



NOW & BEYOND 2005
Sustainability Report

KALGOORLIE, Australia





Kalgoorlie Consolidated Gold Mines (KCGM) manages the mining operations at the largest gold mine in Australia on behalf of Newmont Mining Corporation and Barrick Gold Corporation, which share equal ownership. The operation is located 580 kilometres (360 miles) east of Perth and just 400 metres (one-fourth mile) away from the City of Kalgoorlie-Boulder in Western Australia. The historic mining area is known as the Golden Mile due to the rich gold reserves found within a one-mile area.

The Fimiston open pit mine, known as the “Super Pit,” measures 3.5 kilometres long (2.2 miles), 1.5 kilometres wide (almost 1 mile) and 360 metres (almost one-fourth mile) deep. With a workforce of 734 employees and contractors, the mine contributes substantially to the local economy.

At the Super Pit, ore (gold-bearing material) is mined from the remnants of old workings or “halos” of old workings. Ore is processed using grinding and flotation processes. Gold concentrate is trucked to a roaster at Gidji, 16 kilometres (10 miles) north of Kalgoorlie, for final gold recovery.

In 2005, KCGM mined more than 82.75 million tonnes (91.2 million tons) and recovered 834,063 ounces of gold, again ensuring our place as the top-producing gold mine in Australia. Our Fimiston Mill processed 13.27 million tonnes (14.62 million tons) of ore, the largest amount milled through the plant since it began operating in 1989.

The mine sold 818,788 consolidated ounces (total sold) of gold and 409,600 equity ounces (Newmont’s share) of gold in 2005. The mine reported 4.9 million ounces of gold reserves at year-end (Newmont’s share). Reserves are estimates of gold deposits that can be economically mined.

ABOUT THIS REPORT

Newmont publishes *Now & Beyond* Sustainability Reports for our operations on five continents. The site reports complement our corporate 2005 *Now & Beyond* Sustainability Report and an Annual Report to shareholders, both of which are available on the website, www.newmont.com. This report describes KCGM’s track record in health and safety, employee relations, community relations and social responsibility, and environmental stewardship in 2005. All figures are quoted in Australian dollars.

You also can obtain a copy of the reports from KCGM’s Super Pit Shop in Boulder, the regional office in Adelaide or Newmont’s corporate headquarters in Denver, Colorado, U.S.A. (see contact information on the back cover). Reports also are available at www.newmont.com under Social Responsibility.

ADDITIONAL INFORMATION AND FEEDBACK

For more information about Newmont, including financial data, our governance structure and the KCGM operations, please visit www.newmont.com. We encourage and value your feedback to help us improve our sustainability reporting. Please e-mail your comments to esr@newmont.com.

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We recognise that we must strive to conduct all of our mining activities with careful consideration of our employees, the environment and the communities in which we operate. Responsible business balances concerns for people, environment and society, without compromising the needs of future generations.

To achieve these important and often challenging goals, we work to operate in concert with the local governments and societies where our mines are located. The formal and informal approval our company receives from stakeholders to conduct our business now and in the future, is every bit as important as our mining permits. We consider stakeholders the people and organisations that have the potential to impact or be impacted by our business activities. They include employees, contractors, shareholders, local communities, suppliers, governments and regulators, non-governmental organisations (NGOs), indigenous communities, minority groups, news media, business and industry associations, and trade unions.

KCGM's *Now & Beyond* Sustainability Report provides stakeholders a factual account of how well we met our goals in 2005 and how we intend to move ahead in 2006.

Now & Beyond focuses on areas our company and our stakeholders consider vitally important, including:

- ▶ *The health and safety of our employees and community members.*

- ▶ *The fair and equitable treatment of all our employees – including their working conditions, human rights, professional development and remuneration.*
- ▶ *How our mines affect the communities in which we operate, and how we can sustain development in those areas.*
- ▶ *Protecting and restoring the natural environment and maintaining biodiversity in and around our operations throughout the mine's entire life cycle.*

One of the primary ways we measure the performance of our management systems each year is through our Five Star Integrated Management System (Five Star). Rolled out globally in 2003, our Five Star system ensures every Newmont mine site has a management system driving continual improvement in health and safety, environmental management and community relations.

Our Five Star standards are based on internationally recognised standards for quality environmental management from the International Organization for Standardization (ISO). We have adapted the ISO standards using the AA1000 framework to ensure that stakeholder engagement is key to every site's management system.

In 2005, we integrated the Management Standards in health and safety, environment and community/ external relations to provide our leadership with a uniform way to manage these areas. Five Star also evaluates Discipline-Specific Standards—the standards the mines follow in implementing employee health and safety, community relations and environment programmes. More information on the standards is available at www.newmont.com/en/social/fivestar/index.asp.

To provide our stakeholders with an impartial view of our performance, we rely on external assessors—experts in their respective fields—to conduct the Five Star assessments and report the site's strengths and weaknesses using international standards and guidelines.

The external assessors evaluate each site's implementation of the Five Star standards, ranking performance on a scale of one star to five stars (one=lowest and five=highest). Newmont's minimum expectation for each site is a score of three stars for every standard. Although we have seen considerable progress at many of our sites in the three years since we launched Five Star globally, significant room for improvement remains.

This report includes a summary of KCGM's Five Star scores. Overall results from all our sites are included in the corporate report, available at www.newmont.com.

NEWMONT'S FIVE STAR ASSESSMENT CRITERIA

INTEGRATED MANAGEMENT STANDARDS

- ★ *No procedures developed.*
- ★★ *Informal or incomplete procedures.*
- ★★★ *Formal procedures implemented and functional with general conformance to the requirements of the standard.*
- ★★★★ *As above, and with effective internal auditing, internal reviews and continual improvement.*
- ★★★★★ *As above, and a formal system implemented, with sustained continual improvement and is integral to site culture.*

DISCIPLINE-SPECIFIC STANDARDS

- ★ *Standard has not been adopted (no action taken to implement).*
- ★★ *Not all requirements within the standard have been actioned.*
- ★★★ *General conformance with the requirements of this standard.*
- ★★★★ *All requirements of the standard are implemented and they are audited and reviewed for functionality.*
- ★★★★★ *Residual risk is evaluated and addressed.*



2005 was a challenging year for KCGM, with significant issues relating to air quality and emissions that had the potential to impact our good relations with the community. A sudden wind shift during a mine blast on Good Friday adversely affected our environmental performance, blowing dust over a section of town.

In addition, as a result of routine workplace hygiene testing, it became evident that mercury was being emitted from some processes in the operation. Further investigation determined that the primary sources of these emissions are the Gidji roaster and Fimiston carbon kilns.

Our staff contacted regulatory agencies, the local health department, city officials, employees and other stakeholders, including the news media, to alert them of the issue.

We do not use mercury in the processing of gold, but some ore naturally contains small amounts of the element. We conducted environmental modeling that estimated mercury emissions from the mine's processing operations could total five to eight

tonnes (5-8 tons) per annum. Whilst these estimates were higher than the levels that had been previously recorded, they were still below World Health Organisation guidelines. Nevertheless, we are taking measures to reduce mercury emissions from our operations.

We endeavoured to be open and honest regarding these environmental issues because we understand that openness is part of our social responsibility and vital to our ongoing ability to operate. We gratefully acknowledge the professional manner in which our staff has handled these issues.

On a positive note, 2005 brought an outstanding safety performance, particularly during the last three months, with no lost time, medical

treatment or restricted work accidents for more than 900,000 man-hours worked. Despite a disappointing start to the year, we were pleased to record continued reductions in the Total Recordable Injury Frequency Rate to 5.9 at the end of December 2005, outperforming our target of 6.0.

For the second consecutive year, Newmont Australia awarded our site with its Australia Excellence Award for safety performance. The award reflects our continued focus on this vital aspect of our operation. However, our two Lost Time Injuries during the year reminded us to be continually vigilant and focus on safety at all levels of the organisation.

Our electronic data management systems provide an outstanding process to manage and share information internally about safety, environment and community relations.



The system includes formal procedures to manage changes, investigate and report accidents, and observe employee behaviour to ensure safety.

Since publicly launching the KCGM Indigenous Policy in late 2004, 25% of all our new trainees at KCGM have been indigenous members of our community.

We implemented the Indigenous Traineeship at Fimiston Mill late in 2005, and three of the four initial employees have already moved into full-time Process Technician roles within the company.

Approvals for Super Pit expansions made significant progress in 2005, with the submission of our Noise Bund and Loopline project plans. Approval to raise the height of the Fimiston II tailings storage area is scheduled for summer 2006.

A draft plan to expand the Super Pit on the western wall to allow for widening and deepening (known as the “Golden Pike Cutback”), will be distributed in early 2006 for a new round of public consultation.

The Super Pit Shop, which opened in July 2005 in Burt Street, Boulder, has proved to be an excellent public outreach tool and community amenity. Positive community feedback indicates the Shop has strengthened our community visibility.

The face-to-face contact the Shop allows with the public has reduced the number of inquiries to our Public Inquiry Line by 25%. The merchandise sold at the Shop is a draw for tourists and advances our goal of attracting visitors to the area.

Looking ahead, we remain firmly committed to supporting and contributing to the local community and the region and as always, will strive for continuous improvement in 2006.

Sincerely,

COBB JOHNSTONE

KCGM General Manager





Mining is a hazardous activity by its very nature. Employees at our mine work in deep pits and at heights. They often use explosives, heavy machinery, mobile equipment and vehicles, molten materials and toxic chemicals, and work in areas where there are high levels of noise.

OUR PERFORMANCE

We factor safety into every task, striving for “safe production.” This involves recognising potential risks, identifying the safest way to perform a task and consistently integrating our safety management systems into the way we do business every day. To achieve safe production, everyone on our workforce is responsible for recognising risks. Unsafe behaviour or conditions that could lead to accidents are not tolerated.

Unfortunately, in the first half of 2005, a number of safety incidents occurred at our operation. We consider that all safety incidents are avoidable, so this was a disappointing result for us. The most serious accident at our site last year occurred when a contract employee was struck by a hydraulic cylinder that he was loading onto a transport pallet, fracturing both legs. In a separate incident, a contractor had one of his fingers surgically removed as a result of a crush injury sustained when attempting to repair a tie rod on a mining truck.

In addition, two employees inhaled hydrogen cyanide gas, which is potentially toxic. At Fimiston, a technician was exposed to the gas when she was working near a leach tank being drained. A gas monitor, worn for the purpose of warning against such exposures, effectively alerted the employee, and she was evacuated from the area. In a separate incident, an employee inhaled

the gas whilst conducting external checks prior to cleaning a quench tank hopper. Both employees received treatment at the site and were able to return to work the same day. We developed new processes and put engineering controls in place to prevent similar incidents.

