

NEWMONT

The Gold Company

NOW & BEYOND **2002**



KCGM



KCGM

In one of the richest goldfields in the world, Kalgoorlie is located 600km east of Perth in Western Australia. The climate is semi-arid with an average annual rainfall of 250mm and evaporation rate of 2,500mm. Vegetation is largely eucalypt woodland and the major land uses are mining and pastoral. Kalgoorlie Consolidated Gold Mines Pty Ltd (KCGM), manages Australia's largest gold mining and milling complex which is owned jointly by Newmont Australia and Barrick Australia. KCGM employs 652 personnel and contributes \$250 million to the local economy each year. Production in 2002 totalled 707,721 ounces of gold from almost 13 million tonnes throughput.

About This Report

This report includes information about Newmont Australia's 50%-owned KCGM operation.

Information relates to the 2002 calendar year and figures are quoted in Australian dollars. Historical data, including data published in the most recent previous report, published April 2001, has been incorporated where possible, to assist with comparisons. This report is one of a set published by Newmont each year. It complements Newmont's *Now & Beyond 2002* report and the Company's annual report to shareholders, both of which are available on the web. Supporting information, including Newmont's vision statement, values and policies, is also found on the web at www.newmont.com.

The report has been prepared with consideration of the Global Reporting Initiative (GRI). Information has been presented in a format considered most useful to readers, in a way we believe best enables us to demonstrate our integration of social, environmental and ethical issues into the Company's core management and daily operations. Newmont's *Now & Beyond 2002* public reporting process has been independently verified and assured against guidelines contained in the AA1000 accountability standard.

The report records our progress against the commitments made in our previous social reports, *Now & Beyond 2001*, and discloses the new targets we have set for achievement in 2003. Our targets and performance indicators have been set to provide clear objectives for internal improvement and as a measurement tool against which stakeholders can judge our performance.

This report is available in hard copy from this operation or from our Australian headquarters (see contact details on back) and in electronic form on our website. An electronic feedback form (also available on the web) facilitates reader feedback.

CONTENTS

SUSTAINABILITY & REPORTING	1
MANAGEMENT COMMITMENT	2
ACHIEVEMENTS & CHALLENGES	3
PERFORMANCE: ECONOMIC	4-5
SAFETY	6-7
EMPLOYEE WELLBEING	8-9
COMMUNITY	10-11
ENVIRONMENT	12-14

Sustainability & Reporting

Newmont firmly believes its long-term success is aligned with creating value for its shareholders and within the communities and regions in which it operates.

As such, Newmont recognises that its operations must carefully balance the needs of, and create value for present day stakeholders without compromising the needs of, and the ability to create value for future generations.

Newmont's *Now & Beyond* reporting process aims to create an understanding of the main challenges of Newmont's operations in the areas of safety, social responsibility and environmental stewardship - areas critical to its longer-term success. *Now & Beyond* describes the impacts the Company has on people and the environment, and the controls in place to manage impacts.

Now & Beyond is the main communication tool used to demonstrate transparency and accountability to Newmont's stakeholders. It focuses on five key areas that are critical to the Company's longevity. They are:

1. safety and health of employees;
2. satisfactory treatment of employees with regard to working conditions, professional development, remuneration and human rights;
3. positive impact on communities in which it operates and other stakeholders, by creating value in terms of employment and training, health and education and by constructing and improving local infrastructure;
4. responsible use of the natural environment in a way in which natural resources are used wisely and efficiently, and disturbance is effectively rehabilitated; and
5. economic benefits to host communities, made possible by Newmont's business. Newmont's operations play a significant role in the provision of economic benefits to areas in which it operates, with the generation of direct and indirect employment, the payment of government taxes and royalties and the purchase of goods and services, for example. The Company believes that the equitable distribution of wealth generated from its operations should be leveraged into long-term value for host communities.

Within its five areas of responsibility, Newmont reports on key performance indicators, selected on their capacity to provide the best indication of the Company's performance. Selection of indicators is based on internal perception of the Company's key risks and as a result of input from stakeholders about the impacts they perceive as being critical.

Consideration is also given to sustainability reporting guidelines such as the Global Reporting Initiative, assurance guidelines such as AA1000, and the results of Newmont's Five-Star Assessment.

