standards Review Workshop	●
2010	SR Standards Rollout (11 SR Standards)	●
2011	Develop additional SR Standards	○
2012	Global Review of Standards w/ special focus on Complaint/Grievance Management & SIA-see below	◐
2013	Rollout merged Environmental and Social Responsibility standards	○
2014	Make merged ESR Standards publicly available	○
Sustainability Metrics		
Sustainability Metrics		
2009	Social Responsibility Results Category incorporated into Leadership Pipeline	●
2011	Identify departments/functions with most influence an impact on external stakeholders	●
2011	Identify initial metrics to measure effectiveness in creating shared value with host communities	●
Local Employment		
2012	Identify potential inclusion metrics (e.g. Local Employment; Gender; Veterans; Ethnicity)	◐
2012	Initiate tracking of employment metrics for baseline data establishment in regions	◑
2012	Identify employment metric targets for reporting in 2013	○
2013	Implement employment metric reporting against identified targets	○
2014	Report publicly on Local Employment target	○
Local Content		
2011	Establish 2012 Local Content targets	●
2012	SCM/ESR Global Workshop to standardize supplier definitions	●
2012	Validate and Update Supplier Classifications against revised Local-Local & Local definitions	◐
2012	Update of Local Content Targets for each region	○
2012	Implement regular Local Content Metric Reporting	○
2012	Establish 2013 Local Content targets	○
2013	Develop Supplier definitions for National and International-Locally Registered (ILR)	○
2013	Validate and Update Supplier Classifications against revised National & ILR	○
2013	Set 2014 Local Content targets and publish	○
2014	Report publicly on Local Content target	○
Social Impact Assessments		
2012	Verify status of SIAs across operations	●
2012	Identify priorities for SIAs in support of Newmont Growth Plan	●
2012	Develop scope, schedule and management tracker for SIAs	◐
2013	Initiate reporting against SIA metric	○
2014	Report publicly on SIA metric	○
Grievance Mechanisms		
2012	Identify initial C&G targets for monthly reporting	●
2012	Pilot metric reporting program in S. America and Africa	●
2012	Develop fully-functional C&G mechanisms at each site/region	◑

CRR Implementation Program Dashboard

LEGEND:

100% Complete
 75-99% Complete
 50%-74% Complete
 25%-49% Complete
 0% - 24% Complete

On Track
Lagging
Off Track
Not Started

Year	Program or Activity	Status
2012	Revise and finalize Complaint and Grievance metric targets for global reporting	<input type="radio"/>
2013	Implement fully-functional C&G mechanisms and regular C&G metric reporting in regions	<input type="radio"/>
2014	Report publicly on C&G performance	<input type="radio"/>



Exploration ESR Guidebook

Making Discoveries, Forming Relationships





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INTRODUCTION

Newmont explorers often find themselves working independently, with limited support and connectivity. These challenging working conditions, combined with the confidential nature of mineral exploration, produce world-class professionals who are highly self-reliant and adapted to working within different cultures and conditions quickly and easily. These explorers require advanced, tailored and responsive tools for managing Environmental & Social Responsibility (ESR), including:

- A strategy for ESR management in Exploration (this document) that includes a Global ESR Code of Practice and phase-appropriate guidance
- Global Exploration Messages and Presentation Materials
 - Clear and consistent information that explains the exploration process and introduces Newmont to communities across diverse cultures

- An Exploration ESR Performance Management Workbook
 - Detailed guidance to comply with Newmont's Environmental and Social Responsibility Standards
- A virtual ESR Warehouse and Network
 - A forum for information and best practices

The primary goal of exploration is to advance potential opportunities through Newmont's project selection process (Fig. 1). Developing economic projects sustains our business and is essential to our project pipeline and development process (Fig. 2). This Exploration ESR Guidebook addresses exploration activities from initial opportunity identification through Stage One.



Figure 1: Pre-Stage Gate Process

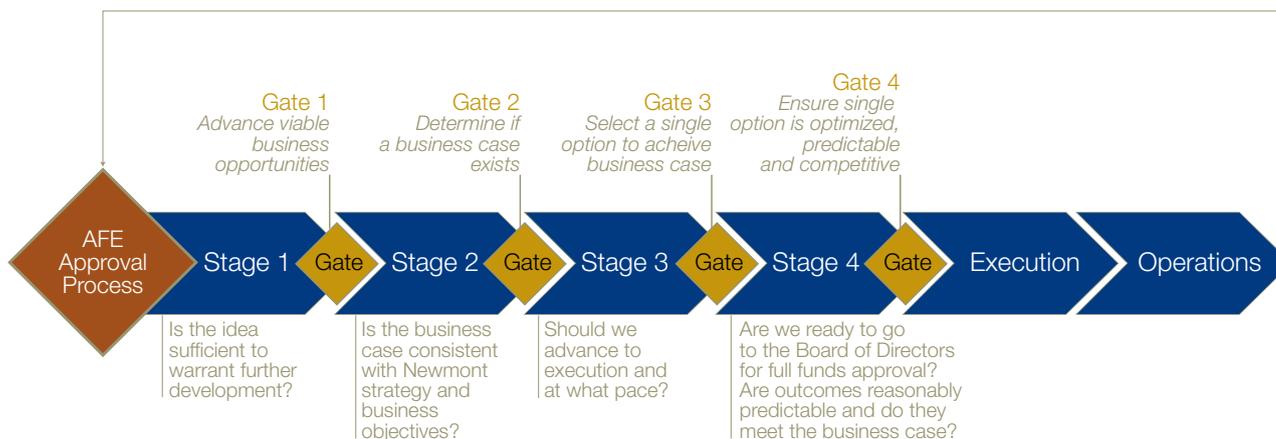


Figure 2: Stage-Gate Project Development Process

NEWMONT VISION, VALUES, MISSION AND STRATEGIC FOUNDATION



The Exploration ESR management strategy and framework is based on our vision to be *the most valued and respected mining company through industry leading performance*. This document outlines how explorers can embody Newmont's values by *demonstrating leadership in safety, stewardship of the environment and social responsibility* in order to sustain our business. By building reputation capital, creating valuable relationships with stakeholders and communicating exploration knowledge of the local communities and environment for management to make informed decisions, exploration fosters ongoing access to land, capital, approvals and resources. With our strategic foundations to *deliver on our plans in a safe and environmentally and socially responsible manner* and to *think and invest strategically*, it is fundamental that we ensure access to reserves through positive relationships.

