

About This Report

BACKGROUND

Newmont commissioned Steward Redqueen, a consultancy specialized in sustainability and impact measurement, to estimate the economic impact figures presented in this report. Steward Redqueen has worked with Newmont since 2011, conducting economic impact studies, providing trainings, and helping communicate impact results. Newmont supports significant economic benefits from its operations that may not be fully understood by local communities, governments and other key stakeholders. These benefits are measured using a quantitative approach to estimate the economic outcomes of Newmont's mining activities. Economic benefits from Newmont's operations go beyond its company gates, into the wider, state and national economies in which it operates. Newmont generates direct economic effects through its own operations by hiring employees, paying salaries and contributing to government incomes. It also supports broader, indirect economic effects as the money it spends in the local economy is re-spent by suppliers - and their suppliers - on goods and services, and by employees in their day-to-day lives. These direct and indirect effects are summarized in this report.

METHODOLOGY

Impacts are measured in two ways:

- Value added, which is the sum of salaries, taxes and profits and is comparable to Gross Domestic (or State) Product;
- Employment, which is the total number of jobs supported and is comparable to national employment.

Newmont's economic impact is estimated using Input-Output (IO) modelling. IO modelling is a methodology developed by Noble Prize-winning economist Wassily Leontief and is commonly used by researchers and practitioners to measure economic impacts. The key ingredient of the IO model is the Social Accounting Matrix (SAM). The SAM describes the financial flows of all economic transactions that take place within an economy. It is a statistical and static representation of the economic structure of a country, making it possible to trace money flows through an economy. These money flows result into economic output, taxes, salaries and profits, all of which are quantified. Also, dependent on the labour productivity of firms and suppliers, employment is supported at each stage. The IO modelling approach uses internal Newmont-specific and publicly available macro-economic data. The Newmont data includes spending by each of Newmont's major mine sites on capital and operating expenditures, royalties and taxes, payments to providers of capital, and other miscellaneous expenditures. This data is further allocated based on international, national, state or local spending. Macro-economic data are collected from national statistical offices, as well as international sources, like the Global Trade and Analysis Project (GTAP), the International Labour Organization (ILO), and the World Bank. The data include sector breakdowns of output, GDP (and GSP) and employment for the most recent period available. When regional or state specific macro-economic data is available, the IO approach also provides regional or state level impact estimates.

Values are attributed based on mine ownership share.

KEY ASSUMPTIONS

Results:

Results are directionally correct, i.e. "ball-park" estimates based on assumptions and best data available at the time. As such, when comparing results across several years they should be interpreted with caution since they may be based on different sets of macro-economic statistics that vary by release year and level of aggregation. Impact estimates are 'supported' not 'generated' since the methodology does not account for a counterfactual scenario. Results are pro-rated based on Newmont's equity stake in the operations unless stated otherwise.

IO Models:

Are a static representation of an economy at a given time, thus assuming underlying structures do not change rapidly. It also assumes increases in firm inputs always raise supplier outputs, regardless of whether suppliers can or do meet demand are based on sector averages despite a wide variation in how firms within a sector buy inputs or sell outputs.

Newmont Data:

International, national, state, and local spending breakdowns are based on assumptions made by Newmont regional staff. International spending, i.e. on imports, is excluded from calculations. Estimates represent impacts at a country or state level. Monetary flows within the company are not considered since they do not represent spending in the economy.



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2019 Economic Impact Report - Newmont
Australia - Boddington



