

Beyond the Mine KCGM

The Journey Towards Sustainability Site Summary
2006



KCGM

KALGOORLIE CONSOLIDATED GOLD MINES, Western Australia

Kalgoorlie Consolidated Gold Mines (KCGM) manages the mining operations at the Kalgoorlie "Super Pit", one of Australia's largest gold mines, on behalf of Newmont Mining Corporation and Barrick Gold Corporation, who share equal ownership. The operation is located 580 kilometres east of Perth and just 400 metres from the City of Kalgoorlie-Boulder in Western Australia. The Fimiston open pit mine, known as the "Super Pit," measures 3.5 kilometres long, 1.5 kilometres wide and 440 metres deep. With a workforce of approximately 1000 employees and contractors, the mine contributes substantially to the local economy.

In 2006, KCGM mined more than 83 million tonnes (91 million tons) of material and recovered 684,966 ounces of gold, again ensuring our place as one of Australia's top-producing gold mines. The mine reported 10.2 million ounces of gold reserves at year-end.

OUR PEOPLE – Health & Safety

It is with regret that we report our safety performance in 2006 included the tragic loss in February of one of our drilling team following an accident in a light vehicle which struck a loaded and parked drill rod truck at night. Matt Harris was an experienced and respected employee working permanently on site with the contracting firm Ausdrill Pty Ltd. This event was reflected on by all employees throughout the year as we rebuilt our confidence and renewed our commitment to our goal of everyone going home safe and healthy every day. We subsequently achieved 2 months without any recordable injuries, contributing to a Total Recordable Accident Frequency Rate (TRAFR) rate of 5.5 versus 6.4 in 2005. TRAFR measures the incidence of any workplace injury or illness that requires more than simple first aid, per million hours worked.

KCGM reinforced its safety focus by continuing to train employees in Courageous Leadership. Over 300 contract and KCGM employees were empowered to be courageous in identifying and reporting accidents, incidents, hazards and near misses. This program will be an ongoing safety initiative.

OUR PEOPLE – Employee Well-Being

Employee turnover continues to trend upwards unfortunately, although resignations have begun to decrease in recent times. The main area of concern is production employees within the mining department. The Human Resources team will be meeting with joint venture owners during 2007 to propose a number of initiatives that may assist in improving the current turnover situation. The team has also been conducting activity reviews of positions across site to identify any opportunities for workload redeployment and to focus the KCGM team on core activities. A review of the current staffing budget has also taken place recently and has highlighted a number of opportunities for a reduction in current staffing, through natural attrition. This will be finalised in mid 2007.

In 2006, KCGM had approximately 35 Indigenous employees across site, or around 4% of the current workforce. This is a slight improvement on 2005 and we aim to further increase these numbers in 2007. Of particular note was the success of the Trainee Process Technician roles which were introduced for Indigenous employees in 2006. KCGM also introduced Trade Assistant roles in engineering. We are hoping to expand these traineeships again in 2007 to include Indigenous Trainee Security and First Aid officers.

In 2006 KCGM also introduced a Health Care cash subsidy for all employees.



This Summary Report describes KCGM's track record in health and safety, employee relations, community relations and social responsibility, and environmental stewardship in 2006. For further information on Newmont's Journey Towards Sustainability, visit our website. www.newmont.com

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Site Summary 2006



OUR COMMUNITIES

In 2006 we continued to capitalise on the success of The Super Pit Shop, located at 2 Burt Street Boulder. The shop provides face-to-face consultation between mine staff and the public. Our on-site department greets the public and handles inquiries from locals, tourists and job seekers.

The Shop features Super Pit merchandise including "Golden Mile" gold, copies of technical reports and public consultation documents. We carefully consider the type of merchandise carried to avoid competing with local retailers.

All merchandise profits, which totaled \$37,404 in 2006, are reinvested back into local community groups. This included a range of local organizations in 2006, who used the funds to purchase equipment such as aged care chairs, and mobile defibrillators for health services. The Shop also provides free meeting space for local non-profit organisations.

Our community investment in 2006 totaled \$159,357 in monetary donations and a commitment of \$200,000 for in-kind support, largely in the form of engineering expertise for local infrastructure projects. We sponsor a wide range of community programs including capacity building, education, health, environment and civil projects. Contributions were made in 2006 to more than 60 organisations, including the Polly Farmer 'Partners in Success' Program, the Kalgoorlie-Boulder Visitors Centre, Nooda Ngulegoo Aboriginal Corporation, the Palace Theatre Recreation Centre and local scout groups and schools.

As outlined in the People section above, KCGM pro-actively pursues Indigenous employment targets and this is supported by a cross-department commitment to improving the Indigenous employment process. More than half of Aboriginal people in the region are unemployed, and many live below the poverty line. Empowering Indigenous people in remote communities through education, training and job opportunities is fundamental to the future of these communities.



KCGM Super Pit shop in Burt Street, Boulder.

Economic Contribution

In addition to in-kind support, we contribute monetarily to the local, regional and national economies through the taxes we pay, the jobs we create and the suppliers we support. Our value added or economic contribution to Australia in 2006 totaled \$541.19 million. Components of the economic contribution are listed in the table below.

Economic Contribution Table *(A\$million)*

Total Spent on Goods & Services (in Australia)	\$467.39
Total Payroll (Australian employees)	\$56.09
Community Investment	\$0.16
Taxes	\$3.68
Royalties to Government	\$13.77
Compensation Payments	\$0.10
Value Added to Australian Economy *	\$541.19

* No multipliers used. Value added multipliers substantially leverage each dollar Newmont contributes to the host country economy.

OUR ENVIRONMENT

In 2006 KCGM became a member of the Australian Greenhouse Challenge Plus program as part of our commitment to reducing the amount of greenhouse gas produced by the operations. As a member of this program KCGM will keep an inventory of greenhouse gas emissions, as well as plan and implement abatement activities and publicly report on progress.

Management of mercury emissions continues to be a key focus. In 2005 mercury emissions were found to be higher than expected in gold processing operations. Whilst the emissions were higher than previously recorded, they were still below World Health Organisation guidelines. An Air Quality Control Strategy to protect the community was applied to the carbon kilns when they were identified as a potential source of mercury emissions. In 2006 a scrubber to reduce mercury emissions was installed on the carbon kilns. It is estimated that the scrubber captures between 35 and 50% of mercury emissions. In 2007 further work is planned to optimise the scrubber to improve performance and efficiency.

KCGM continues to work on the environmental approvals for the Fimiston Operations Extension. The Public Environmental Review - Fimiston Gold Mine Operations Extension (Stage 3) and Mine Closure Planning - was publicly released for an 8 week review period on 4 September 2006. A total of 35 submissions were received from the community and government agencies. KCGM has prepared a response to the issues raised and is working with the EPA Service Unit to ensure that the required information is provided. There are a number of key stages still to be completed for the approval process which continues into 2007.