However, a strong safety performance in the last three months of the year allowed us to surpass our 2005 Total Reportable Accident Frequency Rate (TRAFR) goal with a rate of 6.4 versus 8.6 in 2004. The TRAFR includes any workplace injury or illness that requires more than simple first aid.

Whilst we met that goal, we failed to meet our Lost Time Accident (LTA) Frequency Rate goal of zero and ended the year with a rate of 0.8. An LTA is any work-related injury or illness that would prevent employees from working their next scheduled shift. Both rates are calculated using standard industry formulas based on 1 million man-hours worked.

Determined to prevent Lost Time Accidents in the future and foster a team approach to safety, we instituted Courageous Leadership training for all employee and contractor managers and supervisors to emphasise that anyone, regardless of job title or rank, can stop any unsafe work without fear of retribution for reporting the incident.

Additionally, we launched a safety initiative called Safe Check, a Field Level Risk Assessment process that empowers our employees to be their own personal safety managers. Employees

carry a Safe Check Card and review the list of safety questions before they begin any task. The card reminds them to stop and think about the task and its safety consequences, track the risks involved, and develop controls to protect them from accidents. The assessment supplemented our Job Hazard Analysis training, also implemented in 2005 as part of our site induction/new employee training. These initiatives increased awareness about the importance of employees and contractors taking prompt and timely action to avoid hazards in simple day-to-day tasks.

To help avoid contractor injuries and fatalities, Newmont corporate made contractor management and selection a key initiative for 2006. The company is evaluating the current contractor management process to determine the extent of its involvement during the selection of contractors we employ at our mines. Newmont believes a focus on contractor management will enable us to better manage our contractors and eliminate fatal accidents, as nearly all fatalities that occurred in recent years have been contractors.

MANAGING RISKS

Our operation regularly assesses key risks for employees and contractors. In 2005, we focused on traffic management at the mine and on open highways, working in confined atmospheres and chemicals. We revised training and procedures to reduce risks.

To continue to enhance safety management systems, we assigned a manager responsible for each element of the 2005 Safety Plan. We also enhanced our safety communications by starting Daily Communications

ACCIDENT RATES*

	2003	2004	2005 TARGET	2005 OUTCOME	2006 TARGET
Total Reportable Accident Frequency Rate	13.45	8.65	6.00	6.40	4.50
Lost Time Accident Frequency Rate	0.85	0.00	0.00	0.80	0.00

* Rates per 1 million man-hours worked.

Notes for all KCGM employees and starting a Serious Incidence Report to provide to the operation's joint owners – Newmont and Barrick.

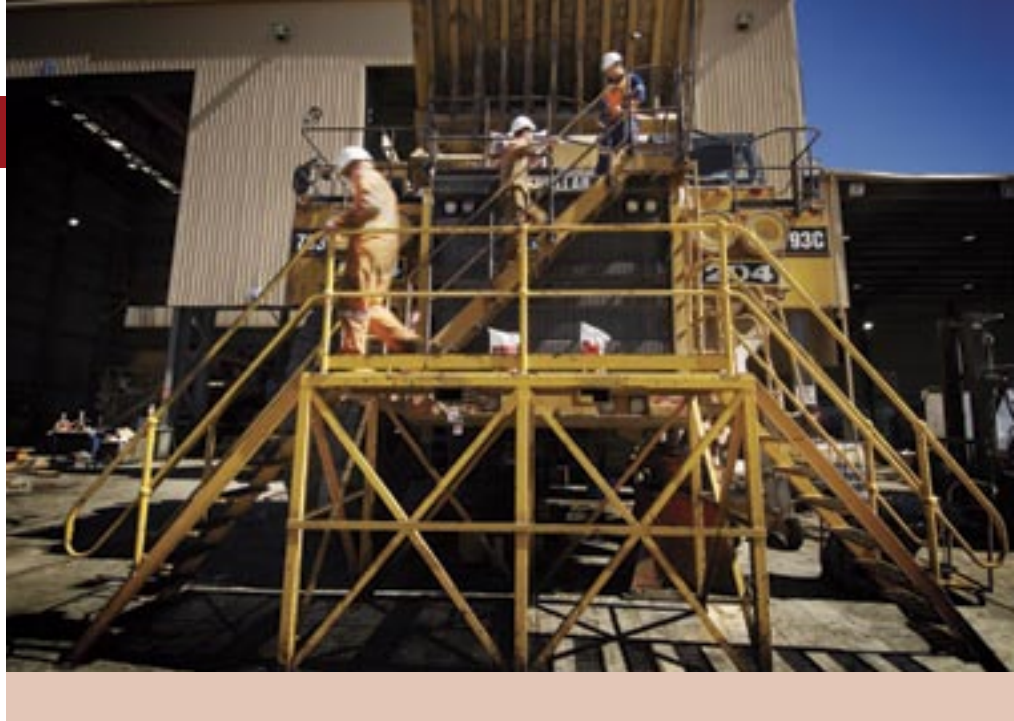
Within each department, there is a Safety Committee that addresses safety performance, accident rates, incidences and compliance issues. Each committee examines issues and develops plans for improvement. In 2005, we rolled out Courageous Safety Leadership training for all management and supervisory staff.

Safety Habit Observation Technique (SHOT) is a comprehensive in-house safety behaviour observation programme used by managers, superintendents, safety reps, professionals and some employees in the Mineral Processing and Geology departments.

The Open Pit operations use a similar Task Observation process that measures operator compliance against Standard Operating Procedures. Supervision at all levels conducts a targeted number of observations of employees whilst at work. They then record observations in a reporting system and discuss what they observed at health and safety meetings.

We also introduced the 5 Key Safety Messages (5x5) Programme to enhance the regular inspections our supervisors undertake to ensure operational controls are effective and hazards are identified. The five areas include risk assessment, working at heights, isolations, fire protection and mobile equipment. We developed a checklist that ensures supervisors complete proper inspections in the relevant hazard or risk area.

The focus on safety whilst working at heights includes activity on or around mechanised lifting devices, platforms, fixed structures and other elevated locations. We improved safety devices used to prevent falls, including harnesses, accessibility of platforms and scaffolding, and equipment inspections. An external expert provided quarterly safety training.



CASE STUDY: AN OUNCE OF PREVENTION IS WORTH A POUND OF CURE

A Safety Habit Observation Technique (SHOT) analysis at the Westrac maintenance workshop revealed mechanics were using the front bumper of a CAT793C Haul Truck to work on the truck's radiator and engine. Workers' risk of losing their balance, increasing their fatigue and dropping tools prompted a team of observers to conclude this was "an accident waiting to happen."

The maintenance department brainstormed a practical and inexpensive, yet highly successful, solution that allows the fitters to work more safely and easily on the engines of these huge trucks. They designed a special safety platform to provide the mechanics with a safe, non-slip surface to climb upon and work. Two sets of ergonomically designed stairs have reduced employee fatigue and the likelihood of an accident. The platform also provides an easily accessible storage space for truck parts and tools adjacent to the work area. The platform was a finalist in the Western Australia Chamber of Minerals and Energy Occupational Safety and Health Innovation Awards. The solution alleviated unsafe work practices and had the additional benefit of enhancing our ability to do the job right.

Our focus paid off as supervisors made 390 observations of employees working at heights, with 81% of those demonstrating safe work practices.

In June 2005, we signed a memorandum of agreement with the Fire and Emergency Services Authority (FESA), enabling a reciprocal agreement to aid each other's emergency response teams. Under the agreement, both parties have access to each other's training equipment and conduct joint training exercises. The programme enhances our access to first responders on site and provides the community the benefit of our team's extensive emergency response expertise.

Our commitment to safety extends into how our contractors operate their businesses. Crushing Services International (CSI), a permanent contract company on the KCGM site, greatly improved its safety culture in 2005 whilst improving the ore-crushing process and equipment, and enhancing dust-suppression techniques. For example, to reach the conveyor chute access door to a screen house, workers had to walk across a canvas roof. A screen house uses screens to sort crushed ore into various sizes for the milling process. The canvas had deteriorated, which allowed dust to escape and increased workers' risk of a



2.5-metre (8-foot) fall. Also, workers had to step across an 800-millimetre gap (2.6 feet) to reach the screen house, located three stories above ground.

In 2005, CSI replaced the canvas roof with a steel-framed, rubber-floored platform that decreased fall risks, dust and noise. At the same time, the contractor added a hatch that can be

raised to create a safety barrier when equipment is operating, or lowered to allow access and create a safe walkway to the screen house. The screen house itself is a confined space and workers continue to observe confined-space protocols in that area. Finally, CSI improved the work area that spanned the crushing plant and water sprays that suppressed dust.

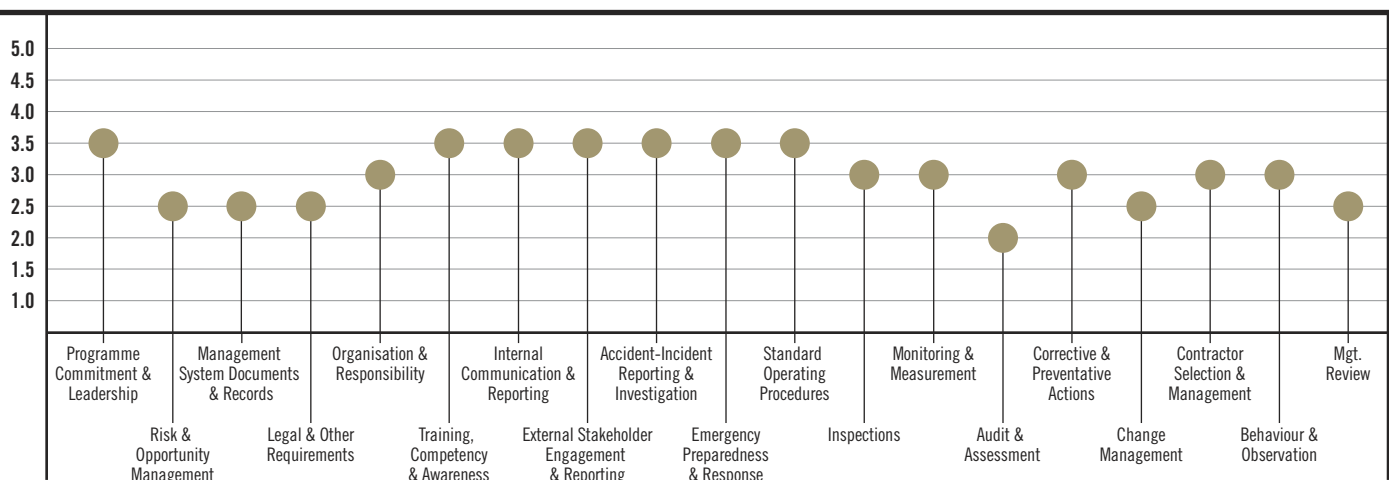
EVALUATING OUR PROGRESS

KCGM's Health, Safety and Loss Prevention (HSLP) programme was assessed in November 2005 as part of the Five Star assessment. Our evaluated Integrated Management System standards included risk and change management, training, internal and external communications, and contractor selection. We scored three stars or greater in 13 out of 19 standards assessed. The assessors