Newmont's Five-Star Assessment process is used to assess its social and environmental performance. The process stems from the Total Quality Management program, the internationally-recognised standard for environmental management (ISO14001) and the Australian standard for occupational health and safety management (AS4801). Performance against these standards is assessed annually, by independent, external experts using a series of defined levels (or stars). Newmont requires its operations reach a minimum standard of three stars for each element, which it believes is representative of responsible performance. It defines targets beyond its minimum requirement (four and five stars) to promote continual improvement. The results of five-star assessments are shown diagrammatically on pages 7, 11 and 13. The diagrams show progress made in implementing management systems, the average level of performance, and performance in key risk areas. They also compare individual site performance against the highest and lowest scores, and the average of all participating Newmont operations.

Stakeholders are critical to Newmont's success in this reporting process. A stakeholder is defined as anyone who is impacted upon by, or who impacts, the Company. Key stakeholders are identified and asked to contribute, in various ways, to the improvement of these reports and Newmont's overall performance (see page 10-11).

Management Commitment

There is no doubt that 2002 was a period of immense change for KCGM with the advent of not one, but two, new Joint Venture owners.

This has provided our organisation with an excellent opportunity to assess our commitments and performance, and really progress our already strong relationship with the Kalgoorlie-Boulder community.

This is no better demonstrated than by the introduction of our new Community Relations Policy which was launched in 2002 with the catch-cry of “*Consider, Communicate and Contribute*”. The policy has provided a simple, yet effective method of encouraging our employees to really take on board what it means to be operating in, and being part of, the local community.

However, a commitment is not just about words. KCGM successfully launched a new streamlined website, set up a Junior Sports Fund which invested significantly in local sports organisations, all while achieving the ongoing communication plan objectives of the Eastern Bypass Road - a strike rate of three out of three for our 2002 community relations targets.

Importantly, our 2002 environmental performance targets were largely achieved. We're very proud of the fact that KCGM recorded no exceedences of our sulphur dioxide standards or limits, resulting in a



year of excellent air quality. Similarly, the Total Waste Management System was successfully implemented.

Our rehabilitation efforts were hampered by a hot dry season, however we still managed to successfully rehabilitate 38ha out of our targeted 72ha. We will be looking to a higher authority to provide ideal planting weather in 2003!

I'm also pleased to say that safety performance at KCGM improved with a total recordable injury frequency rate (TRIFR) of just over 20 representing a 40% reduction in injuries compared to 2001. Team based risk assessments were undertaken to identify and manage our hazards across site; this process is now 90% complete. We also introduced an improved way of investigating the root cause of incidents and injuries to identify corrective actions to minimise the likelihood of recurrence of such an event in similar conditions.

All in all, it is a year that we can look back on with pride whilst building upon our successes for the year ahead.

2003 will see us tackle some major challenges, most notably the extension of the operation southwards which will see us working to accommodate the rising expectations of the local, and indeed wider community, in environment, safety, health and community relations.

I believe that we have the team and the shared vision of two great companies, Newmont and Barrick, to embrace these challenges in 2003. I look forward to reporting our success in the next edition of *Now & Beyond*.

John Shipp - General Manager

Achievements & Challenges

Each year, KCGM achieves successes and endures challenges. As part of its commitment to transparency, a summary of both are provided below.