In all environments, stable or challenging, explorers are in an especially strategic position to manage the uncertainty and risks associated with gaining community acceptance. In our quest to *build a sustainable mining business that delivers top quartile shareholder returns while leading in safety, environmental stewardship and social responsibility*, the Exploration team works to maintain environmental and social performance congruent with Newmont Values.

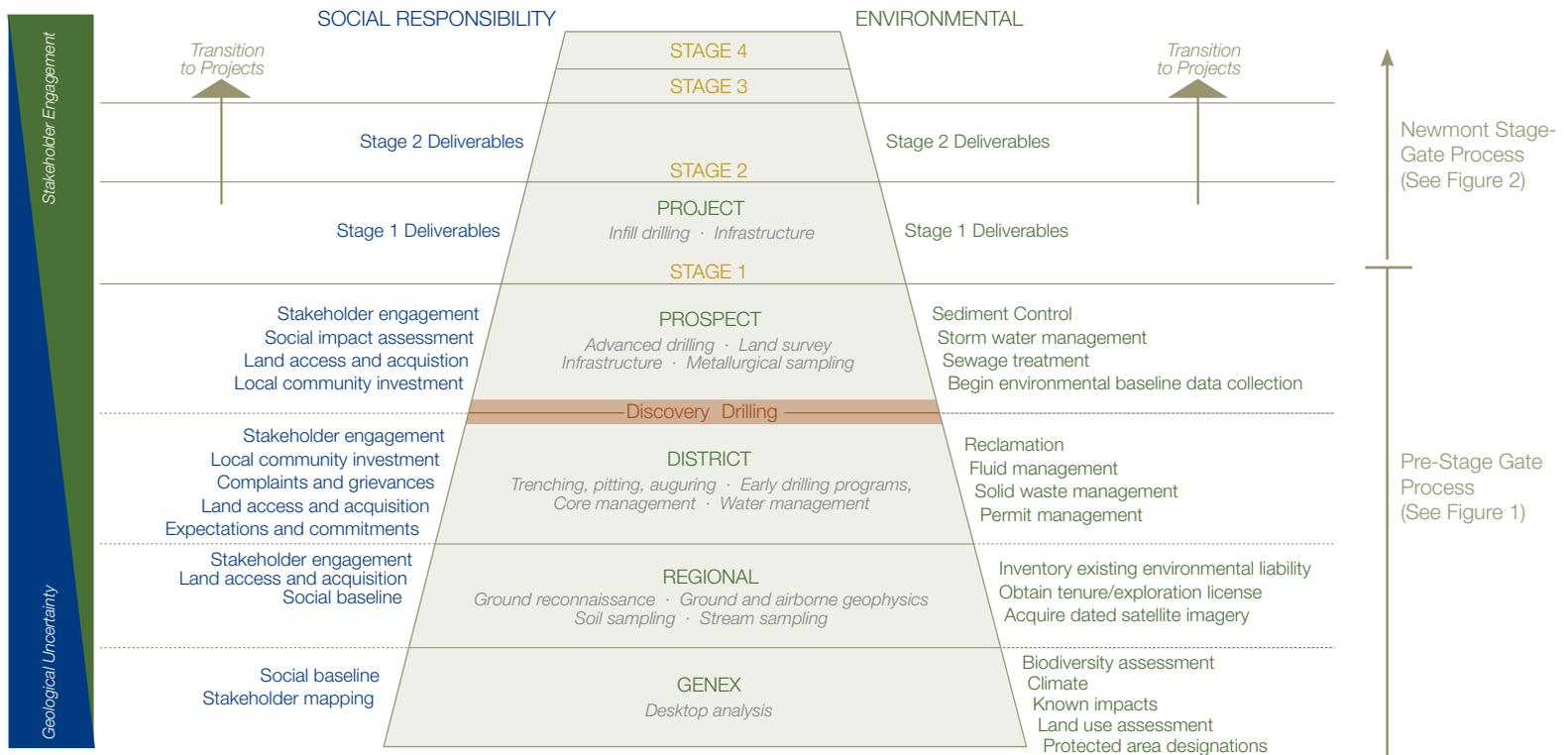
KEY COMMUNITY RELATIONSHIP CHALLENGES DURING EXPLORATION

Exploration often marks the first contact between Newmont and the community, and these interactions are critical to shaping positive future relationships. Community attitudes toward exploration and mining are formed not only by the impacts of these activities but by the expectations and concerns of the local communities themselves.

Mining can be a completely new concept to some communities, while others may have had prior experience and shaped strong opinions. During exploration, there is a high degree of uncertainty about what the mine would look like and whether a mining operation will be developed at all. With explorers working in the field, accessing land is essential to discovering deposits and explorers must recognize formal and informal ownership to obtain necessary permissions to enter onto prospective land. Once land access is secured, community relationships must be maintained through continuous communication during periods of inactivity and across multiple work teams, contractors and consultants. This guidebook is intended to define and communicate a common vision of what ESR management means in exploration, why Newmont does it, and the direction Newmont expects its explorers to take.