HEALTH SAFETY & LOSS PREVENTION INTEGRATED MANAGEMENT SYSTEM STANDARDS

Actual Scores Achieved – 2005

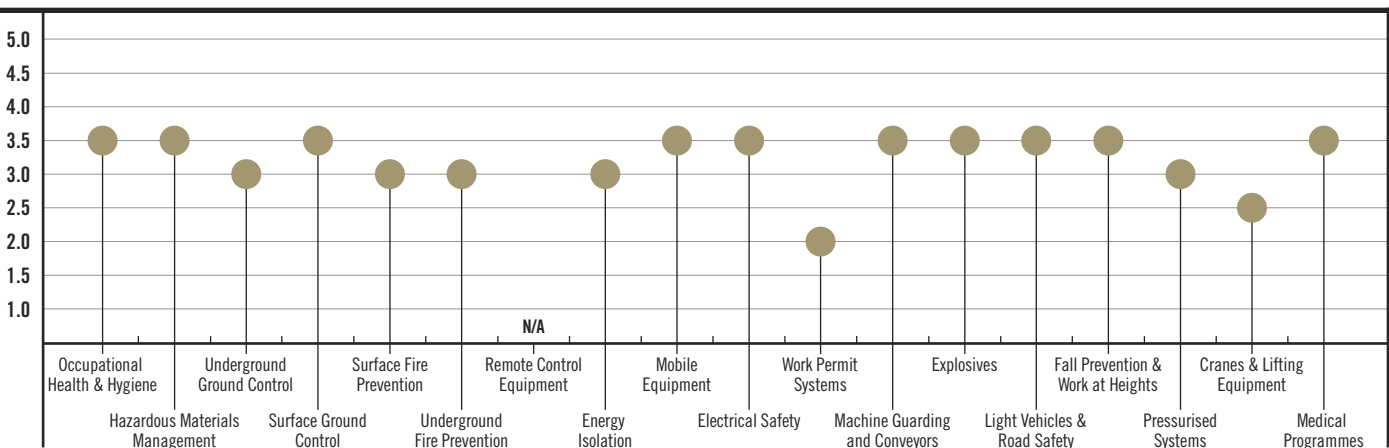
Scores



HEALTH SAFETY & LOSS PREVENTION DISCIPLINE-SPECIFIC STANDARDS

Actual Scores Achieved – 2005

Average Scores



Three stars indicate systems are in place to adequately manage risks.
N/A = Not Applicable.

noted our strengths included well-documented systems, strong incident reporting and investigation, and emergency response management. Opportunities for improvement included reviewing very high or high-risk hazards in the database to monitor controls and reduce risks to acceptable levels.

The assessors also evaluated other HSLP standards including occupational health and hygiene, managing explosives, hazardous materials, fire prevention, electrical safety, vehicle and road safety and medical programmes. In these standards, we scored three stars or greater in 15 of 17 categories. Strengths included occupational health and hygiene, hazardous materials management and open pit ground control. Main areas for improvement included enhancing the work permit systems, including the proper completion of permits, and competency-based training of persons involved in permit use. Our safety efforts in 2005 yielded our operation the Newmont Australia award for Best Safety Performance of any Newmont mine in Australia.

LOOKING AHEAD

We will continue to strive for improved safety performance through reductions in our accident rates. This will be accomplished through formalising our safety audit programme and enhancing safety management systems.



2005 TARGETS

Improve processes for working at heights.

Formalise safety-auditing programme.

Continue enhancing safety management systems.

2005 OUTCOMES

Instituted enhanced procedures and reporting.

Introduced 5 Key Messages for 5 Key Elements Programme.

Implemented Safety Plan and enhanced safety communications.

2006 TARGETS

Work with suppliers to enhance equipment safety.

Continue implementing programme.

Ongoing.



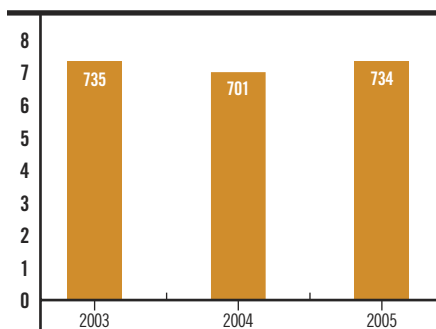
KCGM's workforce includes approximately 527 employees and 207 contractors who reside primarily in Kalgoorlie-Boulder, a city of 35,000 residents located adjacent to the mine. We employ 138 women, with the highest percentage working in technical and professional positions.

ACHIEVEMENTS AND CHALLENGES

In 2005, we doubled the number of indigenous employees at the mine to 20, bringing the total number to 33 including those employed by our contractors. The site has a cross-department commitment to improving its 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.

TOTAL WORKFORCE

(Number of people)



Our Indigenous Peoples Policy includes goals to increase the number of indigenous people employed at the mine and by our contractors. In 2005, 16 of 47 truck trainees were indigenous individuals sourced from five Aboriginal service provider groups. KCGM also uses indigenous-run businesses or companies that employ indigenous staff. The Mill implemented an indigenous traineeship in late 2005, with three of four initial employees transitioned into full-time process technician roles.

Our employees expressed interest in flexible salary options. To respond to this request, we rolled out the Salary Packaging initiative in August 2005. The programme increases employees' remuneration flexibility. Employees who sign up to participate opt to forgo some of their salary in order to obtain a company-provided fringe benefit, such as accommodation assistance, holiday transport to Perth, novated leases and laptop computers. We fund these benefits using an employee's pre-tax salary, thereby reducing the taxable cash salary

received. Employee relations staff held eight information sessions, run by tax advisors from Ernst & Young, to explain the concept. Approximately 100 staff enrolled in the programme last year.

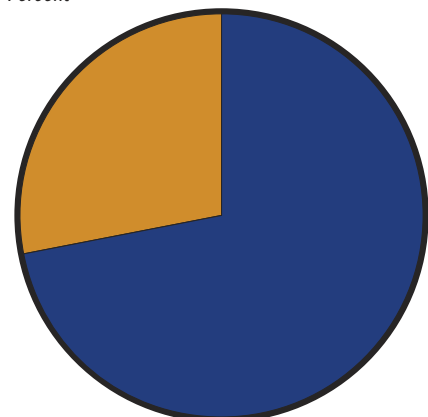
To enhance employee communications last year, we improved our intranet site by adding more content including manager reports, employment opportunities, events, mine announcements, policies and procedures. Whilst building the new intranet site, we emphasised clear, concise content that is easier to navigate and find. We conducted in-house training to aid users in using the new system. We also have relied on our internal newsletter, *The Dirt*, to communicate with employees.

EMPLOYEE SATISFACTION

Market factors including wages and staff turnover continue to challenge our operation. The Australian mining industry is experiencing significant growth and the entire resources sector has very high turnover as it competes for skilled workers. Our total turnover rate for 2005 was 24.3 percent. To reduce the rate, we have changed and improved our recruitment, retention and remuneration policies. New preferred-provider agreements with specialty recruitment agencies will allow us to

WORKFORCE BREAKDOWN - EMPLOYEES & CONTRACTORS

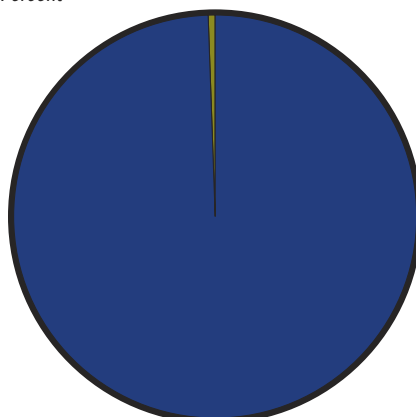
Percent



72% Employees - (527)
28% Contractors - (207)

WORKFORCE BREAKDOWN - LOCAL, NATIONAL & EXPATRIATE

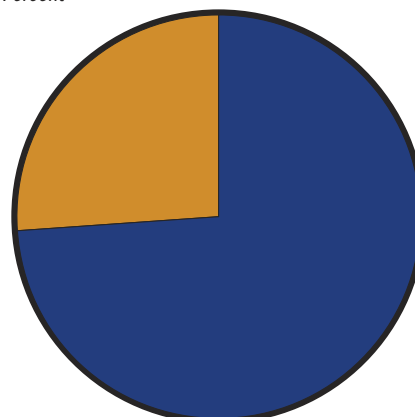
Percent



99% Local - (731)
1% Expatriate - (3)

EMPLOYEE BREAKDOWN - GENDER

Percent



74% Male - (389)
26% Female - (138)

better source quality candidates and hire staff within acceptable timeframes. In addition, we are evaluating other employee-incentive programmes, such as the provision of childcare facilities for staff.

We surveyed our employees in 2005 to assess their workplace satisfaction. In all categories surveyed, 60% or more of our employees rated the operation favourably. More than 80% of respondents gave our workplace culture a positive rating. Ninety-two percent said they believe their supervisors trust them to do the job right, and 92% felt our operation created a safe and secure work environment. Slightly more than half said they would stay at KCGM even if they were offered higher-paying jobs elsewhere and 62% felt the wages we paid were fair.

EMPLOYEE HEALTH

A hygiene audit survey, completed in October 2005, identified three areas of high risk to our employees: inhalation of metal fumes at the Mill and Gidji stacks, exposure to sulphur dioxide at the Gidji roaster, and noise created by shovels and trucks. We are developing additional measures to address and reduce these risks to our employees. Our preventative health measures for employees include annual flu vaccinations and skin cancer checks. Our site has a formal fitness programme to address weight loss, diabetes, stress management and other health issues.

