

NEWMONT AUSTRALIA

NOW & BEYOND **2001**



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C  
G  
M**



*In one of the richest goldfields in the world, Kalgoorlie is located 600km east of Perth in Western Australia. The climate is semi-arid with an average annual rainfall of 250mm and evaporation rate of 2,500mm. Vegetation is largely eucalypt woodland and the major land uses are mining and pastoral. Kalgoorlie Consolidated Gold Mines Pty Ltd<sup>1</sup> (KCGM), manages Australia's largest gold mining and milling complex which is owned jointly by Newmont Australia subsidiaries and Barrick Australia. KCGM employs 618 personnel and contributes \$250 million to the local economy each year.*

## 2001 HIGHLIGHTS



*Eastern Bypass Road proposal approved, allowing pit extension.*



*Environment five-star score up to 72% from 67% in 2000.*



*Safety five-star assessment improvement of 14%.*

# Management Commitment

*KCGM aims to be the 'neighbour of choice' for the Kalgoorlie-Boulder community.*

"KCGM is committed to maintaining an environment of consultation to ensure the operation benefits our local community, the people of Kalgoorlie-Boulder.

"For a company such as KCGM to be successful in today's business world, health & safety, community and environment must be values integral to all other processes.

"It is therefore pleasing to report that in 2001, KCGM employees not only achieved the bonus target for safety performance, but also took the initiative to introduce the "Golden Rules" program to draw attention to and prevent, the most frequent risk behaviours. The introduction of the Safety Environment Management Program (SEMP) has provided KCGM with a world class risk management system that encourages all employees to minimise risk and contribute to site-wide risk assessment.


"The process of approval for the Eastern Bypass Road realignment was completed in 2001. Significant work has gone into planning the construction which will commence later in 2002. The realignment, in conjunction with construction of an already-approved new Mt Monger Road connection in the south, will enable KCGM to progress development of the Fimiston Open Pit, ensuring many more years of mine life.

"The first phase of closure of the Mount Charlotte underground operation, although not without its sentimental moments, was a communication and operational success. Remaining employees will continue to successfully mine the remnant ore, until final closure later in 2002.

"On the environmental front, great progress was made with the installation of a second ultra fine grinding (UFG) mill at the Fimiston plant. UFG has the potential to change our thinking in mineral processing, especially in the areas of concentrate treatment and grinding capabilities. The Gidji UFG project, developed in 2000, has resulted in a well controlled and high performing unit at Fimiston.

"This report marks another step in the improvement of our public reporting. It is one of a series of reports published by Newmont Australia. I hope this report provides an insight into our operations, and would encourage any feedback from the community about this report, or our operations in general."

**John Shipp - General Manager**

This report contains weblinks. The symbol  indicates more information is available on the Newmont Australia website: [www.newmont.com.au](http://www.newmont.com.au). Figures quoted are for calendar year 2001 other than where stated. Australian Dollar values are used throughout.

1. Kalgoorlie Consolidated Gold Mines Pty Ltd (KCGM) is jointly owned by subsidiaries of Normandy Mining Limited ABN 86 009 295 765 trading as Newmont Australia and Barrick Australia. This report was produced in conjunction with KCGM and Barrick Australia.

*“Mining is the lifeblood of the Goldfields and  
without it, the city may flounder.”*

*Resident*



# Value Enhanced

*To report the most relevant information about the key business areas that contribute to the success of the Company.*

Newmont Australia aims to enhance its public reporting each year to encompass the most relevant information about the key business areas that contribute to the success of the Company - safety and health, finance, social issues, environment and economic factors.

The inclusion of some economic performance data (new to this report) will help stakeholders understand the production, distribution and use of income and wealth generated by KCGM. Further information specific to Newmont Australia's interests in KCGM's operations can be found in Newmont Australia's annual reports to shareholders (available on the web).

The integration of these broader dimensions of sustainable development into business planning and decision making is expected to result in significant synergies at KCGM, generating higher performance in those areas, cost-reduction opportunities and reduced risks.

KCGM is exploring a number of initiatives, for example: Four new CAT 793C haul trucks were purchased in 2001 to operate in the open pit. A technical breakthrough, the trucks burn 12% less fuel than the equivalent existing machinery (therefore reducing greenhouse gas emissions). Maintenance costs are also lower. Similarly, a collaborative effort between tyre manufacturers and KCGM has extended the life of the haul truck tyres from 3300 hours to 3500 hours. Continued development by the manufacturers, review of operational procedures and improved road maintenance have contributed.