Background

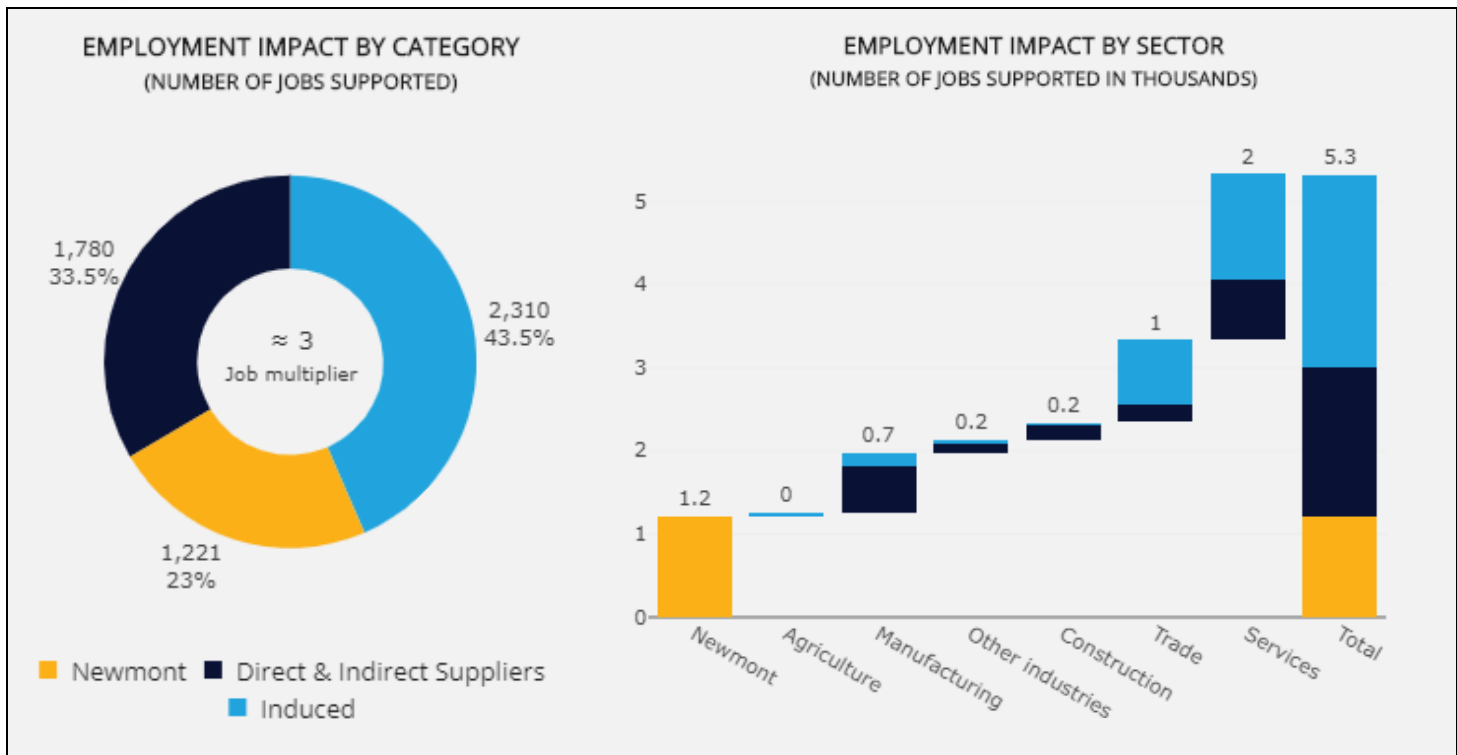
Newmont owns and operates the Boddington goldmine located 16 km from the rural farming town of Boddington and 120 kilometers from Perth. One of Australia’s largest producing mines, it produces gold and copper concentrate. During 2019, Boddington produced 703,000 attributable ounces of gold and 35,000 attributable tonnes of copper.



Introduction

- The mine generated ≈A\$1.78 billion (≈US\$1.17 billion) in revenue, of which 65% was spent locally on wages, taxes, goods and services
- Economic modelling is used to quantify the direct and indirect economic effects of these local expenditures on the local, state and national economies
- Employment and economic value add (sum of salaries, taxes and profits) are the two impact indicators used.