THE EXPLORATION ESR FRAMEWORK

Responsible exploration minimizes negative impacts and optimizes benefits for all parties involved. This guidebook aims to provide guidance and direction for responsible exploration in a manner that is consistent with exploration realities, comprehensive enough to satisfy public scrutiny, scalable to the size of exploration projects and adaptable to any circumstance. Figure 3 provides an illustration of the ESR activities at each stage of the exploration process, from Generative Exploration (GENEX) through Stage 1 project development.



As geologic uncertainty decreases, the effort required to engage stakeholders becomes greater due to increasing risks related to project impacts and community expectations.

Figure 3: Activities by exploration stages

EXPLORATION ESR STRATEGIC GOAL AND OBJECTIVES

Following the Exploration ESR Framework, a strategic goal and three objectives were developed to guide exploration planning and execution decisions.

GOAL:

Secure access to land, capital, approvals and resources by creating value for communities where we work – identifying, assessing and balancing short-term needs with long-term sustainable development.

The following three strategic objectives (SO) and results were developed to provide clarity for internal and external audiences on how Newmont Exploration manages ESR in alignment with our Values. Exploration activities essential to achieving these results are often site and context specific and vary greatly depending on the conditions on the ground; nevertheless, specific activities are expected to contribute to our strategic objectives.

Strategic Objective 1. Avoid environmental impact, and if impact is necessary, restore the environment to a sustainable agreed upon end-use

The real environmental impacts during exploration are significantly less than those of a mining operation. Unfortunately, explorers are routinely associated with widespread perceptions that exploration activities equal mining operations and are essentially destructive and negative for communities. The most important action explorers can take to reverse these existing perceptions about miners where we work is to manage exploration operations with a “minimum footprint” philosophy and demonstrate environmental stewardship.

Result: Newmont environmental disturbance avoided or reclaimed

Strategic Objective 2. Build local capacity through investments

Exploration activities strengthen economic growth by means of investment, employment, the transfer of knowledge and skills, the purchase of local goods and services, and support for the rule of law. In addition to directly working for exploration, our communities may benefit in other ways, such as local procurement of supplies, transportation and lodging, as well as indirectly through community development projects. The economic impact of Newmont exploration can be significant. However, because of the temporary nature of exploration, if we invest in community development it should have clear beginning and end dates without explicitly or implicitly committing Newmont to recurring operational or maintenance costs while benefiting the greatest number of people possible. To achieve this, Newmont strongly encourages local communities to participate in projects that aid their development to create relevant outcomes. This participation can range from volunteer labor, materials or funds. In order to secure participation, our explorers will engage local people in the process, possibly through a partnership with governments or NGOs or both.

Results: Local employment generated

Local businesses benefited

Local communities participated in their development projects

EXPLORATION ESR STRATEGIC GOAL AND OBJECTIVES, CONTINUED

Strategic Objective 3. Engage in transparent and consistent communication with stakeholders

Often, explorers meet face-to-face with community members and relevant institutions in areas we explore. Dialogue helps us better understand the culture, needs, and concerns of the diverse communities in which we operate, as well as provides Newmont an opportunity to share information on the exploration process, environmental safeguards and our future plans.

Nevertheless, proactive and transparent communication must be balanced with commercially sensitive information. Sometimes, exact sampling locations should be protected to prevent unsafe conditions for explorers and drillers. In addition, information leaks can potentially lead to protests, opportunistic behavior by local communities, or sabotage. Even with this risk, it is important to consistently inform stakeholders in a timely manner about the exploration process, serving to educate the community about exploration activities and the different realities in which exploration and mining operations exist. Continued dialogue not only identifies expectations, but also serves to bring both the interests of Newmont and of the local communities closer together.

*Results: Access and impacts fairly compensated
Permit approval times accurately estimated
Exploration commitments fulfilled
Complaints addressed
Stakeholders identified and engaged
Cultural misunderstandings avoided
Newmont actions positively perceived*

A graphical representation of Exploration ESR Goals and Objectives is available in Appendix A.



ENVIRONMENTAL AND SOCIAL RESPONSIBILITY STANDARDS

To provide practical guidance and knowledge for explorers in making local decisions about the myriad issues facing them, this guidebook has been developed based upon Newmont's Environmental and Social Responsibility Standards. It intends to provide guidance to explorers while empowering them with maximum flexibility for fit-for-purpose application. The standards flow from Newmont's values and are embodied in the Exploration Code of Practice in Appendix B.

The following provides a brief description of the purpose of each the standards.

SOCIAL RESPONSIBILITY STANDARDS

1. Social Baseline Studies

To set the minimum requirements for collecting baseline information that describes the comprehensive social context and characteristics of the populations living near Newmont sites.

2. Social Impact Assessment

To provide the minimum requirements for identifying and evaluating social impacts, both adverse and beneficial, related to a site's area of influence, in order to provide an informed analysis upon which to develop and implement effective short- and long-term mitigation and development plans.

3. Stakeholder Mapping

To define minimum requirements for the identification of people and groups (stakeholders) who have an interest in Newmont activities relative to their needs and interests, relative power and legitimacy, and relationships between them which can serve as a guide to the development of effective engagement mechanisms and strategies.

4. External Stakeholder Engagement

To define minimum requirements for planning, implementing, and monitoring stakeholder engagement practice as the basis for developing and maintaining constructive, long-term relationships and minimizing potential risks to Newmont's activities.

5. Expectation and Commitment Management

To ensure a system is in place to manage expectations and commitments between Newmont and stakeholders related to the activities of the company with the aim of supporting the development and management of relationships.