PROFESSIONAL DEVELOPMENT AND TRAINING

Our operation spent \$246,000 on training programmes in 2005. One



CASE STUDY: INDIGENOUS TRAINEESHIP PROGRAMME OPENS NEW DOORS

KCGM's Indigenous Traineeship Programme at our Mill has proven to be a "win-win" for our operation and programme participants. Our new training programme is far more comprehensive than years past. We source trainees through the Indigenous Employment Centre (IEC), which screens applicants in advance. Whilst some of the trainees have held other jobs, none of them have worked in the mining industry. The trainees learn process technician skills on a casual basis for three months before they are considered for a permanent position. Last year, three of the four original trainees were transferred to permanent positions at KCGM. IEC arranges follow-up visits with trainees and passes on to management any feedback about their experiences.

significant initiative included an Open Pits Key Steps programme for all open pit supervisors in 2005. This training covers the basic elements of supervision, including effective communication, coaching skills, time management, conflict resolution, performance management, discipline counseling and stress management. Cross-cultural awareness training is also provided to employees to develop a better understanding of the Aboriginal culture to encourage acceptance

and mutual respect. This helps our indigenous trainees and employees feel comfortable and safe in a non-threatening work environment.

LOOKING AHEAD

In 2006, we will roll out safety leadership training to all staff levels and continue providing cross-cultural awareness training as we strive to significantly increase the number of indigenous employees.

2005 TARGETS
Increase number of indigenous employees.
Continue providing cross-cultural awareness training.
Build skilled workforce and expand recruitment of female employees to other areas of the site.
Renew employee labour agreement.

2005 OUTCOMES
Achieved. Employment more than doubled.
Training held across site quarterly.
Added 16 female employees in 2005.
Renewed.

2006 TARGETS
<i>Increase indigenous employment.</i>
<i>Train all new staff.</i>
<i>Increase number of females in Process Technician roles.</i>
<i>Continue monitoring satisfaction and compliance with labour agreement.</i>

The proximity of Australia's largest gold mine to the city of Kalgoorlie-Boulder presents a unique set of opportunities and challenges. Our operation serves as a vital part of the region's economy, yet we must work continually to minimise the mine's operational impacts on our neighbours. We recognise that community acceptance provides us the ongoing opportunity to operate. We also recognise that mining brings significant changes to the communities within our area of influence and mining itself is not sustainable. To address these issues, we inform stakeholders through community relations efforts and we invest in sustainable community development programmes.

Noise, vibration and dust from mine blasting top the list of community concerns identified in the social impact assessment and from ongoing input from our stakeholders. Blasting is the use of explosives to shatter rock so that it can be transported to the processing operations. Stakeholders voice their opinions on these and other issues through our 24-hour Public Inquiry Line. Perceived damage to property from blasting activities is the most common complaint we receive. We also keep the community abreast of our operations through our *News & Views* newsletter, mailed to all homes and businesses quarterly, and our

website, www.superpit.com.au. We post documents and reports available for public comments at the site.

One of our strongest links to the community is through the Community Reference Group (CRG), comprised of local community representatives and KCGM staff. The CRG provides ongoing consultation between our operations and the community. As a means to foster two-way communications, the group meets monthly to discuss present and future issues and developments. Meeting minutes are posted on KCGM's website to inform the broader community of our discussions.

ACHIEVEMENTS AND CHALLENGES

In July 2005, we greatly enhanced our ability to interface more directly with the community when we literally "opened shop" in Boulder. The Super Pit Shop at 2 Burt Street 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 considered the type of merchandise carried to avoid competing with local retailers.

All merchandise profits, which totaled \$13,500 in the first 6 months of 2005, are reinvested back into local community groups. We gave this profit to the local high school scholarship programme. The Shop also provides free meeting space for local non-profit organisations.

The Super Pit Shop underscores our commitment to sustainable development, outlined in the 2005-06 KCGM Tourism Strategy. The Shop's economic development benefits run full circle: tourism enhances local services and amenities, which makes the area more appealing to prospective KCGM employees.

The Shop attracted 9,000 visitors in six months, averaging about 70 people per day. We distribute customer surveys to visitors and provide statistics on Western Australia tourism visits. The Shop helps us educate visitors on the area's rich mining heritage and on our transition to modern mining techniques.

The Super Pit Shop complements the number-one tourism attraction in Kalgoorlie, the KCGM Super Pit Lookout, located on Hainault Road off the Goldfields Highway. The Lookout provides the best vantage point to view the expansive open pit. We updated its look last year by improving the graphics



and updating signage. Panelling now spans the full interior of the Lookout and features up-to-date Super Pit information and photos. The new electronic board informs visitors of the scheduled mine blasts.

A month after the Super Pit Shop opened, headlines appeared in local papers alerting the community about high levels of mercury emissions recorded at the mine. Our management team learned that our mercury emissions to the air were estimated to be higher than previously recorded. We do not use mercury in the processing of gold, but some ore naturally contains small amounts of the metal, which can be emitted in the air during gold processing.

Upon learning that our mercury emissions were likely to be higher than previously thought—most notably from the Gidji roaster and Fimiston carbon kilns—our staff contacted regulatory agencies, the local health department, city officials, employees and other stakeholders, including the news media, to alert them of the issue. Health experts were hired to assess any risk to the public and determined that based on the levels, the emissions did not pose a health threat.

The feedback we received about the communications regarding the situation has been positive; however, we recognise this situation only underscores the need for improved environmental tracking and reporting.

Another ongoing challenge we face is our repeated attempts to engage with one of our strongest critics, the Williamstown Residents Committee, a non-governmental organisation (NGO) whose members have expressed concerns about the mine's historic operating practices and environmental impacts. We maintain our offer to meet with the group and have actively worked in 2005 to engage the wider citizenry of Williamstown to address the organisation's concerns.



MANAGEMENT OF CULTURAL ISSUES

Improving indigenous relations was a key area identified in our 2004 social impact assessment. Our Indigenous Peoples Policy identifies stakeholder groups and relevant issues and impacts. Whilst we acknowledge that significant improvements are needed in this area, the policy provides a framework for managing our interactions with the goal of building long-term, positive relationships. The policy calls for meaningful consultation of indigenous community organisations and stakeholders in matters that affect them.

In 2005, we co-signed the “Dignity, Respect and Fulfillment” agreement with the Ninga Mia community, our closest indigenous neighbours. After considerable negotiation between various stakeholders on the agreement's language, the document outlined an agreement to improve relations between Aboriginals and non-Aboriginals in Kalgoorlie-Boulder. KCGM is one of many private organisations, politicians, companies, government entities and individuals to sign the agreement.

Ten culturally significant sites are located on our property. During 2005, we inspected registered sites of cultural or religious significance and conducted several cultural assessments in relation to planned mine activities. This included

assessments of new groundwater and water pipeline projects to make sure these activities do not disturb these areas.

MINE LIFE AND CLOSURE PLANNING

In late 2004, KCGM produced the Concept Plan for 2017, which outlines our vision for the future, to commence a dialogue with the community about our plans to extend the mine's lifespan from 2012 to 2017. This plan was our first significant attempt to actively bring the public into a discussion about the mine's lifespan and to ensure the community's long-term needs were being met as we approach closure. Key components of the plan include:

- ▶ *Expansion of the Super Pit on the western wall to allow for widening and deepening (called the ‘Golden Pike’ Cutback).*
- ▶ *Realigning the noise bund (buffer) to manage noise for the Golden Pike Cutback.*
- ▶ *Building more waste rock storage (areas containing rock that does not contain gold or contains gold in such low concentrations that it cannot be economically processed).*
- ▶ *Raising the Fimiston I and II tailings storage areas (areas where the slurry of crushed rock left after minerals have been extracted are stored).*
- ▶ *Decommissioning an unused tailings storage area.*



Other issues related to the Concept Plan include future plans for the Loopline railroad, including the possibility of running the train along the top portion of the new proposed environmental noise buffer area. The new route could attract more tourists to the train by rewarding visitors with expansive views of Kalgoorlie-Boulder and access to a relocated Super Pit Lookout.

The mine also is evaluating the Safety Exclusion Zone, a 400-metre (one-fourth mile) buffer zone between the mine and residential properties that is established in the Kalgoorlie-Boulder Town Planning Scheme. As part of Concept 2017, we are discussing with stakeholders the dimensions and flexibility of future Safety Exclusion Zones and modeling the viability of reducing the zone distance to

200 metres (656 feet). The plan has not been approved, and environmental and engineering components are underway.

We solicited broad public consultation for the Concept Plan in 2005, including concerted efforts targeting those residents who would be most affected. We sought consultation through a number of our existing communications channels including the CRG, Public Inquiry Line, newsletters, presentations, direct letter drops and asking the opinions of our Super Pit Shop visitors.

In 2005, we published the KCGM Project Definition Document and made it available for public and government review. The report examined social, economic and environmental considerations and proposed management to minimise the expansion's impacts on nearby communities and the environment. The goal for the Concept 2017 Plan is to obtain all necessary government approvals by December 2006.

EVALUATING OUR PROGRESS

For the past several years, KCGM has participated in Newmont's Five Star assessment of external relations to assess our strengths and weaknesses in managing our relationships with our host community of Kalgoorlie-Boulder and other stakeholders. The assessment evaluates our system's performance using Integrated Management System and community relations standards.

CASE STUDY: WORKING TO PROTECT HERITAGE SITES

Mt. Gleddon, also known as Nanny Goat Hill, is a registered Aboriginal Heritage Site occupying the northern corner of Williamston Road and Goldfields Highway in Kalgoorlie-Boulder on the KCGM mine lease. The area has been significantly impacted by historic mining waste, dumping of household rubbish and unrestricted public vehicle access.

Funded largely through KCGM, a joint effort between our mine, the Department of Indigenous Affairs, the City of Kalgoorlie-Boulder, Conservation Volunteers Australia and Kalgoorlie-Boulder Urban Landcare Group worked to transform this important, but neglected, resource. We collectively sought to preserve the area's cultural significance and prevent further environmental degradation.

One of the first issues to resolve was backfilling the old mine shafts and other past mine areas to make it safe for volunteers and visitors. KCGM supervised the work done by a local contractor to backfill and secure these areas. A local supplier and plant expert, Jim's Seeds, Weeds and Trees, managed soil preparation, weed control, removal of rubbish and tree-planting activities. Local scout troops and students from a local Aboriginal school, East Kalgoorlie Primary, were instrumental in helping plant trees. The revegetation will help to minimise further environmental degradation of the area. New fencing will prevent dumping of household rubbish and unauthorised vehicle traffic.

As a result of the team effort, pedestrians now are able to enjoy a walking trail leading up the hill and are rewarded by spectacular views of the city. Turning Mt. Gleddon "green" enhanced the area's safety, whilst protecting this valuable local cultural resource. Future plans may also include a Loopline station, enabling more people to access the area.

Integrated Management Systems evaluated included risk and change management, training, internal and external communications, and contractor selection. In Integrated Management Systems, we scored three stars or greater in seven of 18 standards. Areas of strength were our commitment to community relations through implementation of our “Consider, Communicate and Contribute” policy, the development of an Indigenous Peoples Policy and the

Super Pit Shop. The mine’s external engagement on emergency preparedness through the local Fire and Emergency Services Authority agreement was also commended.