In the mill, ultra fine grinding was introduced as a supplementary way of treating concentrate when unfavourable weather makes roasting an unsatisfactory option, and when increased concentrate is produced as a result of higher sulphur grade ore being mined in the pit.

PERFORMANCE INDICATORS	'01
Total throughput (Mt)	12.4
Gold produced (Oz)	768,724
Total operating expenses (\$M)	304.1
Approximate local share of operating expenses (\$M)	179.0
Taxes / levies / rates (\$M)	0.4
Royalties (\$M)	10.0
Total annual payroll (\$M)	33.9
Total safety and health expenditure (\$M)	0.8
Total community expenditure (inc. donations & initiatives) (\$M)	0.3
Total environmental expenditure (\$M)	5.5

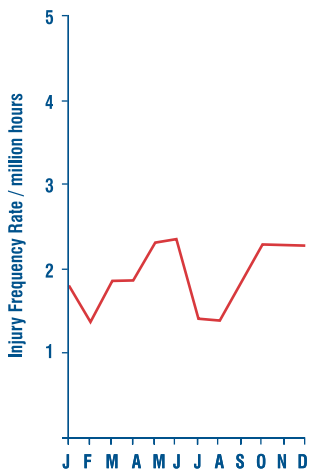


# Safety & Health

*To promote and maintain a safe and healthy work environment for our greatest asset - our employees.*

## LOST TIME INJURY FREQUENCY RATE

12 month rolling av.



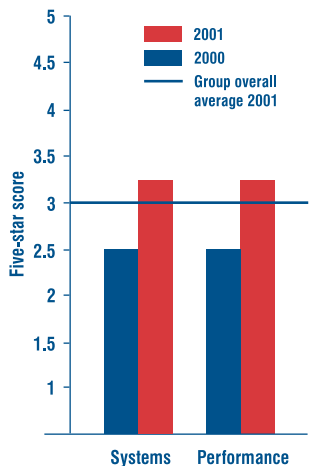
Personnel at KCGM developed an electronic database to record and track issues impacting on the management of safety and environment.

The Safety & Environment Management Program (SEMP) enables personnel to capture information relating to inquiries or issues that require follow-up or monitoring, audit and inspection findings, corrective actions from safety meetings and risk identified through the risk management process. Combined with an automatic notification function, the program tracks each issue from identification through to close-out.

KCGM achieved an overall 14% improvement in its safety five-star assessment in 2001. The most significant improvement came from management system elements which increased by 16.5% to 66%. Work focused on developing an effective risk management process in 2001, consistent with the Australian Standard 4360. The risk management process was applied to each department's activities to ensure compliance with the new standards.

Management and staff at KCGM remain resolute in working towards an injury-free workplace. This will be supported by the operation's Golden Rules program, which uses statistical data on incidents and near-misses to increase awareness amongst employees of major risk areas. The program is complemented by the Safety Habit Observation Technique (SHOT) designed to improve work practices associated with identified primary causes of incidents. SHOT is expected to contribute to a heightened commitment to safety at KCGM which in turn, is expected to assist the operation achieve a safe workplace for all employees.

## FIVE-STAR ASSESSMENT



PERFORMANCE INDICATORS	'01	'00	'99
TRIFR <i>Total Recordable Injury Frequency Rate (Jul-Dec 2001)</i>	42.1	n/a	n/a
LTIFR <i>Lost Time Injury Frequency Rate (Jan-Dec 2001)</i>	2.3	1.8	3.7

### Scorecard for 2001 (as recorded in Now & Beyond 2000)

	Result
Managers to close out investigations, present for peer review within 30 days by Dec '01	90%
100% employees fitness tested through random, blanket and causal protocol by Dec '01	100%
Small contractors have Safety Management Plans and Work Procedures in place by Dec '01	80%
100% retraining of relevant personnel by Dec '01	100%

### Targets for 2002

No greater than 18 TRIs per quarter	Dec '02
Conduct risk assessment for all departments and insert data into SEMP	Dec '02
Full compliance in hazardous substance acquisition processes	Nov '02



# Our People

*To deliver a high performance culture by encouraging innovative thinking and continual learning.*

Employees at KCGM are regarded as the operation's greatest asset. With its large number of locally-based staff and contractors, the effective management of people is crucial in ensuring they are well looked after during their employment, and in the event of redundancy in preparing to re-enter the workforce, as was the case at Mt Charlotte mine in 2001.