ACHIEVEMENTS	CHALLENGES
<p>Safety Awards: KCGM received a message of commendation in the Newmont Australia Safety Excellence Awards for reducing drill contractors' total recordable injury frequency rate to zero in October 2002. Another accomplishment was the operation's newly-formed Emergency Response Team (supporting the primary team) winning the Best New Team category in the 2002 Surface Mining Emergency Response Competition, run by the Chamber of Minerals & Energy of Western Australia.</p>	<p>Recruitment: Retention and recruitment of senior professional mining staff presented a significant challenge for KCGM in 2002. This is likely due to a shortage of experienced people in this field, therefore greater demand than supply, and is not believed to be specifically related to the working environment at KCGM. Employee-initiated turnover was 26%, 6% higher than in 2001 (page 8).</p>
<p>Employment at Mt Charlotte: With remnant ore expected to be depleted by end-2002, the remaining 30 staff at Mt Charlotte underground mine were expected to be made redundant. But a higher gold price and low cost extraction saw Mt Charlotte remain viable throughout 2002 to an extent that extra personnel were employed. It's now expected that mining at Mt Charlotte may continue until the end of 2003.</p>	<p>Cyanide: Higher cyanide consumption and concentrations in tailings and decant water continue to present an environmental challenge for KCGM. Average concentrations in the Gidji tailings storage facility decant pond decreased in 2002, and although within regulatory limits, remain significantly higher than the Newmont target and the limit proposed by the International Cyanide Management Code (page 13).</p>
<p>Noise: The west wall drilling program - proposed for an area close to residential properties - was approved in 2002 after an extensive program of communication. The proposal was approved without objection and drilling has occurred without a noticeable increase in noise levels (page 10).</p>	<p>Safety: Underground ground control (geotechnical stability) continues to challenge operations at KCGM. Built on more than 3,500km of historic voids, underground ground control at the Super Pit presents a significant risk where voids have the potential to open-up with the excavation of the current pit. Advancements in technology - such as ground probing radar - is being trialled and remote control drilling, which began on site in 2002, has contributed to effective void management (pages 6-7).</p>
<p>Sulphur dioxide limits: KCGM has been involved in negotiating the implementation limits for the new Environmental Protection (Goldfields Residential Areas)(Sulphur Dioxide) Policy. KCGM believes the staggered implementation will assist SO₂ emitters in developing effective control strategies (page 12).</p>	<p>Community concerns: Despite its mitigation efforts in 2002, noise, vibration, dust and emission of SO₂ remain widely acknowledged as areas of concern for nearby residents. The Public Enquiry Line, a 24-hour, 7-day per week, hotline for the public, recorded 62 enquiries (compared with 132 in 2001) relating to blasting, noise and dust (page 10).</p>
<p>Workplace agreement: Human resources personnel successfully renegotiated about 300 workplace agreements, transferring from an obsolete state award to a national agreement (page 9).</p>	

Performance Economic

Newmont believes it has a responsibility to distribute part of the wealth created by its activities in a way which benefits the communities in which it operates.

As part of its social responsibility, Newmont believes it has an obligation to distribute part of the wealth created by its activities in a way which benefits the communities in which it operates.



The positive impact of employment in and around Kalgoorlie-Boulder cannot be underestimated. KCGM provides direct employment for 652 people and indirect employment at a ratio of about 4:1 (according to estimates provided by the Western Australian Chamber of Minerals and Energy). Estimates from these multipliers indicate that as many as one third of the City's population (about 10,000 people) could be reliant on KCGM for their main income source.

KCGM's flagship of community investment in

2002 was six aged-persons units - constructed at a cost of \$600,000 – handed over in December 2002. The units were gifted to the City of Kalgoorlie-Boulder to replace existing aged-persons housing.

City Mayor, Paul Robson said the project was an ideal demonstration “that partnerships between industry and, in this case, local government were the most effective way in achieving outcomes”.

The operation continued its support for local education in 2002 with its annual \$30,000 funding of students from the Western Australian School of Mines. Each year the operation assists five mining engineer graduates to complete further study.

A new initiative in 2002 was the creation of the KCGM Junior Sports Fund, aimed at promoting greater participation in youth sport. Junior sporting groups can apply for up to \$1,500 to spend locally on sports equipment or facilities. A total of \$10,000 will be available each year under the fund. The Eastern Goldfields Hockey Association was the recipient of **the first** KCGM Junior Sports Fund grant, presented in February 2003.

PERFORMANCE INDICATORS	'02	'01	% TOE*
Value of goods & services outsourced (\$M)	312.28	n/a	79.31
Taxes / levies / rates (\$M)	1.32	0.4	0.34
Royalties (\$M)	10.02	10.0	2.54
Compensation payments (\$M)	0.07	0.07	0.02
Total annual payroll (\$M)	40.32	33.9	10.24
Total community investment inc. donations (\$M)	0.68	0.3	0.17
Estimated year of closure	2017	2017	
Closure provisioning to date (\$M)	22.2	19.0	
Estimated total cost of closure (\$M)	81.4		

* This figure represents a percentage of the operation's total operating expenses. n/a = not available



