

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.

steward redqueen

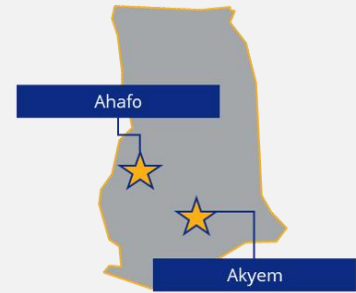
Steward Redqueen B.V. ("Steward Redqueen") is a private limited company whose objective is to advise companies and other organizations in the broadest sense of the word. Steward Redqueen stands for the integrity of its actions, works with expertise and professionalism, and is independent. In conducting the analysis for this report Steward Redqueen has endeavored to use what it considers the best information available at the date of publication, including information supplied by Newmont. Steward Redqueen has relied upon the information provided by Newmont and has, besides a very rudimentary data check, not sought to verify the accuracy of the information supplied. Steward Redqueen provides advice and insights, but the customer chooses whether to follow the advice. Steward Redqueen therefore takes no responsibility for the implementation of advice and insights unless this is explicitly agreed. Steward Redqueen is only liable for any damage if this results from the failure to act with due care and expertise insofar as this can be reasonably expected in the framework of the assignment. Models, technologies, methods, including software and other intellectual products, which are used to carry out the assignment or are included in the advice are and remain the property of Steward Redqueen. Publication and further dissemination can only take place after written permission from Steward Redqueen.

2019 Economic Impact Report - Newmont
Ghana - Ahafo, Akyem & Africa Regional Office



Background

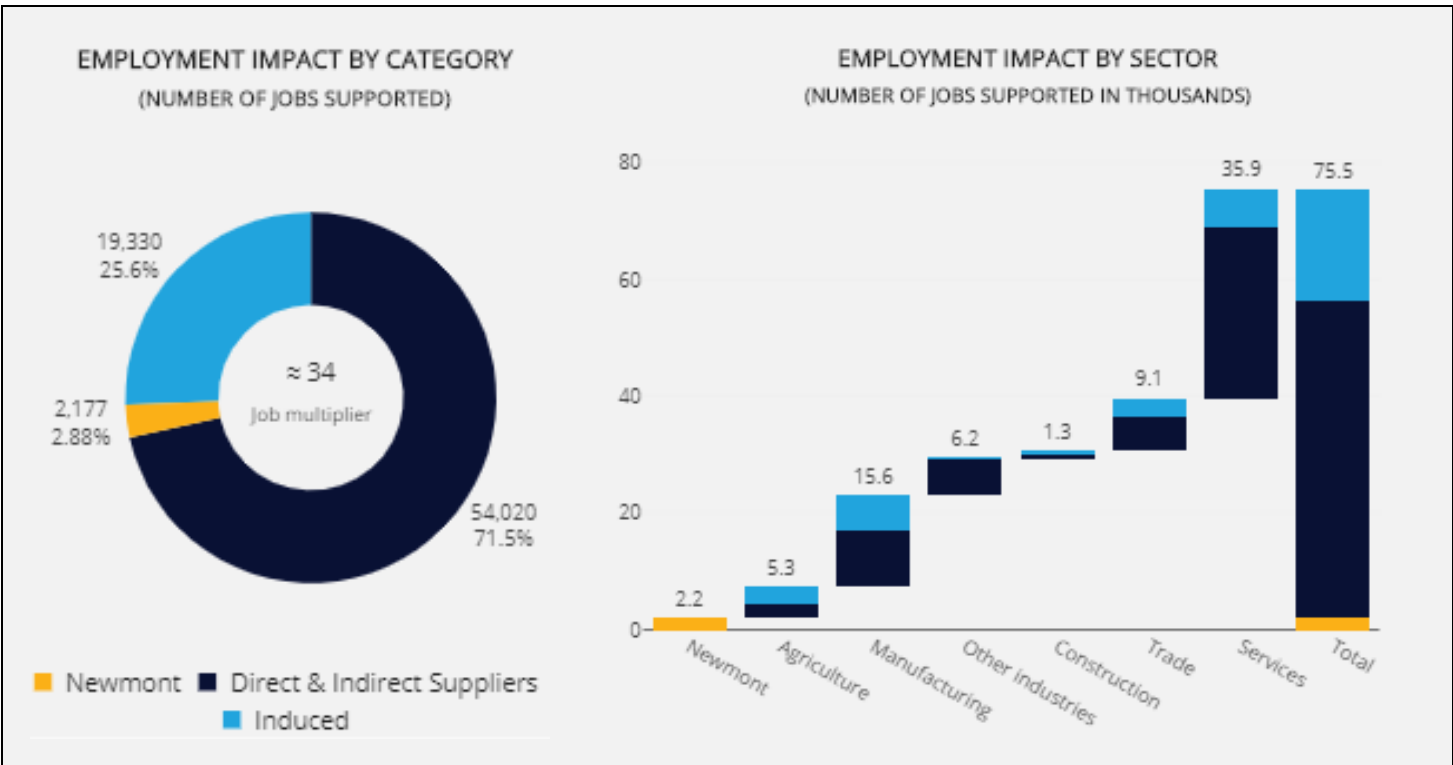
Newmont's operations in Ghana include the Ahafo Mine in the Ahafo Region and the Akyem Mine in the Eastern Region. Newmont's Africa Regional office is located in Accra. Commercial production commenced at Ahafo in 2006 and at Akyem in 2013. During 2019, the mines combined to produce over 1 million ounces of gold.