Mt Charlotte underground mine, located 4kms north of the Superpit, closed in December 2001 after continuous operation since the 1960s. As a result, the workforce was scaled down to approximately 30%. The remaining employees will stay on to mine remnant ore and assist with the implementation of the closure plan, expected to be completed by end-2002. Counselling services and retraining were made available to affected employees and where possible, redeployment within KCGM or to one of the owner companies was facilitated.

A total \$33.9M was spent on salaries and wages for staff and contractors in 2001. Employee initiated turnover for the year was 19.5 percent (compared with 20.1 percent last year).

The Company implemented Frontline Management Training for personnel in supervisory roles in 2001. The course addresses topics such as leadership, motivation, delegation, communication and performance management. Participants were required to complete a workplace-based project and performance review to satisfy the nationally-recognised program.

In addition, a module-style training package was developed for frontline managers, addressing issues of duty of care; stress and personal issues; behavioural observations and conflict resolution; and responding to difficult emotions in the workplace. More than 30 KCGM managers completed the first module. The remaining three modules will be delivered throughout 2002.

More than \$30,000 was spent on student scholarships to the Western Australian School of Mines in 2001. Five students - all mining engineer graduates - received \$6,000 to complete further study.

PERFORMANCE INDICATORS	'01	'00
Number of employees	395	407
Number of contractor employees	223	218
Rate of turnover (%)	19.5	20.1
TARGETS FOR 2002		
Implement Certified Agreement for Production Employees		Dec '02
Implement BOS professional development framework		Dec '02



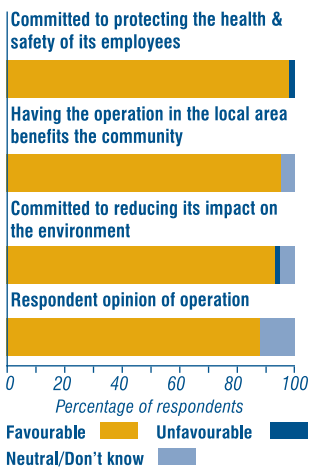
*"I had the fortunate chance to go on a bus trip and learnt about the environmental awareness that KCGM has. I enjoyed the tour very much and found it very informative and interesting."*

*Resident, Millen St, Boulder*

# Community Relations

*To succeed in partnership with the communities in which we operate, providing genuine benefits.*

## COMMUNITY SURVEY RESULTS



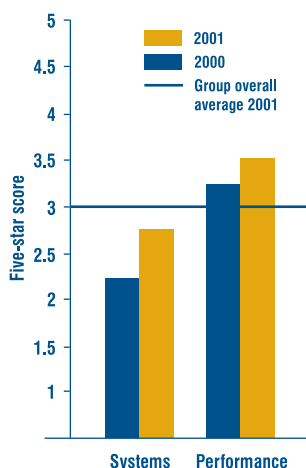
KCGM operates within close proximity to the City of Kalgoorlie-Boulder. Great effort is made by KCGM to operate considerately of its 30,000 neighbours.

Noise, vibration and dust generated by mining activities are areas of concern for nearby residents. In 2001, KCGM received 132 complaints (compared with 139 in 2000) from the community through its 24 hour, 7 day Public Inquiry Line. The major area of concern came from the mine's blasting activities (111 complaints received), followed by noise (13 complaints) and dust (8). Work continues on producing an updated information pack about the mine's blasting activities.

The potentially-controversial approval of the Eastern Bypass Road in August 2001, which will enable the open pit to be extended, was evidence of KCGM's effectiveness in managing complex stakeholder needs and demands. In the five-star assessment conducted in November, KCGM achieved the maximum performance rating (five stars) for media management and four stars or more for 6 of the remaining 12 performance elements. The KCGM Community Reference Group (CRG) forms the cornerstone of the operation's community relations. Established in 1999, the CRG aims to find joint solutions to problems or issues between the mine and the community, and provides an effective communication channel between the two. The CRG comprises 11 members of the community and three representatives from KCGM.

KCGM conducts an annual community survey to encourage communication with key stakeholders. Some comments and a summary of results are included in this report. Full details are available on the Newmont Australia website. It also participated in the Chamber of Minerals and Energy National Mine Open Day, attended by more than 1,500 people. As part of that event, 700 people toured the KCGM mine site.