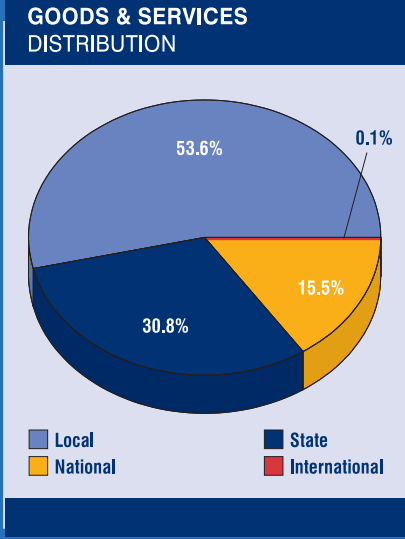
PERFORMANCE INDICATORS	'02	'01
Total ore milled (Mt)	12.8	12.4
Production (oz gold)	707,721	768,724
Equity ounces (oz)	353,860	384,362
Total operating revenue (\$M)	383.21	363.65
Total operating expenses (\$M)	393.74	304.07
Net profit (loss) (\$M)	(10.53)	68.16



Going beyond the dollar value in terms of benefit for its host community, support was also facilitated through the establishment of a volunteers database in 2002. The database allows employees to register their interest and availability for volunteer work. To date, 18 volunteers have entered their details into the database.

Community relations auditor, Richard Boele, of the Australian Institute of Corporate Citizenship, in his audit report stated: "This is a commendable innovation. External stakeholders view of the mine's support for the community was positive."

Further to its community support, KCGM spent more than \$312M on the outsourcing of goods and services in 2002.



Performance Safety

KCGM realised an improved overall score in its five-star safety assessment in 2002, increasing from 64.7% to 71.2% (three and a half stars).

The improvement was realised partly as the result of a detailed risk assessment process which commenced at KCGM during 2002.

As part of the risk assessment, all tasks associated with the operation of the mine were ranked according to their risk level. A gap analysis identified additional controls that could be implemented to lower risk.



The mine's lost-time injury frequency rate decreased from 2.3 to 0.9 at year-end. Two lost time injuries occurred, classified as abrasions and crush injuries. Total

recordable injury frequency rate was 22.0, down from 42.1 in 2001. A total 2.27 million man-hours were worked.

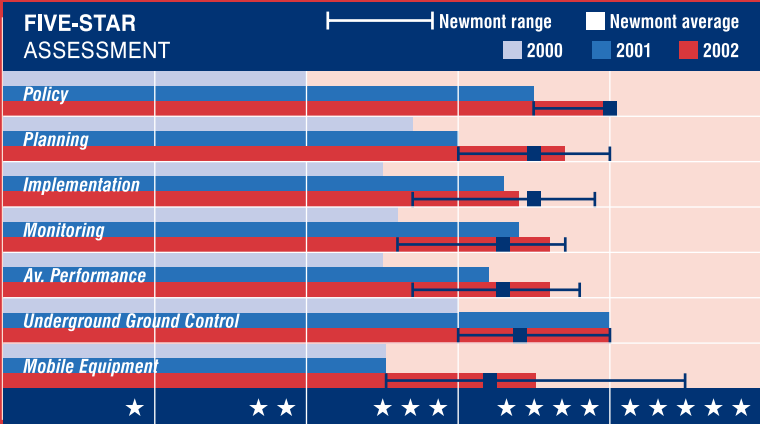
The mine's key risk areas relate to:

- i) voids (geotechnical stability relating to historic underground workings);
- ii) mobile equipment; and
- iii) management of cyanide emissions.

KCGM's Super Pit is situated on century-old gold workings typical to the Kalgoorlie region. The existence of more than 3,500km of historic underground workings present a significant risk to

current day operations where voids have the potential to open-up with the excavation of the current pit. The issue has long been a safety priority at KCGM and comprehensive geotechnical monitoring has allowed the site to develop an extensive