Introduction

During 2019, Newmont's operations in Ghana generated ≈\$1.5 billion in revenues of which 61% was spent in Ghana on wages, taxes, good and services. Economic modelling is used to quantify the direct and indirect economic effects of these local expenditures on the national economy. Employment and economic value add (sum of salaries, taxes and profits) are the two impact indicators used.

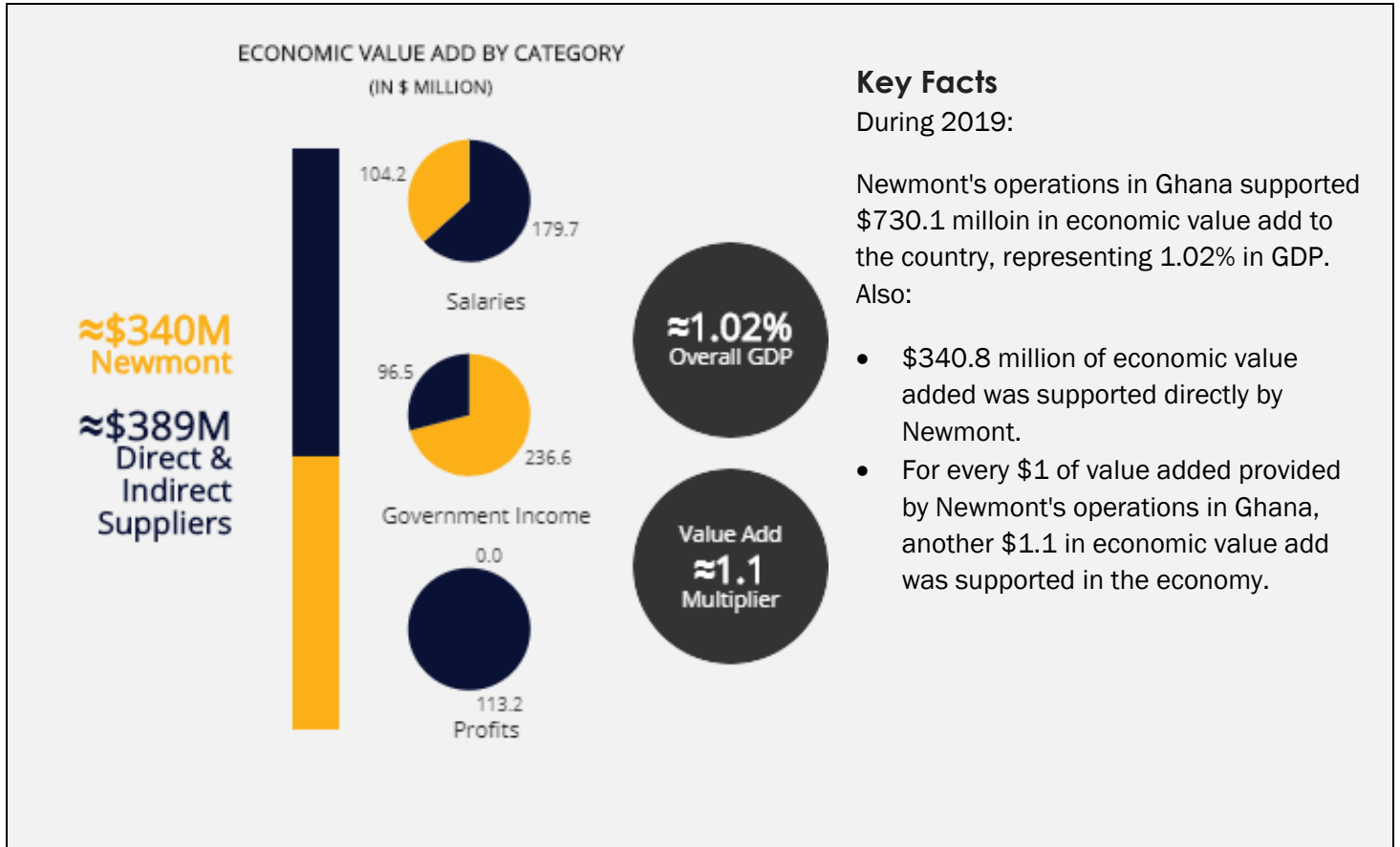