## FIVE-STAR ASSESSMENT



PERFORMANCE INDICATORS	'01	'00
Indigenous Employment (% total workforce)	1.0	1.4
Community Support (\$)	74,252	68,000

SCORECARD FOR 2001	RESULT
Reduce the number of complaints about noise, dust and vibrations by Dec '01	132 / 139
Mt Charlotte closure plan to be completed by Dec '01	Achieved
Current level of education opportunities to be maintained by Dec '01	Achieved

TARGETS FOR 2002	
Fully redesign the website to provide better on-line interface with community	Dec '02
Introduce Junior Sports Fund to encourage participation in region	Dec '02
Achieve Eastern Bypass Road Realignment Communication Plan objectives	Dec '02



# Our Environment

*To operate in a way which conserves natural resources and avoids release of harmful emissions to the environment.*

Newmont Australia developed and implemented a new environment strategy in 2001 to more closely align its environmental management with sustainability principles. The goal is to mine and process minerals in a way in which natural resources are conserved and harmful emissions are not released into the environment. KCGM has made significant progress towards achieving this goal. The main areas of performance improvement in 2001 related to:

**Air quality:** Air quality continues to be actively managed as the priority issue at KCGM. Extensive monitoring of air quality and meteorological conditions is used to control emissions from the Gidji Roaster. Detailed investigation into any air quality event is carried out to identify areas for improvement in the Air Quality Control Strategy. A review and upgrade of automated computer system alarms for air quality control will be undertaken during 2002.

**Energy efficiency:** Efficiency decreased, increasing greenhouse gas emissions in 2001. The performance of both parameters relates to the amount of fuel used and tonnes milled. During 2001, the amount of fuel use increased with a greater number of trucks on site. The amount of ore milled decreased due to a major shutdown of the Fimiston Mill.

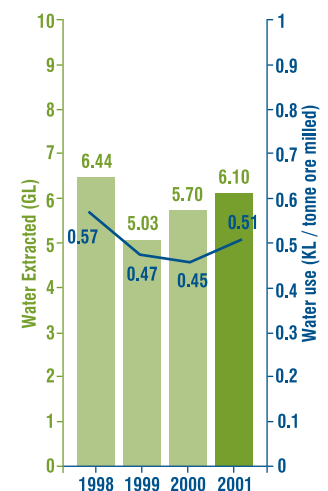
**Dust emissions:** Dust management during blasting is a top priority due to the high visibility of dust clouds from surface blasting. Practices are continually reviewed to identify areas for improvement and this has resulted in a decrease in public complaints relating to blasting dust from the operation.

**Hydrocarbon management:** KCGM continues to focus on improving hydrocarbon management across the site. The primary focus in 2001 was on consolidating contractors' storage of fuels and lubricants. The entire KCGM and contract workforce is encouraged to use the bulk facility as the central point for storage and dispensing, eliminating the risk of hydrocarbon incidents from smaller facilities that are now closed.

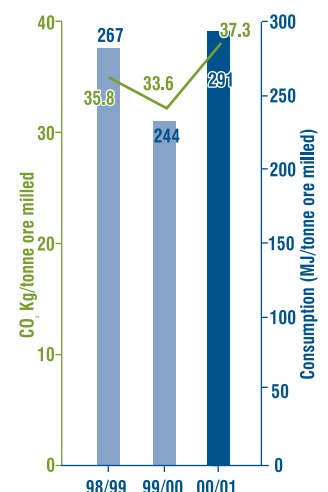
PERFORMANCE INDICATORS	Target	By	1999	2000	2001
WAD CN at decant pond ppm	<50 <sup>1</sup>	2003			20 <sup>2</sup>
Water efficiency <sup>3</sup>	<2	2002	0.47	0.45	0.51
Energy efficiency <sup>3</sup>	↓ 10% <sup>4</sup>	2004		↓ 8.6	↑ 19.3 <sup>5</sup>
Greenhouse emissions <sup>3</sup>	↓ 10.9% <sup>4</sup>	2004		↓ 6.2	↑ 11.0 <sup>5</sup>
Renewable energy <sup>3</sup>	5%	2011			0
Rehabilitation rate	>50 <sup>6</sup>	2004			64.7
Incidents	0 (L4,5) <sup>7</sup>	2002		0	0

1. Target applies unless facility is managed in such a way that wildlife cannot access pond water. 2. Relates to Fimiston tailings facilities. 3. These targets will be assessed on a group average. Some operations are not able to achieve these targets on an individual level, however all are expected to set their own targets that contribute to the group average. 4. Reduction from baseline levels set in 2000 (2000 group average = 409 MJ/t and 49 kg CO<sub>2</sub>/t respectively). 5. Figures stated are for financial year to June 2001. 6. >50% of area available for rehabilitation completed in current year. 7. Level 4 = major environmental impact, Level 5 = severe (catastrophic) environmental impact.