6. Complaint/Grievance Management and Resolution

This standard sets forth the minimum requirements for defining and formalizing the management process and key procedures to understand, prioritize and manage complaints and grievances related to Newmont activities.

7. Monitoring and Evaluation

To define minimum requirements for monitoring and evaluation activity to ensure the ongoing, methodical collection and analysis of data on engagement and program activities to assess their success at achieving specified goals and objectives.

8. Local Community Investment

To ensure that each Newmont site has a strategic program for providing financial and in-kind assistance that helps to foster sustainable development in local communities while ensuring compliance with Newmont's anti-corruption guidance.

ENVIRONMENTAL AND SOCIAL RESPONSIBILITY STANDARDS - CONTINUED

9. Security and Human Rights

To set the minimum requirements for Newmont in providing safety and security for Newmont employees and assets in a manner that respects human rights and is consistent with Newmont's commitment to the Voluntary Principles on Security and Human Rights.

10. Land Access, Acquisition and Resettlement

To set the minimum requirements for accessing or acquiring land before any site-related activity commences, so that the rights and needs of local communities related to land access and acquisition are assessed and addressed prior to impact, and such interactions between the company and local community are done in a manner that fosters trust and mutual respect.

11. Management of Cultural and Heritage Sites

To set the minimum requirements for the identification, protection and management of sites with cultural or heritage significance to local stakeholders within the areas of influence of Newmont activity so as to prevent unauthorized disturbance by Newmont personnel.

ENVIRONMENTAL STANDARDS

Exploration activities should be conducted in line with best practices to avoid impacts to the environment, and where impact is unavoidable, implement best practices for environmental protection, reclamation and hole abandonment. Specifically, explorers shall refer to the environmental standards during the execution and planning of activities that involve:

- Air Quality Management
- Chemical Management
- Hydrocarbon Management
- Waste Management
- Water Management



ESR STANDARDS FIT-FOR-PURPOSE APPLICATION FOR EXPLORERS

Geological understanding of a deposit at the generative exploration stage becomes more defined as the scope and scale of work advances from regional framework studies through to target identification and modeling of a deposit.

Effectively managing ESR risks associated with each phase of resource definition provides Newmont a competitive advantage by:

1. Building positive relationships through clear and consistent communication among the diverse set of stakeholders encountered during global exploration activities; and
2. Being open and transparent in dealing with the community while maintaining the confidentiality required during the exploration process.

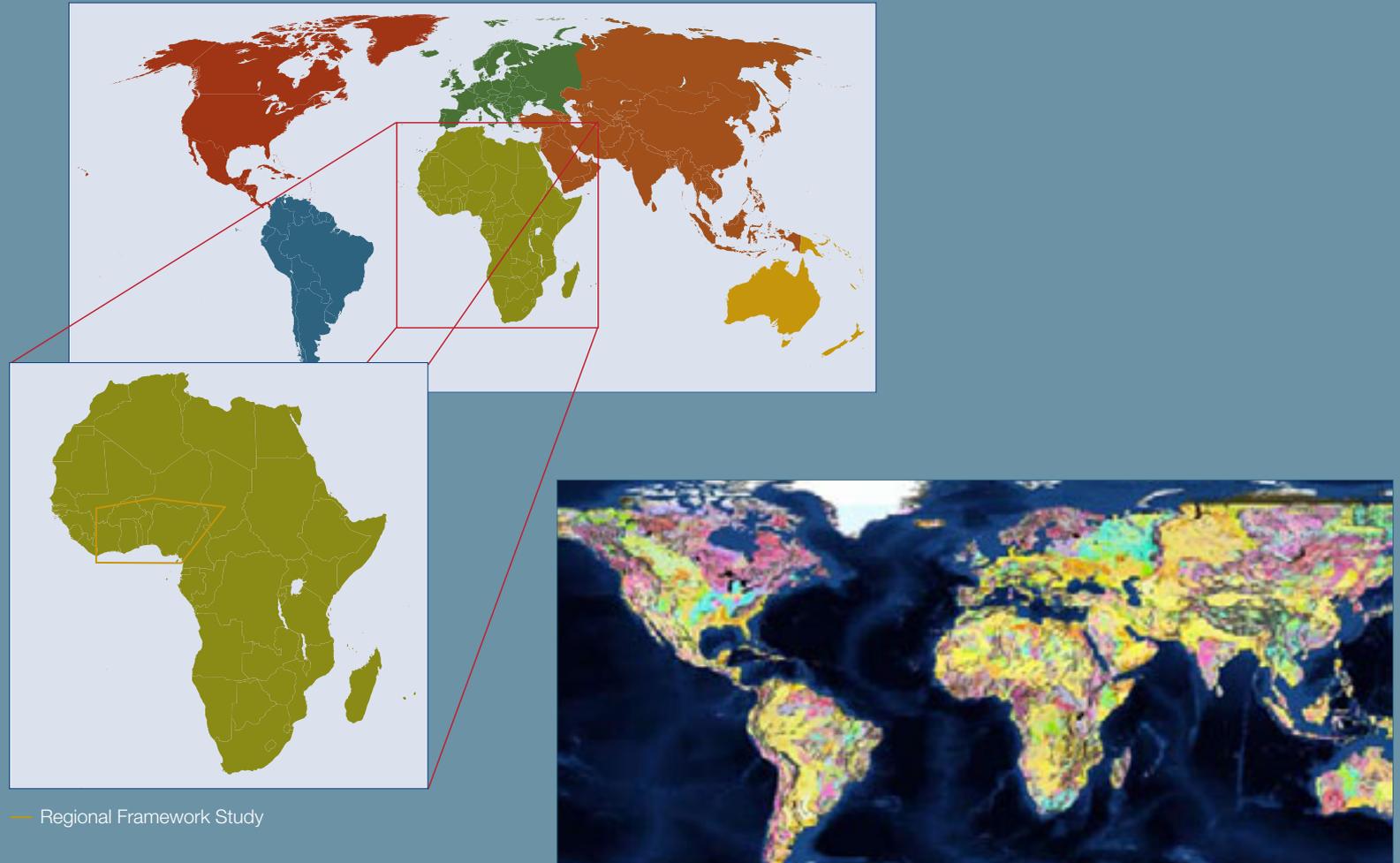
Through consistent communication, community investments and environmental discipline, local confidence in Newmont builds, concurrent with our increasing geologic understanding.