Employment

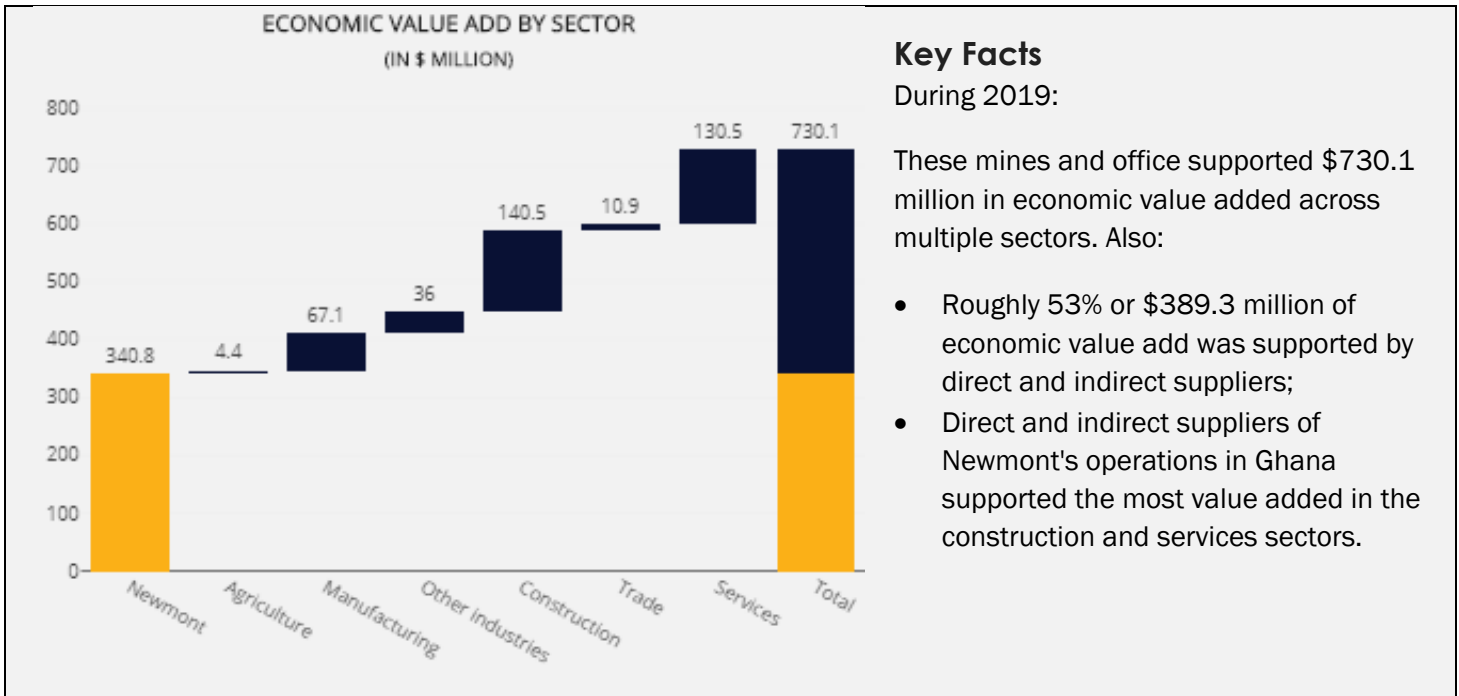


Key Facts

- Newmont Ghana's operations and regional office supported ~75,527 jobs in Ghana in 2019, which represented 0.65% of national employment.
- ~2,177 people are directly employed by Newmont, which means that for every one Newmont employee 34 additional jobs are supported in Ghana.
- Most of these jobs are supported in the services and manufacturing sectors.