## WATER EXTRACTION & USE



## ENERGY & EMISSIONS



# Our Environment

*“Changes in attitude behind the environment work from, ‘we have to’ to ‘we want to’.”*  
Resident, King St, Kalgoorlie

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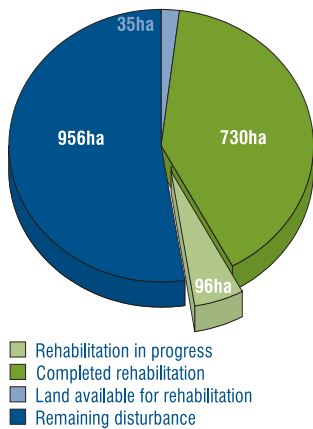
**Closure:** The closure of Mt Charlotte mine in December 2001 has enabled all areas not required for ongoing activities to be progressively rehabilitated to natural vegetation. The Glory Hole, a small open pit, will be backfilled and the surrounding area contoured and revegetated. The Mt Charlotte closure and subsequent rehabilitation will result in the stabilisation of the open pit and underground workings, improved appearance of the site, particularly from the Bypass Road, and the extension of the ‘green belt’ between KCGM and the City of Kalgoorlie-Boulder. A comprehensive mine closure plan was completed in October 2001, based on principles detailed in the Strategic Framework for Mine Closure developed by the Australian and New Zealand Minerals Energy Council and Minerals Council of Australia. This plan is available on the KCGM web site [www.kalgold.com.au](http://www.kalgold.com.au).

**Five-star assessment:** KCGM achieved significant improvement in its five-star assessment score, increasing from 66.7% in 2000 to 72.1% in 2001. The result was particularly pleasing in light of a review of the five-star criteria in 2001 which essentially ‘raised the bar’ on the standard required.

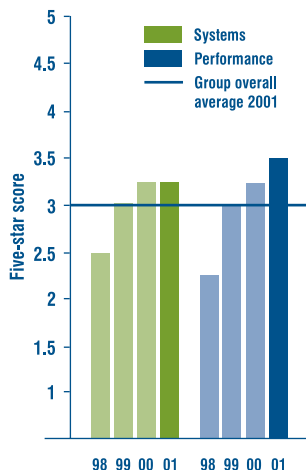
**Rehabilitation:** KCGM has progressively rehabilitated the Mt Percy mining area since the early 1990s. In 2001, work was mostly completed following rehabilitation of the mill site and capping of the tailings storage facility using non-traditional rehabilitation techniques. Hydromulching (which uses recycled paper) and the addition of mushroom compost to the seed mix will assist KCGM to achieve successful, long-term rehabilitation of the area.

**Solid waste management:** Implementation of the Total Waste Management System began during 2001 and has significantly improved the tracking of waste streams and their quantities. The system will continue to be implemented during 2002, ensuring solid waste is effectively managed, disposed and where possible, recycled.

## LAND MANAGEMENT



## FIVE-STAR ASSESSMENT



COMPLIANCE	Outstanding at		New in 2001	Resolved 2001
	01/01/01	31/12/01		
	1	0	1	2

SCORECARD FOR 2001	RESULT
Eliminate bird deaths caused by cyanide at Gidji tailings facility by Dec '01	Achieved
No exceedences of 0.25ppm for sulphur dioxide in policy areas	2 exceedences
Ground-water remains 2m below ground level at TSF 2 by Mar '01	Achieved

TARGETS FOR 2002	RESULT
No exceedences of 0.2ppm for sulphur dioxide in policy areas	Dec '02
Complete implementation of Total Waste Management System	Dec '02
Rehabilitate 57 hectares in line with life-of-mine plan	Dec '02

CONTACT US: [feedback@newmont.com.au](mailto:feedback@newmont.com.au),  
COMPLETE THE ELECTRONIC FEEDBACK FORM ON THE NEWMONT AUSTRALIA WEBSITE, OR WRITE TO: GENERAL MANAGER  
KALGOORLIE CONSOLIDATED GOLD MINES, PMB 27, KALGOORLIE 6430, WESTERN AUSTRALIA. PH: (08) 9022 1100

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