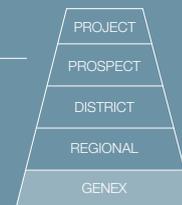
The following figures illustrate and define geologic and ESR activities that occur over the life of an exploration project anywhere in the world and define the fit-for-purpose application of Newmont's ESR standards. By applying these standards, explorers will more likely be successful in managing ESR risks at a scale appropriate to Newmont's activities in the district.



ESR STANDARDS FIT-FOR-PURPOSE APPLICATION FOR EXPLORERS - CONTINUED

Figure 4: Global Scale





Generative Exploration at a Global Scale identify opportunity

Description:

Generative exploration entails both desktop analyses and field investigations to vet assessments of prospectivity and potential.

Signature Activities:

- Desktop analysis of geological potential and prospectivity
- Business risk evaluation of mining title, security, corruption, infrastructure and geopolitical risk

Personnel Responsible:

- Vice President Generative Exploration
- Regional Exploration Directors
- Regional Exploration Managers

Decision:

This work possibly leads to regional exploration activities and a decision to acquire property.

Possible Risks:

- Information Leaks

ESR Activities for Generative Exploration

Environment

- Initial biodiversity assessment
- International environmental agreements (World Fact Book)
- Create GIS environmental map (Integrated Biodiversity Assessment Tool [IBAT] World Heritage, forest reserves)

Socio-economic

- GENEX Business Risk Evaluation
- Livelihoods and their relative significance to the national economy
- Country profile (Security)
- Conflict assessment (Fund For Peace)
- Corruption levels (Transparency International)
- Local/National government system
- Peace agreements (UN, World Fact Book)

Stakeholder Engagement

- Draft scale-appropriate stakeholder engagement plan
- Identify cultural geography and insights

ESR STANDARDS FIT-FOR-PURPOSE APPLICATION FOR EXPLORERS - CONTINUED

Figure 5: Regional Scale





Greenfields Exploration at a Regional Scale (Tier 1)

Description:

Regional exploration is the early analysis of a prospective region with regional geologic, geochemical and geophysical reconnaissance. The work is designed to identify anomalies, which when corroborated among the various datasets and secured through an exploration license or claim, become prospects.

Signature Activities:

- Ground Reconnaissance
- Ground and Airborne Geophysics
- Soil and Stream Sediment Sampling

Personnel Responsible:

- Regional Exploration Directors
- Regional Exploration Managers
- Principal Geologists
- Safety Manager – Exploration
- ESR Manager – Exploration
- Project Geologists, Field Technicians and ESR Representatives

Decision:

This work possibly leads to property evaluations and target selection.

Possible Risks:

- Association with legacy environmental degradation
- Failure to identify powerful regional stakeholders
- Miscommunications with stakeholders
- Lack of understanding of cultural sensitivities
- Newmont reputation inflates expectations
- Community unfamiliar with mining and exploration

ESR Activities for Regional Exploration

Environment

- Record visible on the ground environmental liability
- Verify desktop analyses and cultural significance of protected areas, critical ecosystems and biodiversity