PERFORMANCE INDICATORS	'02	'01	Ind. '02 ¹
TRIFR Total Recordable Injury Frequency Rate (12 mth rolling avg.)	22.0	42.1 ²	36.5 ³
LTIFR Lost Time Injury Frequency Rate (12 mth rolling avg.)	0.9	2.3	6.0 ³
Fatalities (#)	0	0	3
			% change
Direct compensable cost of workplace injuries (\$)	294,706	191,385	+65%
Contractor management (five-star assessment score)	3 stars	3 stars	nil
Scorecard for 2002 (as recorded in Now & Beyond 2001)			Result
No greater than 18 TRIs per quarter (total 72)			A total 57 TRIs recorded, average 14.25 per quarter
Conduct risk assessment for all departments			90% complete in 2002. Balance to be completed in 2003
Full compliance in hazardous substance acquisition processes			90% complete. Full compliance achieved in March 2003
Targets for 2003			Achievement date
Improve TRIFR to 18.0 (2002 TRIFR: 22.0)			December 2003
Achieve 100% consistency in safety performance monitoring across site			December 2003
Achieve 100% consistency in occupational health & hygiene monitoring across site			December 2003
<small>1. Industry figures relate to metalliferous mining, as supplied by the Minerals Council of Australia. 2. Data collection commenced July 2001. 3. Figures relate to period 1 July 2001 - 30 June 2002.</small>			

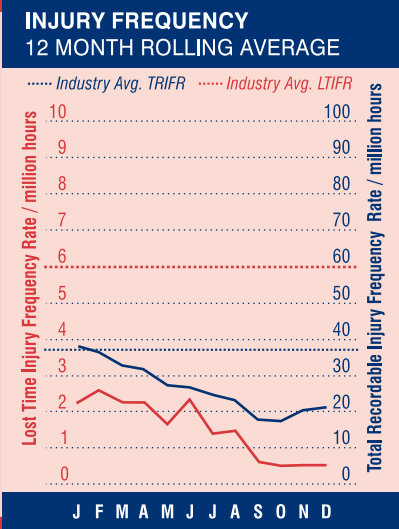


understanding of the location and nature of old shafts and drives. Strict operating procedures ensure voids are identified prior to commencement of work above them, and safety zones are created until delineation and stabilisation work is completed. The mine recorded a five-star score for underground ground control in 2002, indicating “good performance” with formal systems and processes in place and operating effectively for at least 12 months.

The physical size of KCGM’s operations means more than 65 pieces of mobile equipment operate at any one time. Mobile equipment constitutes a safety risk for the operation in ensuring equipment is well maintained and safe to operate, that operators are fit and able to operate the equipment and that collision is prevented when using mobile equipment. The mine will introduce a standard system for working with mobile equipment across the whole site in 2003.

Five-star auditor, Earle Alexander from Audit Services International, noted in his assessment report, “that the level of performance in managing specific risks were well advanced”. He specifically noted strong performance in underground ground control and mobile equipment maintenance but felt improvement was required in the area of mobile equipment isolation.

The management of cyanide emissions at both of KCGM’s process plants continues to challenge the operation. A cyanide audit, conducted in November 2002, highlighted a number of cyanide-related improvement opportunities and recommendations. Those recommendations and the implications for KCGM are being reviewed and will be tackled in association with the operation’s efforts to align itself with the new



International Cyanide Management Code. The Code, which is still under development, is an industry voluntary program for gold mining companies. It focuses on the safe management of cyanide and cyanidation mill tailings and leach solutions.

KCGM won awards for improved safety performance and its emergency response team in 2002 (see page 3).

Performance Employee Wellbeing

KCGM's 652-strong workforce resides mostly in the adjoining City of Kalgoorlie-Boulder. About 210 personnel are employed by contractor companies.

The site operates on a variety of rosters but mining activities continue 24 hours a day.

Retention and recruitment of senior professional mining staff presented a significant challenge for KCGM in 2002.

This is likely due to a shortage of experienced people in this field, therefore greater demand than supply, and is not believed to be specifically related to the working environment at KCGM. A general decline of professionals in the industry has resulted in recruiting challenges at many Newmont operations of late.

Employee-initiated turnover was 26%, 6% higher than in 2001.



To mitigate this issue, human resources efforts at KCGM have included increasing the focus on training and development for existing personnel and university graduates, and recruiting from further afield (both nationally and internationally). The operation employed four graduates in the mining and milling departments in 2002 and will potentially add another four to its workforce this year.