Opportunities for improvement included developing a more comprehensive assessment of risks to the mine beyond blasting and noise issues.

The Five Star’s community and external relations standards include such areas as local community investment,

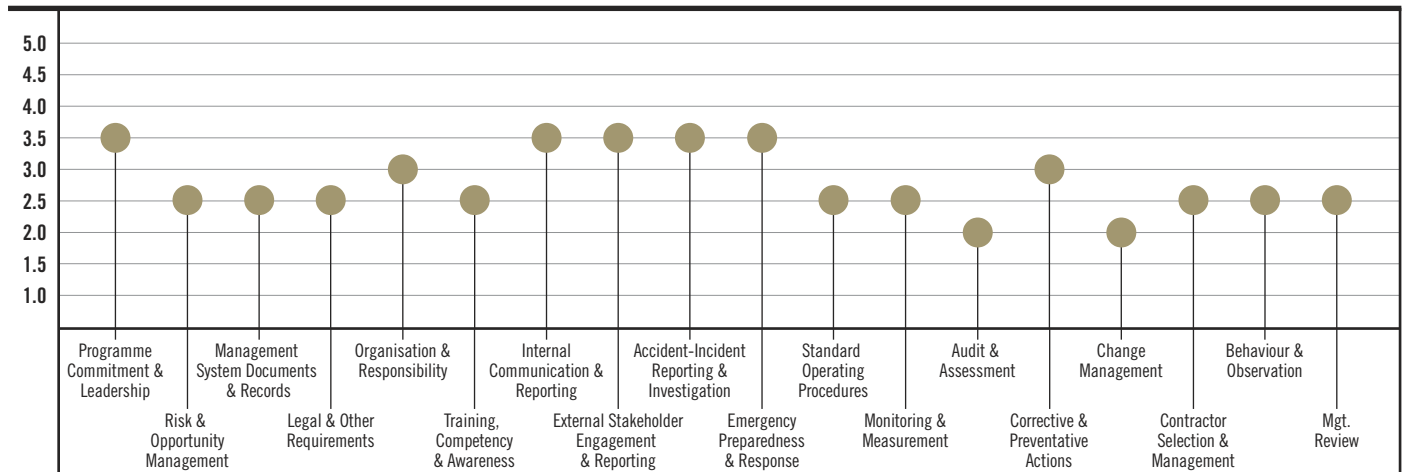
protection of cultural areas, government relations, and local business support and employment. In 2005, we scored three stars or greater in eight of 12 community and external relations standards.

Interviews with external stakeholders indicated KCGM has demonstrated a notable shift in our approach to community and external relations, and that our transparency has improved over the past two years. The stakeholders believe we appear less defensive and more

COMMUNITY & EXTERNAL RELATIONS INTEGRATED MANAGEMENT SYSTEM STANDARDS

Actual Scores Achieved – 2005

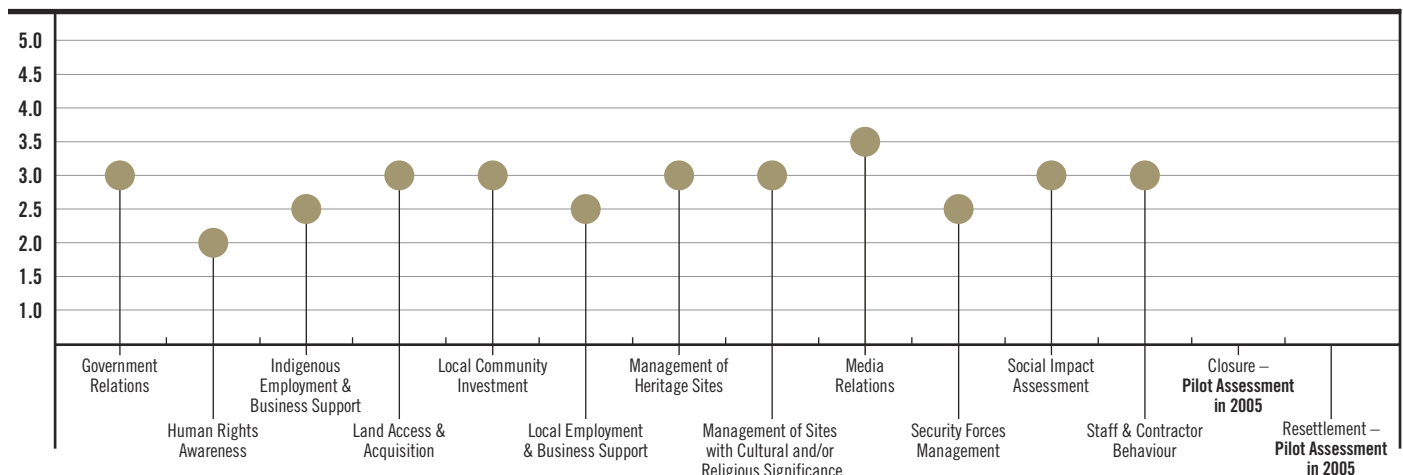
Scores



COMMUNITY & EXTERNAL RELATIONS DISCIPLINE-SPECIFIC STANDARDS

Actual Scores Achieved – 2005

Average Scores



Three stars indicate systems are in place to adequately manage risks.

committed to tackling some tough issues. They also said a small, disenfranchised section of the community criticises KCGM and recommended we enhance our engagement efforts with them.

The assessors noted that whilst KCGM's systems have improved or remained the same since 2004, our lower scores in 2005 reflected changes in the standards, not our site's management systems.

COMMUNITY INVESTMENT

Our community investment in 2005 totaled \$218,896 for monetary and in-kind donations. We sponsor a wide range of community investment programmes in the categories of civil projects, community capacity building, education, health and environment. Key contributions were made in 2005 to 40 organisations including the Golden Mile Trotting Club, the Golden Quest Trail, Goldfields Arts Centre and local scout

groups and schools. Some of our largest contributions included \$30,000 to the Loopline Historical Society and more than \$11,000 to the Urban Landcare Group.

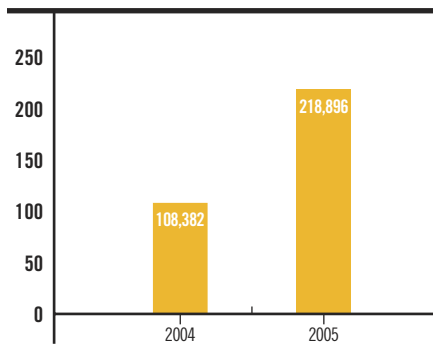
KCGM is committed, as part of its overall closure and rehabilitation plans, to actions that will support the economy after closure, such as the construction of a permanent tourist lookout. We plan to budget this project in 2006.

This dovetails with our annual commitment to the Kalgoorlie Goldfields Tourism, a not-for-profit organisation whose primary focus is on promoting and developing the Kalgoorlie Goldfields as the premier regional tourism destination in Western Australia. In addition to the \$20,000 per annum cash donation, we host monthly meetings at the Super Pit Shop and serve on the group's committee. The support of this organisation is part of KCGM's long-term commitment to tourism as outlined in our tourism strategy, and our support will form a key feature of long-term closure planning.

We also assist the Curtin University of Technology, the largest and most culturally diverse of the Western Australian universities. Our support earned us the honour of being selected as the university's "Industry Partner of the Year" in 2005. We sponsor university events and provide scholarships and vacation work for its students.

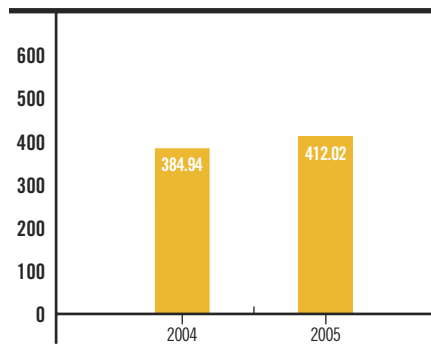
TOTAL COMMUNITY INVESTMENT

(Thousand \$AUD)



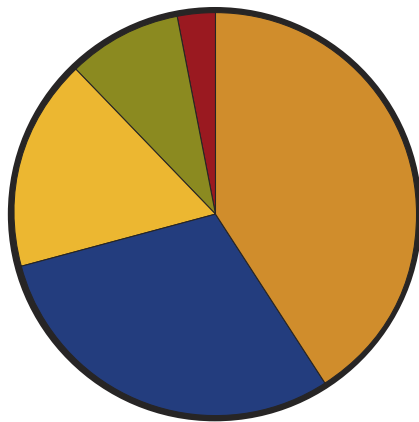
GOODS & SERVICES

(Million \$AUD)



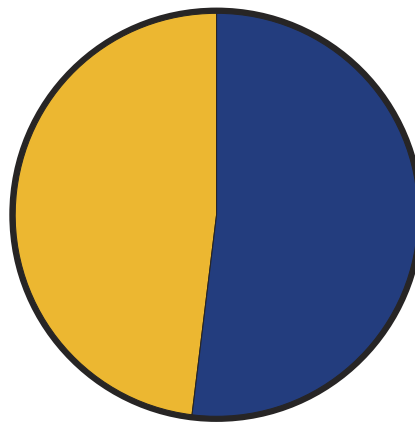
COMMUNITY INVESTMENTS

TOTAL: \$218,896 (AUD)



GOODS & SERVICES EXPENDITURES

TOTAL: \$412.02 (Million AUD)



- 41% Capacity Building - (\$89,143)
- 30% Civil Projects - (\$65,781)
- 17% Agriculture - (\$36,636)
- 9% Education - (\$20,443)
- 3% Health - (\$6,893)

- 52% Local - (\$212.56)
- 48% National - (\$199.35)
- 0% International - (\$0.11)

ECONOMIC CONTRIBUTION

We contribute to local, regional and global economies through the taxes we pay, the jobs we create and the suppliers we support.

As a function of the buoyant mining industry and the commitment to local suppliers, KCGM spent a significant amount in 2005, which flows directly into the local economy. In addition, the fact that most of our employees live in the local community ensures wages and salaries are reinvested and expended locally. Our payroll totaled approximately \$48 million in 2005.

We strive to buy local goods and services whenever possible. Overall, the mine spent \$412 million in 2005 on outsourced materials and services. This included approximately \$213 million with local companies and \$199 million with other Australian firms. In 2005, purchases from Shell, for hydrocarbon supply, represented more than 10% of our total purchases.