Socio-economic

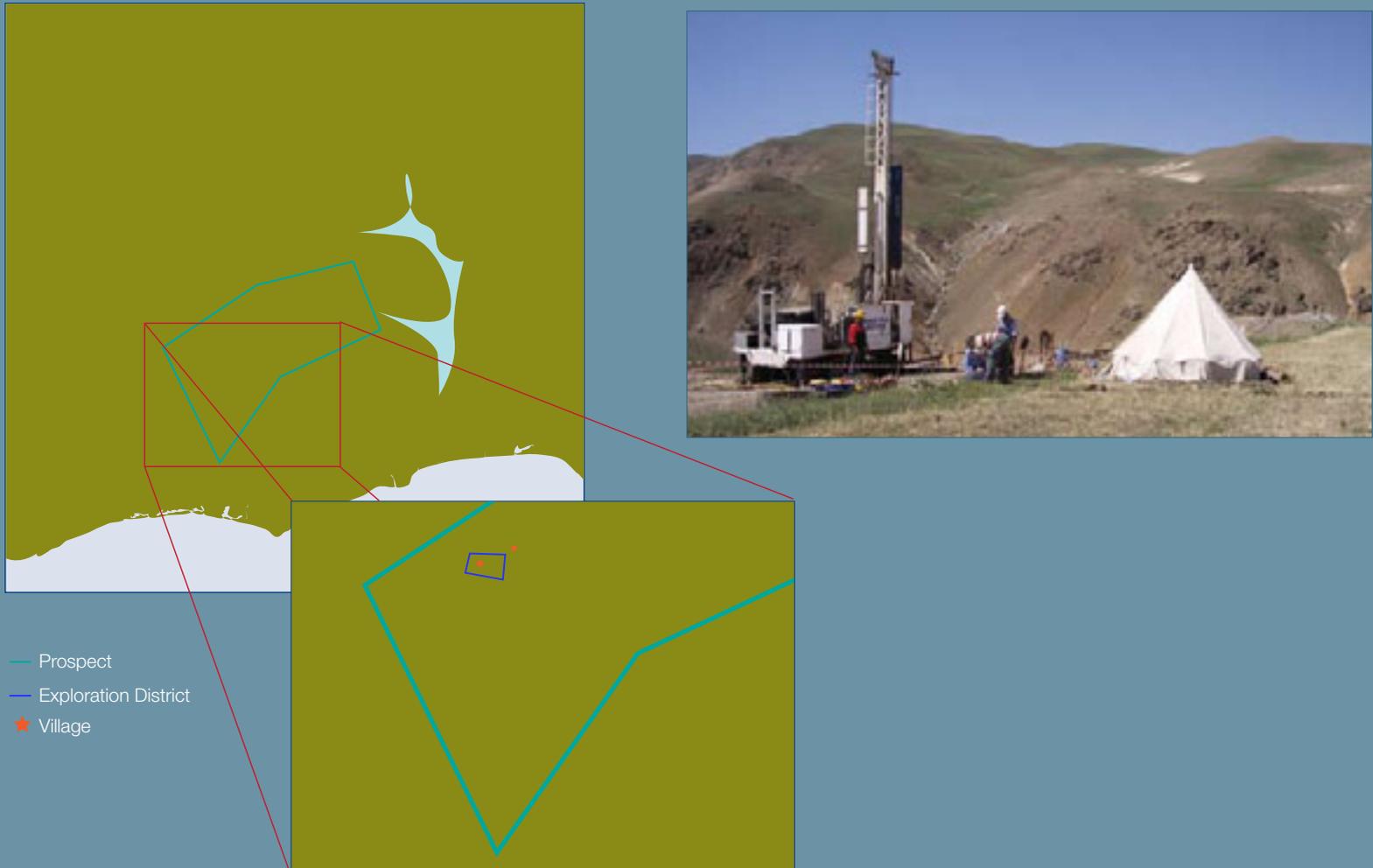
- Employ local labor
- Coordinate with Land Department and compensate fairly for access
- Inform local vendors of Newmont minimum standards of quality, service, skills desired
- Identify and record locally owned lodging

Stakeholder Engagement

- Execute Engagement Plan as appropriate for relevant stakeholders
- Educate stakeholders as needed on the exploration process
- Communications update on activities
- Secure exploration permits
- Record stakeholder information
- Begin social baseline studies on the ground

ESR STANDARDS FIT-FOR-PURPOSE APPLICATION FOR EXPLORERS - CONTINUED

Figure 6: Target Identification





Target Identification at a District Scale (Tier 1 and 2)

Description:

A district is a secured land position over untested or incompletely tested mineral occurrence or geochemical/geophysical anomaly. Districts are evaluated and de-risked through more detailed geologic mapping and geochemical and geophysical surveys. They are then tested to determine the strength and relative size of the exploration target. This work either leads to a discovery, which is a trench or drill-hole intercept with sufficient grade and dimension to be of economic interest, or a negative result that downgrades or eliminates the prospect.

Signature Activities:

- Trenching and pitting
- Early drilling and related permitting
- Core management
- Water management
- Labor management

Personnel Responsible:

- Regional Exploration Managers
- District Exploration Managers
- Principal Geologists
- Drilling Supervisors
- Safety Manager – Exploration
- ESR Manager – Exploration
- Project Geologists, Field Technicians and ESR Representatives

Decision:

This work focuses on defining a target and possibly leads to a more intensive drilling program.

Possible Risks:

- Community unrest from spills or environmental damage
- Local employment favors one group or another
- Unknown stakeholders cause conflicts
- Using outside contractors causes resentment from locals
- Increasing expectations for community development and employment
- Improper reclamation of disturbance
- Too little, too much and/or inconsistent compensation paid for access/impacts

ESR Activities for Target Identification

Environment

- Acquire satellite imagery for areas of interest
- Develop exploration environmental management plan, including fluid management, reclamation, sediment control, sewage management, etc.
- Record Newmont impacts
- Record reclamation
- Record, report and reclaim spills

Socio-economic

- Employ and begin developing local labor
- Use local suppliers
- Stay in locally owned lodging
- Continue to inform local vendors of Newmont minimum standards of quality, services, etc.
- Compensate fairly for access and impacts

Stakeholder Engagement

- Review and modify engagement plan based on expanded stakeholders and knowledge
- Execute engagement plan
- Inform stakeholders of developments consistently
- Develop expectations, commitments and complaints policies and registers

ESR STANDARDS FIT-FOR-PURPOSE APPLICATION FOR EXPLORERS - CONTINUED

Figure 9: Target Testing





Target Testing during Prospect Exploration (Tier 2)

Description:

An exploration prospect entails work that determines the relative size of a target and conducts studies that determine the economic viability of the resource.

Signature Activities:

- Drilling and related permitting
- Infrastructure development
- Metallurgical sampling
- Land survey
- Begin transition to project development

Personnel Responsible:

- Regional Exploration Managers
- Principal Geologists
- Drilling Supervisors
- HSLP Manager – Exploration
- ESR Manager – Exploration
- Project Geologists, Field Technicians and ESR Representatives

Decision:

This work possibly leads to a discovery and a decision to do an economic viability study.

