



**NEWMONT MINING CORPORATION
COMMUNITY RELATIONSHIPS REVIEW**

**REPORT OF THE ENVIRONMENTAL AND SOCIAL
RESPONSIBILITY COMMITTEE OF THE BOARD OF DIRECTORS**

March 2009

Introduction

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, capital and approvals, and employee attraction and retention. This 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 original study director became overextended with other projects and commitments and was replaced in January 2008 with Gare Smith and Dan Feldman of the law firm Foley Hoag LLP. We are very grateful to Gare, Dan and the other members of the study team who worked tirelessly to produce a report that will serve as a catalyst for the Company in its continuing effort to become the industry leader in social responsibility and community relationship management.

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 AP has participated throughout the study process in helping the ESRC, the study directors and management to improve the quality of the study. We are very grateful to the members of the AP: Cristina Echavarria, Steve D'Esposito, R. Anthony Hodge (Chair), Chris Jochnick, Caroline Rees

(Vice Chair), Steve Rochlin, Ignacio Rodriguez and Julie Tanner, for their excellent and candid advice as the study evolved.

Both the study directors and the AP recommended to the ESRC that the closed Minahasa Mine near Buyat Bay in Indonesia be added to the study. The ESRC accepted that advice and have subsequently received from the study directors a report concerning the Minahasa Mine. Given continued legal proceedings related to the closure of the Minahasa facility, we have deferred releasing this report to the public until after the legal proceedings are concluded. However, to the extent the study directors or the AP thought a finding from the Minahasa report contributed to the clarity of the overall study and the lessons learned and recommendations going forward, we have agreed to reference relevant portions of the Minahasa study in the CRR Report.

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. 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. The Board of Directors accepted the final version of the CRR Report, the AP Report and approved this report at its meeting on February 18, 2009.

The Study

The study directors state that “[t]he overarching lesson of the CRR is that if Newmont is to continue to grow as a company, maintain its production pipeline, and succeed in current and future business operations around the world, it must manage its community relationships more effectively. Newmont must act quickly to ensure that stakeholder engagement and community relationship building are integral components of Newmont’s business operations.”

The CRR Report sets forth the following eight lessons learned:

Lesson 1: Every Newmont operating site should have a comprehensive and integrated strategic management plan for community relations that identifies the objectives and responsibilities of each functional department and takes into account relevant site-specific factors.

Lesson 2: Regular and comprehensive social impact assessments and risk assessments must inform cross-functional strategic planning at Newmont’s operating sites.

Lesson 3: Regional and local managers in all functional areas must be accountable for implementation of the company’s strategic objectives regarding community relationship building.

Lesson 4: Newmont's operating sites must assess stakeholder concerns and engage with external stakeholders in order to understand and effectively respond to their perceptions and concerns.

Lesson 5: Newmont's engagements with the community must reflect the company's values and responsibilities and clearly convey what can be expected from the company in its role as a community stakeholder.

Lesson 6: Newmont's operating sites must engage in conflict identification and manage community concerns before open conflict arises, while also respecting the rights of stakeholders to protest against the mine.

Lesson 7: Newmont must ensure that its operating sites have accessible and responsive grievance mechanisms.

Lesson 8: Management of the environmental impact of mining is directly linked to the management of community relations; Newmont must assess and respond to stakeholder concerns regarding both real and perceived environmental impacts of its operations.

In addition, the CRR Report sets forth a series of recommendations for each lesson learned. The Board has accepted those lessons learned and the recommendations. After considering with management the way in which the Company operates, the Board believes the lessons and recommendations should be incorporated into an Action Plan aligned in the following three areas: Analysis, Planning and Monitoring; Engagement and Conflict Management; and Accountability and Capacity.

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 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.

The AP Report

The Board wishes to thank the AP for their candor and frank advice during the CRR. Their observations and insight have provided a positive contribution that has helped shape the course of this undertaking. A consistent message from the AP was the emphasis and importance of accountability in honoring our commitments. As we build on the lessons from the CRR, the Company's actions should be predicated on clarifying our commitments and ensuring fulfillment of those commitments to the communities. This clarification and accountability should by its nature provide a cohesive thread which guides the path forward.

The AP fairly notes that the timeframe for conducting the CRR limited the extent and degree to which all issues could be addressed. In our commitment to understand the dynamics of how we manage community relationships, we recognized that the CRR

would be the first step of a process of continuous learning and improvement with some aspects left for future review.

The Board clearly accepts the AP's perspective that the relationship with a community begins during the period of geologic exploration. The Action Plan should address the full lifecycle of a mining operation. Indigenous people and gender issues, local cultures, artisanal mining, and community consent can have profound influence on the development of a relationship with a community. The AP Report commented that these issues were not sufficiently captured in the CRR. The Board acknowledges this and recognizes that these complex issues are areas for additional focus and work as the Company moves forward in building on the lessons of the CRR.

Next Steps

The Board has met with management to discuss the CRR Report and the AP Report. To effectively and successfully move forward with the lessons from the CRR requires defining priority for action. Based on those discussions, we have directed management during the balance of 2009 and the first half of 2010 to develop and execute 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.
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 the ESRC and 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.

The Board has today authorized management to make the CRR Report and the AP report available on the Company's web site. The English version can be found at www.Newmont.com. Management will shortly make available translations of the CRR Report in Spanish and Bahasa Indonesian to ensure proper communication with impacted communities and employees. The Board believes the Company now has an excellent foundation from which to develop and implement global community relationship and conflict management systems that will provide the Company with a sustainable industry leading approach to these matters.

Concluding Observations

The CRR represents a significant step in the continuous improvement of Newmont's community relations programs. In 1999, Newmont and eight other mining companies embarked on the Global Mining Initiative and the Mining, Metals and Sustainable Development (MMSD) Project, a two-year independent process of research and

consultation to examine the role of the mining sector in contributing to sustainable development, and how that contribution could be increased. What emerged from this landmark study was the International Council on Mining and Metals (ICMM), which was founded in 2002 on the tenets outlined in the MMSD Report to provide leadership and develop best practice on sustainable development and related issues.

The Company adopted its first set of social responsibility and community relationship standards in 2003 as part of its commitment to the ICMM sustainable development framework. In the intervening years, the Company has learned much about the need to foster and maintain good relationships with governments, communities and other stakeholders, not just the ones who support the Company in its mining ventures, but also those who object to mining in general or the Company in particular. We firmly believe that the future viability and sustainability of the Company's business requires that the Company manage our community relationships more effectively and with consistency. The Company must ensure that community engagement, community relations and conflict management become a more integral component of the Company's business, just as stewardship of the environment and adherence to the highest possible safety standards have already become ingrained into the Company's culture.

The CRR, while revealing gaps in our community relations, policies and program execution that have limited the Company's past effectiveness in managing conflict and fostering good community relationships, provides us with a road map toward a more effective approach. The steps outlined herein are designed to lead to greater clarity regarding accountability to communities by the Company. Change will neither occur overnight nor resolve all conflict, but with diligence and commitment, the Company will make continuous progress. The ESRC will provide oversight and guidance to management as the process of implementing the recommendations of the CRR proceeds. We appreciate the efforts of all who contributed to the CRR, and we are committed to demonstrating that we both listened and learned.

James V. Taranik, Chair

John B. Prescott

Robert J. Miller

Veronica M. Hagen

Joseph A. Carrabba