We paid \$12.1 million in royalties and \$8.9 million in taxes. Our value added contribution or total contribution to Australia totaled \$481.1 million in 2005.

LOOKING AHEAD

In 2006, we will continue to address community concerns and issues, and focus on active public consultation with our communities. We plan to write a comprehensive plan to drive our community consultation process on all upcoming project approvals, including the Golden Pike Cutback.

We also will advance our consultation with the community about our long-term closure plans. We remain committed to our policy of supporting local businesses and services.

CONTRIBUTION TO AUSTRALIA

Value Added to host countries is defined as:

Dollars (Million AUD)		
+	Total Spent on Goods & Services	\$ 412.02
+	Total Payroll	\$ 47.90
+	Community Investment	\$ 0.22
+	Taxes	\$ 8.86
+	Royalties to Government	\$ 12.13
+	Royalties to Third-Parties	\$ 0.00
+	Compensation Payments	\$ 0.12
+	Political Donations	\$ 0.00
+	Dividends Paid to Country Shareholders	\$ 0.00
+	Interest Paid to Country Banks	\$ 0.00
-	International Goods & Services	\$ 0.00
-	Expatriate Payroll	\$ 0.11
=	Value Added to Host Country	\$ 481.14

CONTRIBUTIONS & PAYMENTS - (Million AUD)

	2004	2005
Taxes	\$ 6.70	\$ 8.86
Goods & Services	\$ 384.94	\$ 412.02
Royalties	\$ 12.12	\$ 12.13
Total Annual Payroll	\$ 54.32	\$ 47.90
Total Community Investment	\$ 0.11	\$ 0.22
Monetary Investment	\$ 0.07	\$ 0.15
In-Kind Investment	\$ 0.04	\$ 0.07
Value Added to Host Country	NM	\$ 481.14

NM - Not measured.

2005 TARGETS

Address stakeholder concerns and issues identified in the social impact assessment.

Conduct a social needs analysis to identify opportunities and improvements in community investments.

Secure regulatory approval to construct the Loopline Railway to increase the community's tourism potential.

Begin extensive community consultation process to receive public approval to extend the mine's pit westward.

Support business and community development to enhance the area's overall economic growth.

Commence a significant partnership with local businesses.

PROGRESS IN 2005

Incorporated identified issues into an annual action plan.

Conducted analysis in March 2005.

Awaiting final approval from government agency.

Undertook significant consultation, which was captured in Life of Mine consultation plans.

Opened Super Pit Shop; continued to support local tourism.

Continued with a number of significant relationships with local suppliers, including at least 20 contracts with local suppliers.

2006 TARGETS

Write a 2006 Consultation Plan with all upcoming approval projects.

Develop action plan based on analysis.

Obtain government approvals and develop a plan to move the project forward.

Seek approvals in 2006.

Continue operating Pit Shop and advancing business development efforts.

Continue supporting local businesses.



We strive to manage our impacts to the environment at every stage of the mine's life cycle, from exploration and operation to closure and reclamation. Dust generated from blasting activities, air emissions from roasting gold ore, and groundwater management and tailings management continue to be our operation's most critical environmental challenges.

Our newly implemented Safety, Environment and Community Relations Information System provides the primary means of accessing environmental information and documents across the site. This supplements our efforts to promote environmental awareness to all employees and contractors, and provides specific information and documents to key personnel who have environmental considerations in their role. In addition to this, there has been a focus on developing and rolling out specific competency-based training packages for key environmental areas.

For the Concept 2017 Plan, we are working to communicate to local government agencies and stakeholders the key environmental aspects of how we will manage groundwater, noise, vibration and closure.

ACHIEVEMENTS AND CHALLENGES

Air Management

We have comprehensive strategies to control impacts to air. The Dust Monitoring and Management Programme measures dust generated from blasting at the mine through a network of monitors in the community. Before blasting is conducted, we assess wind conditions through detailed planning and weather monitoring.

In March 2005, we used *News & Views* to communicate an unfortunate incident involving a shift in the wind direction before a scheduled blast, which caused dust to blow over Boulder. We failed to monitor dust associated with the blast in accordance with our Fimiston Open Pit Ministerial Commitments. We have since taken steps to enhance training and awareness to alleviate future issues.

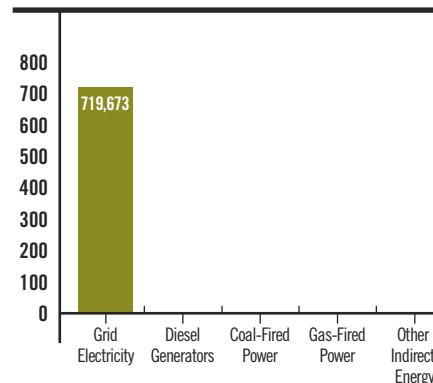
The operation's Gidji Roaster, located 17 kilometres (10.5 miles) north of the town of Kalgoorlie, is used to roast gold-bearing sulphide concentrate. KCGM is one of three companies in the region that produces sulphur dioxide and strict limits have been put in place by the Department of Environment (DoE) to minimise impacts on the community. The management of sulphur dioxide emissions at the Gidji Roaster is performed through the Air Quality Control Strategy, which considers meteorological and monitoring data when roasting. In May 2005, elevated sulphur dioxide levels recorded at Coolgardie Monitoring Station exceeded the Goldfields' Environmental Protection Policy (EPP) limit of 0.25 parts per million.

A DoE investigation is underway to determine which company primarily attributed to the event. Late in 2005, the regulator advised the operation that amendments would be made to the Gidji Licence regarding sulphur dioxide management. During 2005, the three sulphur dioxide-producing companies made a commitment to the DoE to install a Sonic Detection and Ranging System (SODAR) in Coolgardie, which is expected to give a better understanding of the wind field across the entire EPP area.



2005 ENERGY CONSUMPTION BY TYPE

(Thousand GJ)



Another significant air quality challenge in 2005 was our discovery that mercury emissions were higher than expected in the course of our gold processing. Whilst the operation does not use mercury in the processing of gold, the ore we process naturally contains small amounts of the element, which are emitted into the air during gold processing. This discovery was made during routine hygiene tests, when two employees returned elevated mercury results. Both employees were removed from the area until their levels fell back to normal ranges.

We instituted engineering controls and issued personal protective equipment. We will continue to regularly monitor for mercury to ensure that exposures to high levels do not occur. Immediate supervisors briefed all employees about the incident; we encouraged workers to contact them with any concerns or requests for testing.

We conducted environmental modeling that estimated mercury emissions from the mine's processing operations could total five to eight tonnes (5-8 tons) per annum. Whilst the emissions were higher than previously recorded, they were still below World Health Organisation guidelines. Newspaper



headlines alerted people to possible health threats; however, toxicologists who examined the situation determined that there was no health threat to residents.

Nevertheless, after this discovery, we made a commitment to the DoE that we would agree to suspend operation of the kiln when the wind blows toward Kalgoorlie-Boulder until significant improvements are made to reduce emissions by 50%. We then installed a

scrubbing system on the kiln to minimise emissions. The Gidji Roaster continues to operate in accordance with all air-quality control criteria.

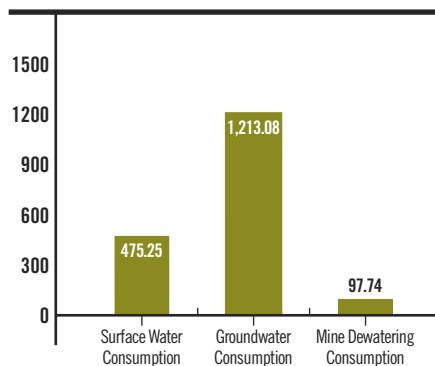
Tailings Management

KCGM uses naturally occurring saline groundwater for its mineral processing needs. The groundwater is used in the mills and plants and to transport tailings (finely ground rock from which minerals have been removed), which are stored in Tailings Storage Facilities (TSFs). The facilities consist of embankments designed for storing the tailings, with a mechanism in place to recover water for re-use. We operate three TSFs to handle tailings generated at the Fimiston Mill and Gidji Roaster. We discharge tailings to the storage facilities through a network of pipes.

KCGM has been actively managing and monitoring water seepage from the TSF facilities since the early 1990s. We implemented a Seepage and Groundwater Management Plan that minimises seepage and manages groundwater surrounding the TSFs. The plan's goal is to ensure the depth of salty groundwater is maintained at a sufficient level to minimise the impact to native vegetation.

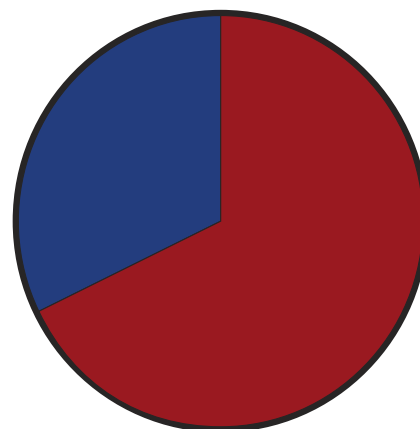
2005 WATER CONSUMPTION BY SOURCE

(Million gallons)



2005 WATER CONSUMPTION BY TYPE

TOTAL: 1,786.07 (Million gallons)



■ 68% Saline (1,213.08)
 ■ 32% Fresh (572.99)



Cyanide Management

We use sodium cyanide in extracting gold from finely crushed ore. We contain and recycle the chemical during processing in a closed circuit, although trace amounts may remain in tailings. In 2005, we used 7,422 tonnes (8,181 tons) of sodium cyanide.

In 2005, Newmont was one of the first companies to sign the International Cyanide Management Code on the use and management of sodium cyanide in gold processing, with a goal of having all operations certified as compliant with the code by 2008. The code requires that we train our employees on the safe transport, storage and use of sodium cyanide and related emergency response procedures. It also includes a requirement that our sodium cyanide management practices are externally audited against the code every three years. As part of this commitment, KCGM began installing new stainless steel pipes, valves and flanges used to safely transport the sodium cyanide.

We conduct groundwater monitoring according to the requirements of our DoE licences for each of the tailings storage facilities to detect cyanide in the groundwater. As in previous years, in 2005, cyanide continued to be detected in monitoring wells on the mine lease area; however, all of these were within the conditions of our licence. No offsite monitoring wells have detected the presence of cyanide.

ANIMALS, PLANTS AND ECOSYSTEMS

We aim to protect our surrounding environment from mining activities by taking a proactive approach to managing biodiversity. Biodiversity is the richness and variety of living things—animals, plants and the ecosystems that support them. Currently, mining activities do not occur in sensitive areas. If we expand to areas where sensitive species have been found, we will conduct risk assessments to ensure no adverse impacts from our operations.