Possible Risks:

- Delayed permitting for drilling
- Community unrest from spills or environmental damage
- Community has a minimal understanding of project from a lack of new information
- Local employment favors one group or another
- Unknown stakeholders cause conflicts
- Increased use of outside drillers and contractors causes local resentment
- Too little, too much and/or inconsistent compensation paid for access/impacts
- Mixed messages from Newmont to local/global stakeholders

ESR Activities for Target Testing

Environment

- Review and modify Environmental Management Plan as necessary
- Record Newmont impacts
- Record Newmont reclamation
- Record, report and reclaim spills

Socio-economic

- Employ local labor
- Develop skilled local labor
- Use local suppliers fairly
- Stay in locally owned lodging
- Compensate fairly for access and impacts
- Engage in transparent bidding processes with vendors

Stakeholder Engagement

- Execute engagement plan
- Review and modify engagement plan based on expanded stakeholders and knowledge
- Inform stakeholders of developments consistently
- Conduct community investment needs assessment

ESR STANDARDS FIT-FOR-PURPOSE APPLICATION FOR EXPLORERS - CONTINUED

Figure 8: Advanced Exploration





Advanced Exploration at a Deposit Scale (Tier 3)

Description:

Continue studies that determine the economic viability of the resource.

Signature Activities:

- Infill drilling
- Infrastructure management
- Transition to project development
- Study of economic viability

Personnel Responsible:

- Project Development Teams
- Regional Exploration Managers
- Principal Geologists
- Drill Supervisors
- Safety & ESR Managers
- Project Geologists, Field Technicians and ESR Representatives

Decision:

This work likely leads to a decision to enter Stage 1 of Newmont's Project Pipeline.

Possible Risks:

- Poor transition of relationships from existing exploration personnel to project development personnel
- Community unrest from spills or environmental damage
- Rising community expectations from a lack of new information
- Local employment falls off and new outsiders' skills are brought in
- New unknown stakeholders find ways to cause conflicts
- Intensified expectations for community development
- Incomplete baseline data
- Continued inflation causes inconsistent compensation leading to perceptions of unfair treatment

ESR Activities for Desktop Analysis

Environment

- Review and modify EMP as necessary
- Conduct environmental surveys
- Record Newmont impacts
- Record Newmont reclamation
- Record, report and reclaim spills as necessary

Socio-economic

- Participate in local community development
- Employ local labor
- Develop skilled local labor
- Use local suppliers fairly
- Stay in locally owned lodging
- Continue to inform local vendors of Newmont standards

Stakeholder Engagement

- Execute OoM engagement plan
- Review and modify engagement plan based on expanded stakeholder map
- Inform stakeholders of developments consistently
- Communicate to the community the results of community development through public handover events
- Compensate fairly for access and impacts

ESR STANDARDS FIT-FOR-PURPOSE APPLICATION FOR EXPLORERS - CONTINUED

Figure 9: Stage 1 Exploration





Stage 1 Exploration (Project)

Description:

Stage 1 work includes work to determine whether Newmont can advance a viable business opportunity through the project development pipeline.

Signature Activities:

- Infrastructure management
- Infill drilling
- Transition to project development
- Stage 1 activities

Personnel Responsible:

- Project Development Teams
- Regional Exploration Managers
- Principal Geologists
- HSLP & ESR Managers
- Project Geologists, Field Technicians and ESR Representatives

Decision:

Stage 1 work likely to lead to a Gate 1 decision.

Possible Risks:

- Poor transition of relationships from existing exploration personnel to project development personnel
- Community unrest from spills or environmental damage
- Rising community expectations from a lack of new information
- Local employment falls off and new outsiders' skills are brought in
- New unknown stakeholders find new ways to cause conflicts/sabotage
- Intensified expectations for community development
- Incomplete baseline data

ESR Activities for Stage/Exploration

Environment

- Identify areas of high metals or toxic elements
- Scope site-specific baseline studies
- High-level analysis of potential environmental project impacts including project footprint and receptor locations
- Verify disturbance/reclamation
- Review and modify EMP as necessary
- Create program that will maintain social license to operate through engineering phase to bridge exploration activity and project development

Socio-economic

- Transfer local vendors, employment, and development partner relationships to HR
- Scoping document for desktop health
- Create program that will maintain social license to operate through engineering phase to bridge exploration activity project development

Stakeholder Engagement

- Execute Stage 1 engagement plan
- Develop and revise engagement plan and stakeholder maps for transition to stage 2
- Inform stakeholders of new developments
- Develop land access and compensation plan with Land/Legal Departments
- Publish results of community development through public handover events

APPENDIX A: GOALS AND OBJECTIVES FOR EXPLORATION ESR

Vision:

We will be the most valued and respected mining company through industry leading performance.

Mission:

We will build a sustainable mining business that delivers top quartile shareholder returns while leading in safety, environmental stewardship and social responsibility.

Exploration ESR Goal:

Secure access to land, capital, approvals and resources by creating value for communities where we work - identifying, assessing and balancing short-term needs with long-term sustainable development.

SO1: Avoid environmental impact, and if impact is necessary, restore the environment to a sustainable agreed upon end-use.

Result 1: Newmont disturbance avoided or reclaimed.

SO2: Build local capacity through investments.

Result 2: Local employment generated.

Result 3: Local businesses benefited.

SO3: Engage transparently and consistently with stakeholders.

Result 4: Exploration commitments fulfilled.

Result 5: Stakeholders identified and engaged.

APPENDIX B: GLOBAL EXPLORATION ESR CODE OF PRACTICE

Attention must be given to ensure that Newmont can first access land for exploration, and second, build relationships during exploration that will maintain the value of Newmont investments in the long term. Thus, Newmont explorers will work in a way that promotes responsible land-use practices and respects local communities, indigenous peoples and governments, while gathering geological information.