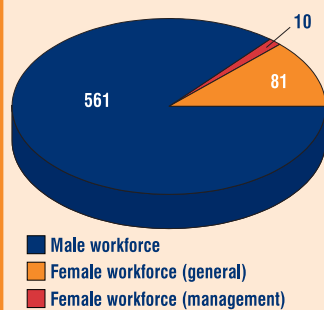
Training and development was firmly on the agenda in 2002. KCGM spent approximately \$1.2 million – and provided 6,878 hours – in training and development of personnel. Nationally-accredited Frontline Management is provided on an on-going basis to all personnel in supervisory roles.

A new professional development system was introduced in 2002, focusing on continual improvement of personnel and systems / procedures relating to personal career advancement. The system assists in the identification of key responsibilities of each

PERFORMANCE INDICATORS	KCGM	Contractors	Industry
Number of personnel	441	211	75,178
Women (% of respective workforces)	19.5	2.4	13.6
Indigenous personnel (% of respective workforces)	1.4	1.9	1.85
Employee-initiated turnover (% of respective workforce)	26.3		
Average weekly wage (\$)	1,300		1,007*
Investment in personnel training (total hours)	6,878		
Scorecard for 2002 (as recorded in Now & Beyond 2001)			Result
Implement Certified Agreement for Production Employees			Achieved February 2002
Implement BOS professional development framework			Achieved, 100% KCGM personnel participated in BOS
Targets for 2003			Achievement date
Move to owner-maintenance in minerals processing			June 2003
Provide superannuation investment choices for KCGM staff			June 2003
* Australia average weekly earnings, Australia Bureau of Statistics, November 2002. Mining industry wages are estimated to carry a premium of 2%.			



WOMEN IN THE WORKPLACE



employee and performance against those key responsibilities. From the process, personnel receive a performance score and comprehensive feedback from management – including identification of their strengths and weaknesses. All KCGM staff (441 people) participated in a formal performance review in 2002.

Further to its training initiatives, KCGM received acknowledgement from the Equal Opportunity for Women in the Workplace Agency (EOWA) for its trainee truck drivers' program, a development program for non-skilled and unemployed people (and in KCGM's case, predominately women). The 10-week program which has no pre-entry requirements combines theoretical and practical training to up-skill people in truck driving for employment at KCGM. The EOWA described KCGM as an industry-leader based on this program particularly in the placement of women in non-traditional roles at the mine.

"Of the over 2,600 organisation who report to EOWA, (KCGM) is one of a very select group who we believe could make a real contribution to women's employment outcomes in Australia ...", wrote a representative of the EOWA. The organisation intends to use KCGM as an example of "a leader in advancing equity for both women and men in the workplace".

Female personnel make up almost 14% of the workforce at KCGM, marginally greater than total industry figure of 13.6%. Of the total 91 who work at KCGM, 10 are employed in middle-management positions.

KCGM employs 10 indigenous Australians (including employees and contractors), 1.5 percent of the total workforce, compared with the total industry proportion of 1.85%.

KCGM renegotiated about 300 State individual workplace agreements and common law contracts in 2002, transferring to a Federal collective non-union agreement. Extensive information sessions were delivered to employees prior to acceptance of the agreement. The implementation process was achieved without industrial disputation or disruption to operations.

Finally, KCGM reported last year on the Mt Charlotte closure and resultant redundancy of 55 personnel over 2001 and 2002. However, due to a greater-than-anticipated recovery of gold, the Mt Charlotte operation was able to retain all of the personnel scheduled to be made redundant in 2002, actually increased it's workforce in 2002 and looks like continuing operations until the end of this year.

Performance Community

KCGM operates within close proximity to the City of Kalgoorlie-Boulder which means its activities must be managed so as to minimise the impact on its 30,000 neighbours.

Despite its mitigation efforts in 2002, noise, vibration, dust and emissions of SO₂ remain widely acknowledged as areas of concern for nearby residents.

KCGM's Public Inquiry Line, a 24-hour, 7-day per week, public hotline recorded a total 62 inquiries in 2002, down from 132 in 2001. They related mainly to:

- blasting (2 inquiries in 2002 down from 111 in 2001);
- noise (4 in 2002 down from 13);
- dust (4 in 2002 down from 8); and
- SO₂ (7 in 2002 up from 3).

KCGM recorded no exceedences of its standards or limits in these areas in 2002.