Our mining activities, by their very nature, disturb the land where we operate. We are committed to protect biodiversity throughout the life cycle of our mines, from exploration to construction, and operation to closure. We conduct detailed surveys to identify key ecological sensitivities in areas where we plan to operate. These surveys help us assess our potential environmental impacts and plan how to minimise negative impacts throughout the mine life cycle.

To protect wildlife, we fence all of our TSFs. Bird cannons (noise-making devices) and bird netting are also used to keep birds off the water associated with the Gidji TSF. We conduct daily inspections to ensure animals are outside the perimeter fence.

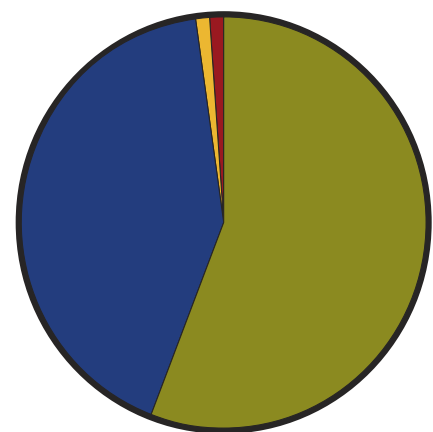
RECLAMATION AND MINE CLOSURE

KCGM has a progressive rehabilitation programme, which aims to rehabilitate areas as soon as practical once land becomes available. The benefits of progressive rehabilitation



2005 GREENHOUSE GAS EMISSIONS BY TYPE

TOTAL: 236,311 (Short tons CO₂ equivalent)



- 56% Grid Electricity (131,940)
- 42% Diesel (99,705)
- 1% LPG (2,706)
- 1% Explosives (1,828)

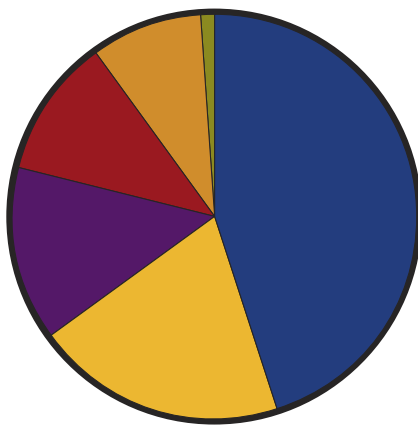
include the early establishment of vegetation, reduction of dust levels and improved visual surroundings. In addition, progressive rehabilitation results in a significant reduction in the amount of rehabilitation required when mining is completed. The initial focus of the rehabilitation programme was to create a “Green Belt” between the mine and the City of Kalgoorlie-Boulder. Current rehabilitation work focuses on the progressive revegetation of waste rock storage areas and TSFs. In 2005, we disturbed 43 hectares (106 acres) of land and reclaimed 41 hectares (101 acres).

Natural ecosystems in the region are studied to determine the best range of plants for soils and slopes on the new landforms. We then mimic local flora in the mixes of plant seed we use for rehabilitation. The rehabilitation done by KCGM aims to establish plant communities that will be stable for the long term. Monitoring, research and ongoing improvements to revegetation methods are an important part of this process.



2005 INCIDENTS & RELEASES BY TYPE

TOTAL: 167 Incidents & Releases



- 45% Hydrocarbon Releases (75)
- 20% Other Releases (33)
- 14% Air Releases (24)
- 11% Other Incidents (19)
- 9% Chemical Releases (15)
- 1% Mercury Releases (1)
- 0% Cyanide Releases (0)

OUR PERFORMANCE

We strive to protect the environment by complying with Australian environmental laws and enforcing Newmont's standards. We track environmental events or releases that have occurred where there has been an unplanned loss of control. They are categorised on five levels, based on their potential environmental impact (from Level 1 with no or very low potential impact, through Level 5 with potentially severe impact).

KCGM reported 165 Level 1 or 2 releases or incidents in 2005, mostly related to hydrocarbons (oil and fuels). We had one Level 3 release related to elevated sulphur dioxide levels recorded at the Coolgardie monitoring station. Our elevated mercury emissions constituted a Level 4 release, which Newmont defines as any incident

causing a major or severe environmental impact that extends beyond the mine lease boundary, requires considerable effort to clean up or mitigate, and may require a long recovery period and/or cost greater than \$1 million. The site received no environmental fines in 2005.

In 2005, the Open Pits Department embarked on a project to make more effective use of hydrocarbons (fuels and oils), focusing on improving the quality of fuel/lubricants used on site and reducing the volume of hydrocarbon waste. The programme has helped us more effectively manage fuels/lubricants and minimise environmental impacts due to spillage, materials consumption, improper waste disposal and emissions to the atmosphere.



EVALUATING OUR PROGRESS

In addition to ensuring we remain compliant with environmental regulations each year, we also participate in an internal auditing regime that evaluates our management of specific environmental disciplines through Newmont's Five Star assessment. KCGM's environmental Five Star assessment evaluated its Integrated Management Systems

including risk and change management, training, internal and external communications, and contractor selection.

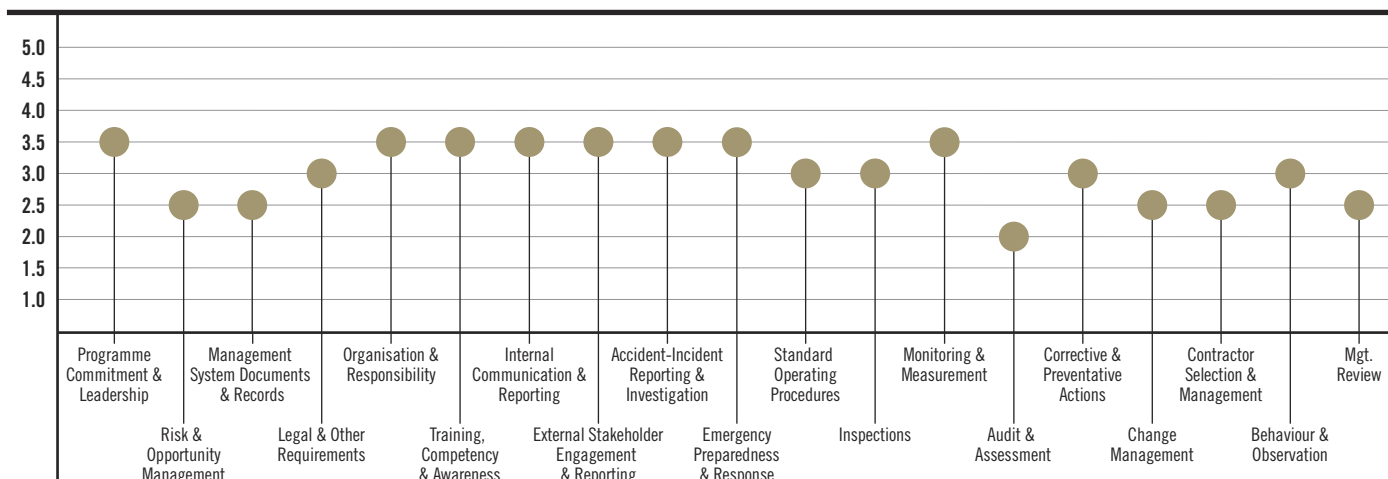
In Integrated Management Systems (IMS), we scored three stars or greater in 13 of 19 standards assessed. Environmental standards evaluated included the site's management of hydrocarbons, chemicals, waste rock, water and air quality, closure and reclamation

planning and implementation. In the environmental standards, we scored three stars or greater in four of nine standards assessed. We earned four stars in air management and in closure and reclamation standards. One opportunity for improvement identified by the assessors was that we conduct an analysis to identify gaps in our auditing process we use for tailings management.

ENVIRONMENTAL INTEGRATED MANAGEMENT SYSTEM STANDARDS

Actual Scores Achieved – 2005

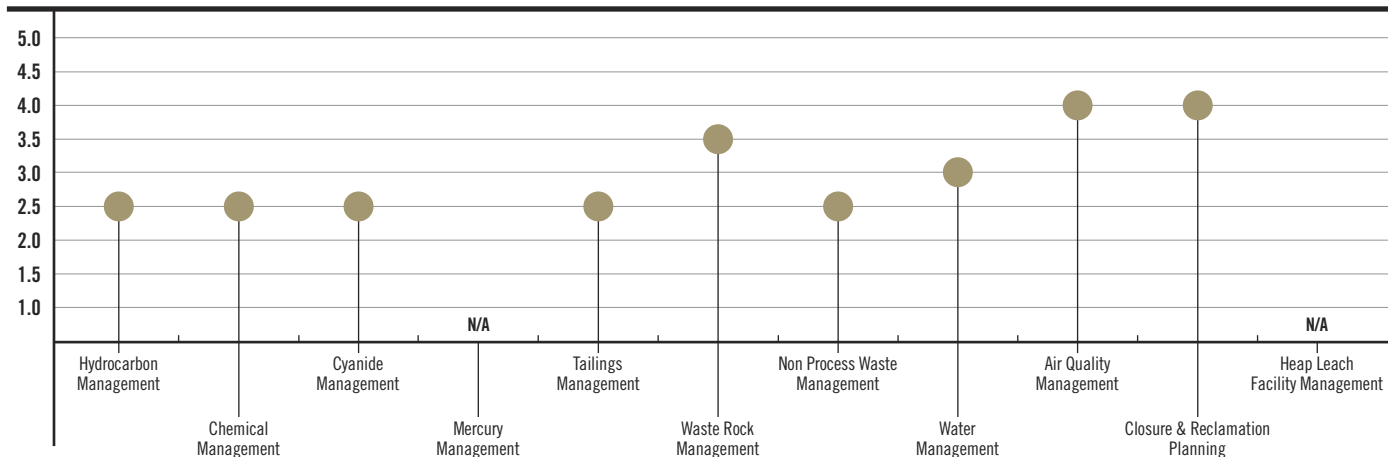
Scores



ENVIRONMENTAL DISCIPLINE-SPECIFIC STANDARDS

Actual Scores Achieved – 2005

Average Scores



Three stars indicate systems are in place to adequately manage risks.
N/A = Not Applicable.

LOOKING AHEAD

In 2006, we aim to have no significant environmental incidents or releases. We hope to finalise approvals for key environmental approvals associated with our Concept 2017 Plan. We will develop an environmental risk profile for KCGM to establish and identify high environmental risks. We will also progress and refine strategies to maintain air quality emissions.