We aim to secure access to land, capital, approvals and resources by creating value for communities where we work by identifying, assessing and balancing short-term needs with long-term sustainable development. At the heart of this aim lies the belief that building and sustaining positive relationships with stakeholders is the foundation of what it means to be the “most valued and respected mining company.” Our primary challenge is to build sustainable relationships while responsibly entering, working in and exiting from areas of exploration.

This Code of Practice defines how Newmont’s explorers will manage environmental and social responsibilities. Newmont exploration personnel will:

Laws and Policies

- Comply with Newmont Values, internal ESR management policies, ESR procedures, tenement and permitting conditions, agreements with stakeholders and all applicable laws and regulations.

Government and Community

- Inform local government at an early stage and throughout the life of any project, concerning its nature and effects, in an open, consistent and transparent manner.
- Interact with indigenous populations, host communities, communities affected by exploration activities, and other interested parties on the basis of cultural respect, inclusion and participation, and provide effective and transparent arrangements for communication, consultation, participation and reporting.

Landholder Interests

- Develop good relations with landholders based on respect for their interests and recognition of their rights under the law.
- Consult landholders regarding the nature, planning, timing and effects of proposed projects and responsibly manage the interests of farmers or other landholders.

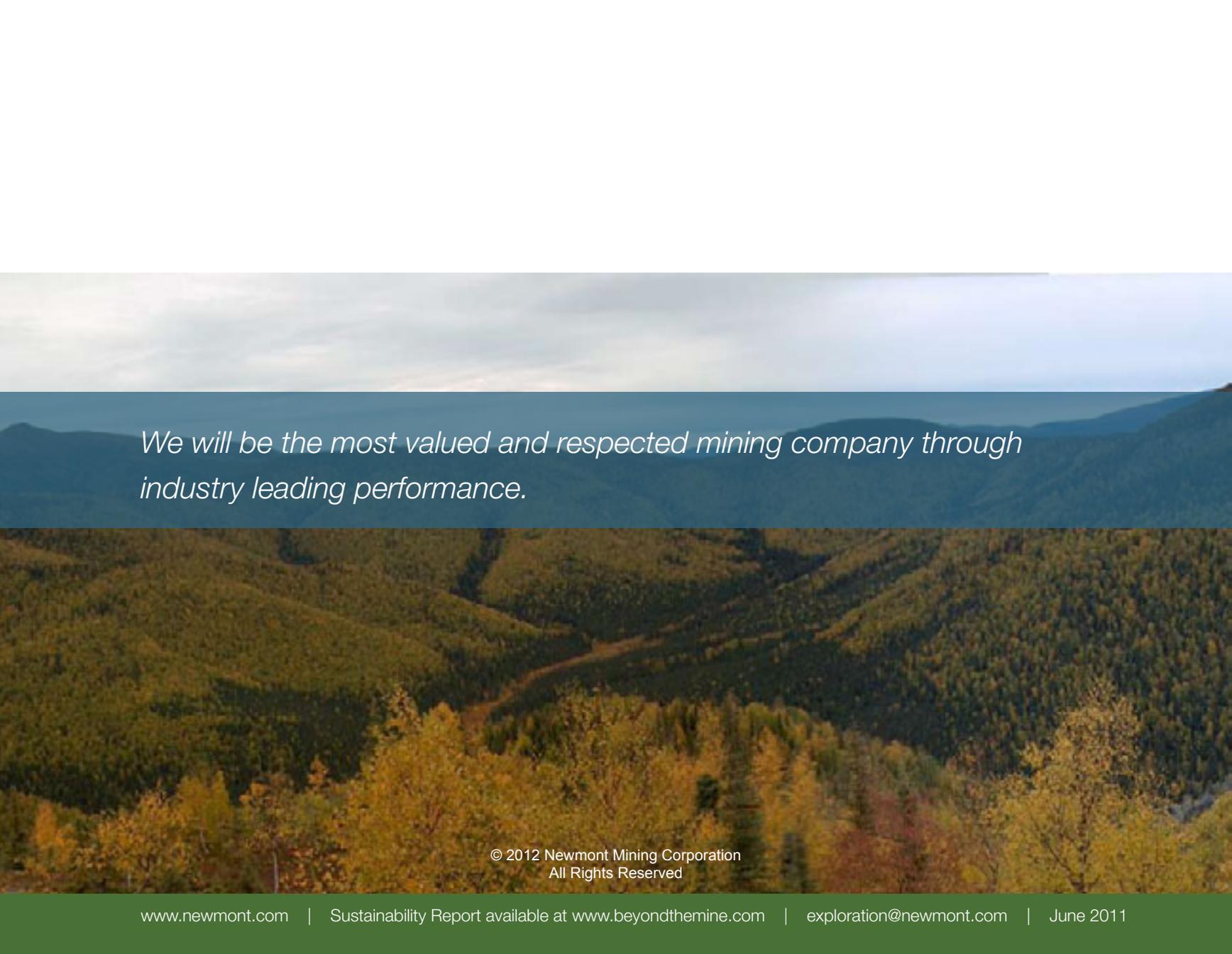
Environmental Management

- Avoid environmental impacts, and if impacts are necessary, restore the environment to a sustainable, agreed upon end-use.
- Plan and report exploration activities in an environmentally responsible manner and ensure that appropriate protection measures and land rehabilitation are carried out thoroughly and in a timely manner.
- Conduct exploration activities in visibly clean and organized operating areas.

Good Citizenship

- Conduct all business dealings in accordance with the highest ethical standards and honor all financial, performance and other commitments.
- Recognize indigenous culture and tradition regarding significant sites or situations encountered in the course of exploration activities.
- Support local business and employment in a transparent manner.
- Safeguard employee and public health and safety.





We will be the most valued and respected mining company through industry leading performance.

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