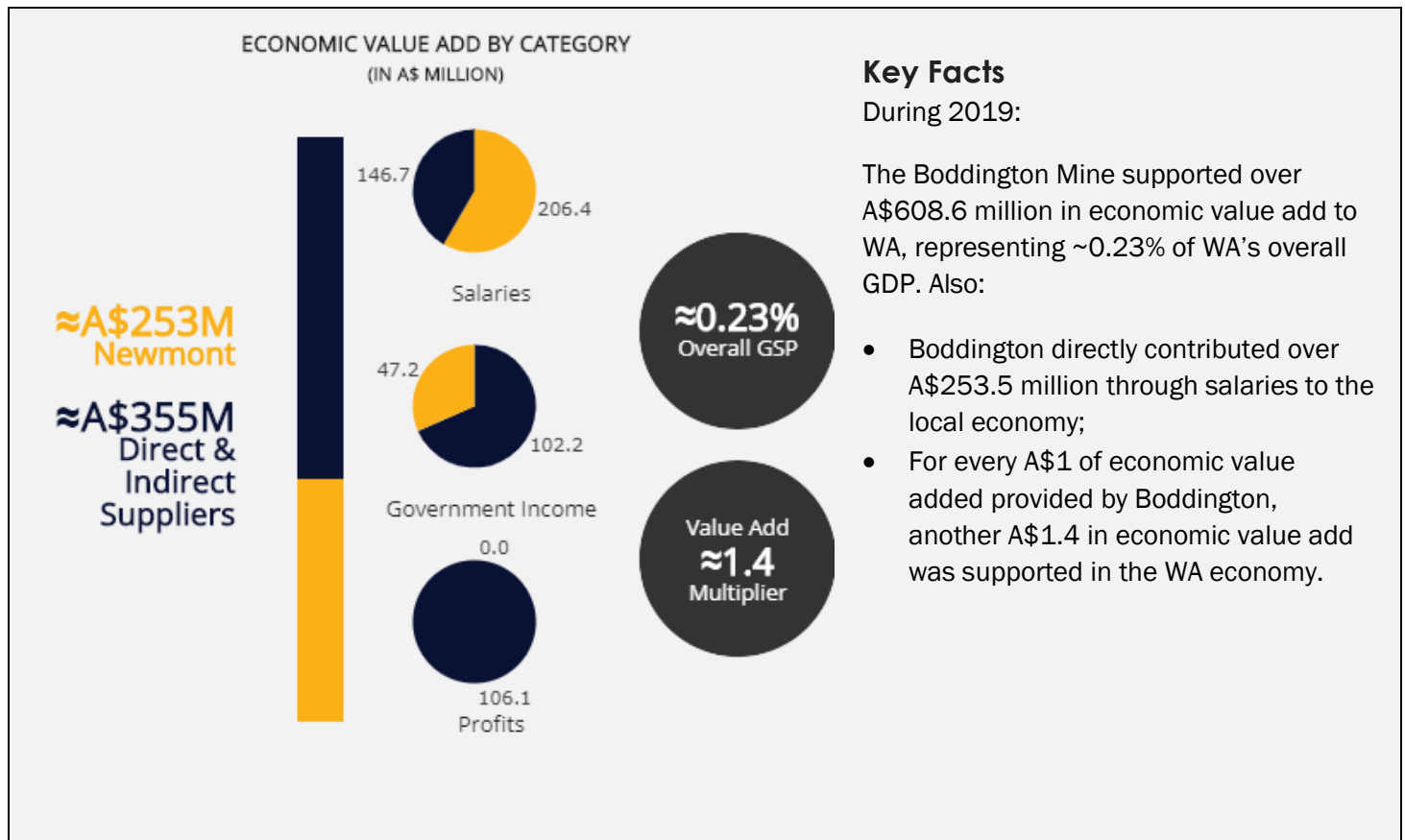
Employment

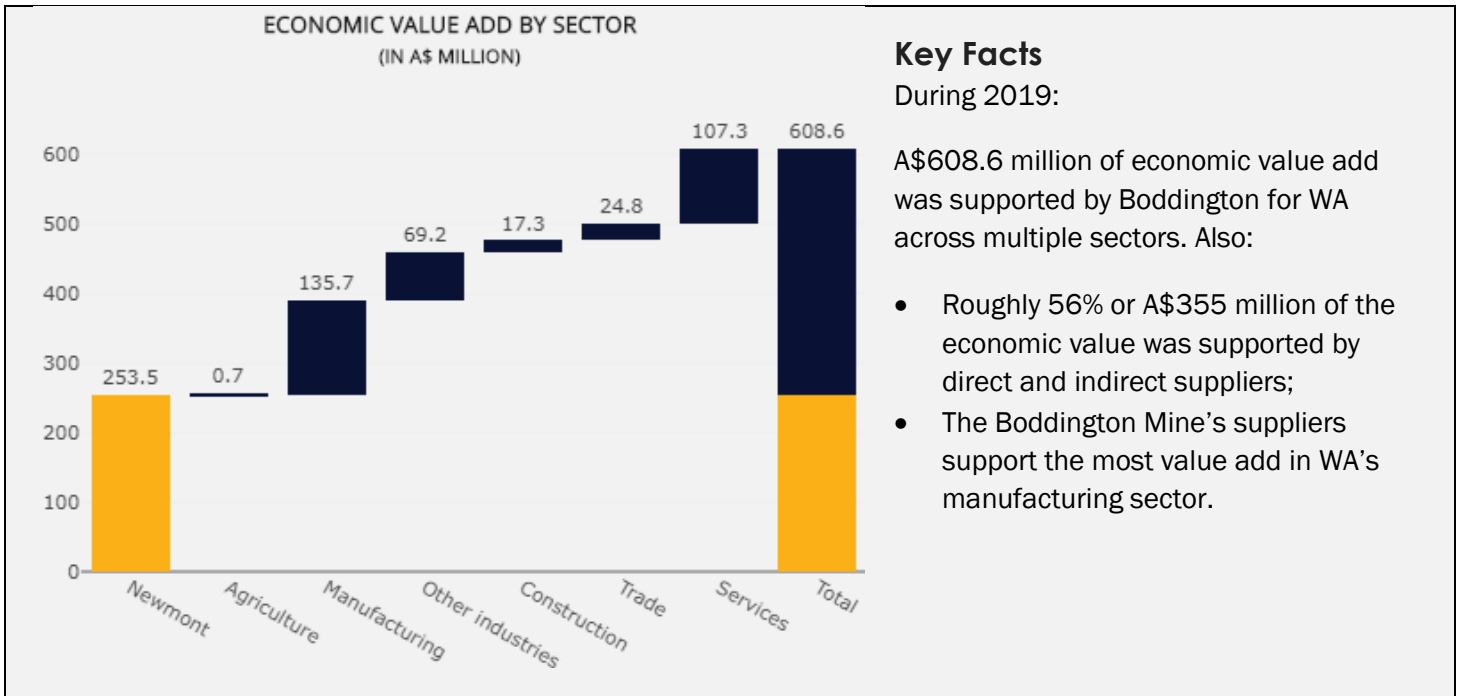


Key Facts

- Boddington supported ~5,311 jobs in Western Australia (WA) in 2019, which represents 0.04% of the state labor force.
- ~1,221 people are directly employed by Boddington, which means that for every one Boddington employee another ~3 jobs are supported in WA.
- Most of these jobs are supported in the trade and service sectors of WA.

Economic Value Add





Key Facts

During 2019:

A\$608.6 million of economic value add was supported by Boddington for WA across multiple sectors. Also:

- Roughly 56% or A\$355 million of the economic value was supported by direct and indirect suppliers;
- The Boddington Mine’s suppliers support the most value add in WA’s manufacturing sector.

Payments to Governments

Key Facts

During 2019:

Newmont’s Boddington mine indirectly supported ~A\$149.4 million in taxes through its local supply chain activities to the state and local governments in WA:

- The Boddington Mine paid approximately A\$47.2 million in royalties to the WA government;
- Direct suppliers contributed ~A\$89.3 million in taxes while indirect suppliers contributed ~A\$13 million in taxes.

GOVERNMENT PAYMENTS BY TYPE (IN A\$ MILLION)