2005 TARGETS	PROGRESS IN 2005	2006 TARGETS
Report no significant environmental incidents or releases (Level 4 or 5).	One Level 4 release reported.	<i>Have no significant (Level 4 or 5) environmental incidents or releases.</i>
Integrate a new procedure to improve overall air emissions.	Completed.	<i>Advance strategies to refine and maintain air quality.</i>
Introduce a new tailings management plan.	Completed.	<i>Continue evaluating blasting impacts.</i>
Seek approval for our tailings dam, open pit and waste rock storage area extensions.	Substantial progress made; ongoing.	<i>Secure extension approval.</i>
		<i>Continue refinement of site closure plan.</i>
		<i>Develop risk profile for high environmental risks.</i>



OUR PEOPLE (These data points refer to employees only - unless otherwise specified)

	2004	2005
Total Workforce		
Employees	487	527
Contractors	214	207
Employment Type		
Part Time	3	4
Full Time	484	523
Gender		
Male	387	389
Female	100	138
Management That Is Female (%)		
Senior Management	0	13
Middle Management	29	50
Frontline Management	7	3
Total (employees)	21	26
Employee Turnover Total (%)		
Total	35	24
Employee Initiated	25	22
Unionized Employees (%)		
	2	0
Training and Development		
Total (million AUD)	0.90	0.25
Total (hours)	NM	28,726
Average Hours of Training Per Year, Per Employee by Employee Category		
Senior Management	NM	59
Middle Management	NM	57
Frontline Management	NM	48
Technical Professional	NM	55
Hourly ¹	NM	NA
HEALTH & SAFETY		
	2004	2005
Lost Time Accident Frequency Rate	0	0.80
Total Reportable Accident Frequency Rate	8.65	6.40
Total Fatalities	0	0
Exposure Hours	2,538,240	2,507,691

NM – Not measured.

OUR COMMUNITY

	2004	2005
Resettlements (Number of households)	0	0
Monetary Community Investments (AUD)		
Agriculture	6,400	21,636
Civil Projects	27,655	42,781
Community Capacity Building	12,500	60,143
Education	13,430	20,443
Health	8,398	6,893
Total	68,382	151,896
In-Kind Community Investments		
Agriculture	0	15,000
Civil Projects	40,000	23,000
Community Capacity Building	0	29,000
Education	0	0
Health	0	0
Total	40,000	67,000
Total Community Investments	108,382	218,896
ECONOMIC (million AUD)	2004	2005
Payments to Governments		
Royalties	12.12	12.13
Taxes	6.70	8.86
Total	18.82	20.99
Goods and Services Purchased (% local)	384.94 56%	412.02 52%
Payroll	54.32	47.90
Compensation Payments	0.08	0.12
Royalties to Third Parties	0.00	0.00
Value Added²	NM	481.14
Donations to Political Parties	0.00	0.00
Subsidies	NM	0.04
Contract Paid in Accordance with Agreed Terms (%)	NM	97
Total Spent on Non-Core Business Infrastructure Development	0	0
Investments into Public Infrastructure and its Maintenance	0	0
Did the Value of Goods and Services Exceed 5% of GDP?	No	No

¹ Zero hourly workers in 2005.

² No multipliers used. Value added multipliers substantially leverage each dollar Newmont contributes to the host country economy.



ENVIRONMENTAL

2005

Mineral Waste Management (Includes destination of Tailings / Waste Rock) (Million Tons)

Inpit-Backfill	0.55
Underground	
Tailings Dam	14.58
Sub-Sea	
Rock Dumps	73.94
Stockpiles	
Other (e.g., used as road base, construction material)	1.50

Reagents (Short Tons)

Cyanide Consumption (as CN)	4,341.2
Lime	71,926.9
Caustic	5,627.4
Acids	1,975.1

Water Use/Consumed (Million Gallons)

Surface Water Consumption	475.25
Groundwater Consumption	1,213.08
Mine Dewatering Consumption	97.74
Total Water Consumed	1,786.07
Fresh	572.99
Brackish	0.00
Saline	1,213.08
Hypersaline	0.00

Dewatering Extraction (Million Gallons)

Total Mine Dewatering Extraction	195.49
Fresh	97.74
Brackish	97.74
Saline	-

Total Water Use Extraction vs Permitted (Million Gallons)

Surface Water & Seawater	Extracted Volume	475.25
	Permitted Volume	576.95
Groundwater	Extracted Volume	1,213.08
	Permitted Volume	3,340.19
Dewatering Extraction	Extracted Volume	97.74
	Permitted Volume	462.30

Energy Consumption (GJ)

Total Energy Consumption	719,673
Electricity Purchased from the Grid (Indirect Energy Use)	719,673.12
Site-Generated Electricity (Direct Energy Use)	
Diesel Generators	-
Coal-Fired Power	-
Gas-Fired Power	-
Other Indirect Energy Use ¹	0

¹ Newmont does not currently differentiate and track other indirect energy use. Blank spaces in the data table signify data was not collected or was not sufficiently verified. All data is reported in US imperial system measurements and currency.

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Greenhouse Gas Emissions (Short Tons CO₂ equivalent)

Total	236,311
Direct GHG Emissions (Source 1 - WBCSD/WRI Protocol) ¹	104,370.58
Diesel Consumption	99,705.07
Gasoline Consumption	130.66
Coal Consumption	-
Natural Gas Consumption	-
LPG Consumption	2,706.48
Propane Consumption	-
Heavy Fuel Oil Consumption	-
Explosives (ANFO) Consumption	1,828.37
Electricity Indirect GHG Emissions (Source 2 - WBCSD/WRI Protocol) ¹	131,940
Other Indirect GHG Emissions (Source 3 - WBCSD/WRI Protocol) ²	-

¹ In 2005 Newmont began reporting GHG emissions following the WBCSD/WRI Protocol for Source 1 and 2 emissions. Though previous years total emission are correct, breakout by source categorization was not the same and therefore is not shown.

² Newmont does not currently differentiate and track other indirect emissions.

Emissions to Air (Short Tons)

Antimony	0.09
Arsenic	3.12
Beryllium	0.02
Cadmium	0.01
Carbon Monoxide (CO)	749.57
Chromium	2.54
Cobalt	0.51
Lead	0.12
Manganese	14.52
Mercury	9.16
Nitrogen Oxides (NO _x)	1,873.93
Particulates (PM ₁₀)	4,188.78
Selenium	9.04
Sulfur Dioxide (SO ₂)	154,444.79

Hydrocarbons Consumption (Thousand Gallons)

Total Diesel	15,705.56
Diesel (Contractors)	-
Diesel (Site)	15,705.56
Total Petrol/Gasoline	25.04
Petrol/Gas (Contractors)	-
Petrol/Gas (Site)	25.04
Total Oils	213.58
Oils (Contractors)	-
Oils (Site)	213.58

Other Consumables

Coal (Short Tons)	
Explosives (Includes ANFO & Emulsions) (Short Tons)	19,996
LPG (Gallons)	811,787
Propane (Gallons)	

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ENVIRONMENTAL

2005

Recycling

Used Oil (Gallons)	201,065.35
Oil Recycling Rate (%)	94.14
Vehicle Batteries (Avg. Weight 50 lb. Battery) (Short Tons)	13.23
Other Materials	
Scrap Steel (Short Tons)	2,411.12
Wooden Pallets (Short Tons)	
Cardboards/Paper/Plastics (Cubic Yards)	
Revenues Generated From Recycling (USD)	NM

Non-Process Waste Data

Total Waste to Landfill (Cubic Yards)	1,583.67
Total Volume of Hazardous Waste Removed / Treated / Stored / Disposed (Short Tons)	201.22

Closure & Reclamation (Acres)

New Disturbance During Reporting Period	106.25
Total Disturbed - Not Available for Reclamation (at Year End)	2,694.67
Total Disturbed - Available for Reclamation (at Year End)	99.09
New Reclamation During Reporting Period	101.56
Reclamation in Progress or Completed*	2,167.35
Mine Footprint	4,961.12
Total Mining Lease Area or Area With Access for Mining	58,080.41
Year End Concurrent/Progressive Reclamation Expenditure (Million USD)	1.09
Next Year Budgeted Concurrent/Progressive Reclamation Expenditure (Million USD)	0.79

* Includes all reclamation areas, including reclamation in progress, reclamation that meets criteria and relinquished reclamation.

Biodiversity

Fauna Species (# of IUCN Red Listed Species Within the Area of Influence of Newmont's Operations) (Number of Different Species)	-
Flora Species (# of IUCN Red Listed Species Within the Area of Influence of Newmont's Operations) (Number of Different Species)	-
Total Number of All Mortalities ¹ (Number)	2
Wildlife Mortalities (Endangered/Listed Species Only) (Number)	-

¹ Includes livestock, feral animals, vermin and domesticated animals as well as native, endemic species.

Area of Total Owned Operated and Non-Operated Assets That Occur Within (Acres)

World Heritage Properties	
IUCN Designated Areas	
Wetlands of International Significance (RAMSAR)	
Areas Where Listed – Threatened Species or Communities Occur ¹	
Marine Protected Areas	
Critical Habitats Listed Under Regulatory Acts ²	
Critical Habitats Not Listed Under Regulatory Acts	
National Parks/Reserves	

¹ Reduction due to sale of Golden Grove mine.

² Starting in 2006, Newmont includes in this category any area where regulatory agencies define potential for sensitive species to occur.

Audits/Inspection

Number of Internal Audits	4
# of Contractor/Supplier Audits	-
Number of Government or Third-Party Audits/Inspections	2

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Fines

Fines (Number)

Amount of Fines (USD)

Environmental Expenditures (Million USD)

Environmental Expenditure (Operational + Capital) 7.30

Environmental Expenditure (Research & Development) 0.19

* Includes Legacy sites for 2003.

Incidents & Releases (Number)

Total Number of Incidents & Releases 167

Level 1 161

Level 2 4

Level 3 1

Level 4 1

Level 5 0

Incidents & Releases by Type (Number)

Hydrocarbon Releases 75.0

Mercury Releases 1.0

Cyanide Releases -

Chemical Releases 15.0

Air Releases 24.0

Other Releases 33.0

Other Incidents 19.0

Significant* Discharges to Water by Type & Volume**Significant* Spills of Chemicals, Hydrocarbons Onsite by Type & Volume¹** (Gallons)

Hydrocarbons

Process Water or Tailings

* Newmont defines significant as any incident causing a major or severe environmental impact that extends beyond the mine lease boundary and requires considerable effort to clean up or mitigate, and may require a long recovery period and/or cost greater than US\$1,000,000.

Incidents & Releases Categorized by Whom / Location (Number)

Site Personnel* No Distinction

Contractors* No Distinction

Onsite 166

Offsite 1

* One operation does not distinguish between contractor and site-related incidents; therefore, these numbers do not sum to the total number of incidents and releases reported above.

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