Economic Value Add





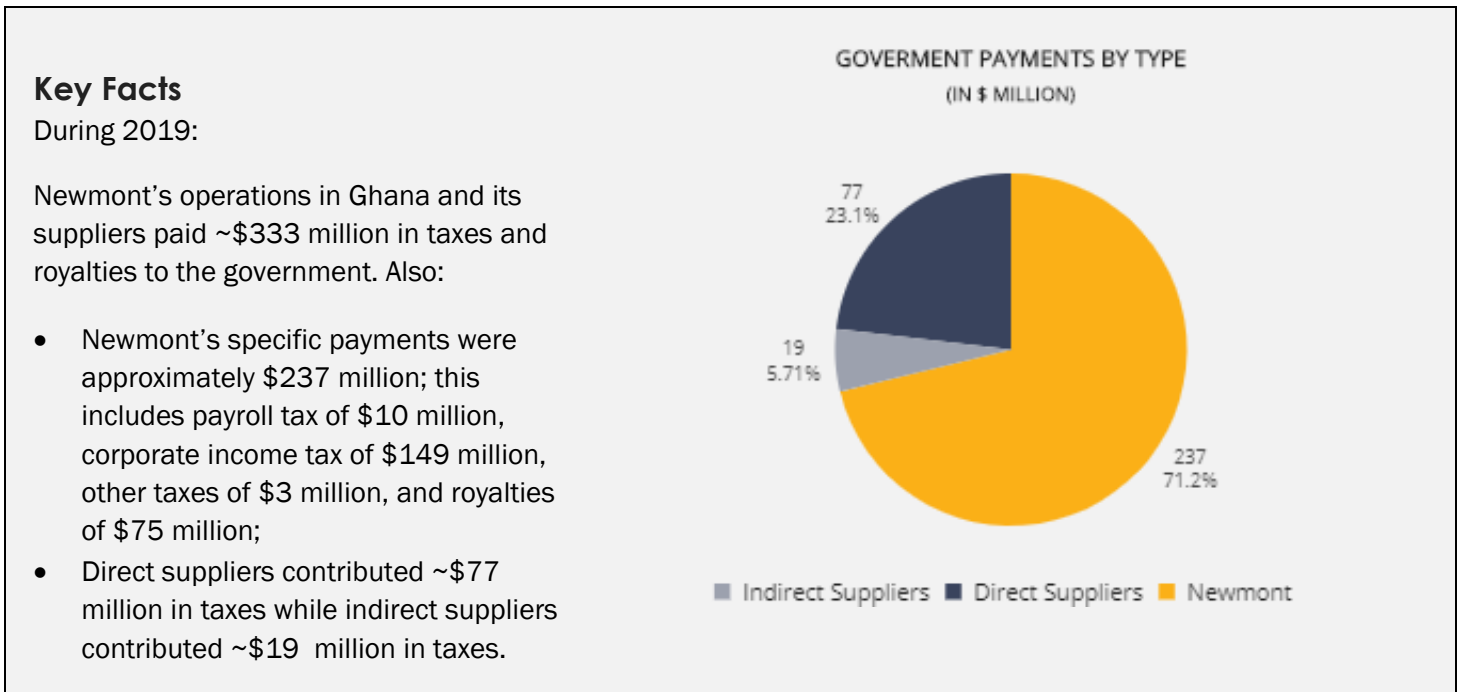
Key Facts

During 2019:

These mines and office supported \$730.1 million in economic value added across multiple sectors. Also:

- Roughly 53% or \$389.3 million of economic value add was supported by direct and indirect suppliers;
- Direct and indirect suppliers of Newmont's operations in Ghana supported the most value added in the construction and services sectors.

Payments to Governments



Key Facts

During 2019:

Newmont's operations in Ghana and its suppliers paid ~\$333 million in taxes and royalties to the government. Also:

- Newmont's specific payments were approximately \$237 million; this includes payroll tax of \$10 million, corporate income tax of \$149 million, other taxes of \$3 million, and royalties of \$75 million;
- Direct suppliers contributed ~\$77 million in taxes while indirect suppliers contributed ~\$19 million in taxes.