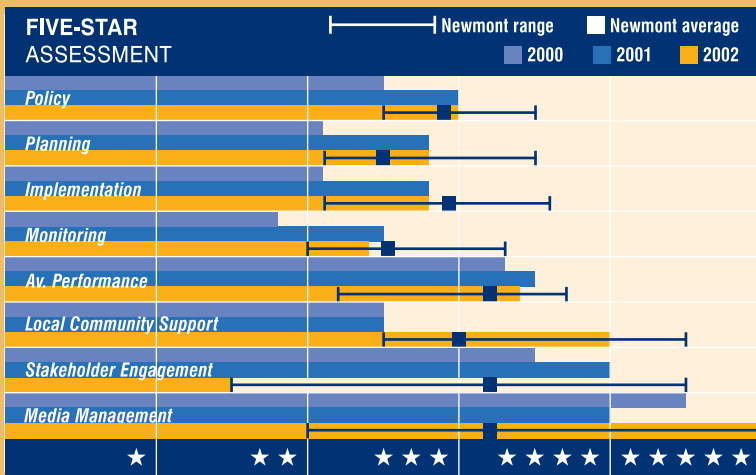
Following on from its consultative success in



winning approval for the realignment of the Eastern Bypass Road in 2001 (in order for the pit to be developed to its approved limits), KCGM had its west wall drilling program approved in 2002. Still part of the pit extension, the drilling program was proposed to occur in the area between the existing pit and the nearest residential area (only 300 metres away). An extensive program of communication with residents, regulatory authorities and local government saw the proposal approved without objection. The operation has also been successful in mitigating the impact of noise from the drill rigs on local residents. Specially-designed and engineered noise curtains were installed on the drill rigs to create an acoustic barrier, having a silencing effect on drilling operations.

In 2002, KCGM participated in external stakeholder engagement as part of its community-relations five-star assessment. Conducted by an independent auditor from the Australian Institute of Corporate

PERFORMANCE INDICATORS	'02	'01
Community relations management		
<i>Number of roles dedicated to community relations management</i>	2	2
<i>Number of roles part-time on community relations management</i>	1	1
Contractor management		
<i>Five-star assessment score</i>	2.5	2.5
Community investment (\$)	683,000	~300,000
Scorecard for 2002 (as recorded in <i>Now & Beyond 2001</i>)		Result
Fully redesign the website to provide better on-line interface with community	Completed and launched September 2002	
Introduce Junior Sports Fund to encourage participation in region	Launched Feb 2002, first recipient received \$1,500	
Achieve Eastern Bypass Road realignment communication plan objectives	Ongoing to end of construction (mid-'03)	
Targets for 2003		Achievement date
Increase public awareness of infrastructure relocation plan	End-March 2003	
Update Eastern Bypass communication plan to reflect road contract schedule	Mid-2003	
Demonstrate 75% employee understanding of new Community Relations Policy	September 2003	
Increase public awareness of Community Reference Group	End-2003	



Citizenship, the process involved community stakeholders most directly impacted by the operation in a day of discussion about its community relations performance. The sessions were conducted without a representative of the operation present (to ensure stakeholders' comfort in presenting their views). Stakeholders' input was included in the auditor's five-star report provided to Newmont. Participants received an extract of the report.

In his report, auditor Richard Boele noted, "While the town in general appears to be supportive of the operation, it should be noted that there are two residents' groups who have voiced public opposition towards KCGM."

The process highlighted some problematic relationships KCGM has within the local community. The issue also relates to a government initiative currently underway in Kalgoorlie – the Cooke Review – which aims to "assess the impact of environment and public safety impacts of mining in the Kalgoorlie area on people living in Williamstown and on other nearby residents and businesses".

Commissioned by the Minister for State Development the independent review aimed to examine issues such as: public safety and environmental health arising from mining activity; regulatory regimes and the enforcement of such; and community consultation by the Department of Mineral and Petroleum Resources.

KCGM welcomes the independent review and looks forward to an accurate and unbiased representation of the facts when the report is released (expected mid-2003).

KCGM performed strongly in the five-star assessment in most community relations performance elements. This was in part due to a significant re-branding exercise completed in 2002, which included the development of a new community relations policy.

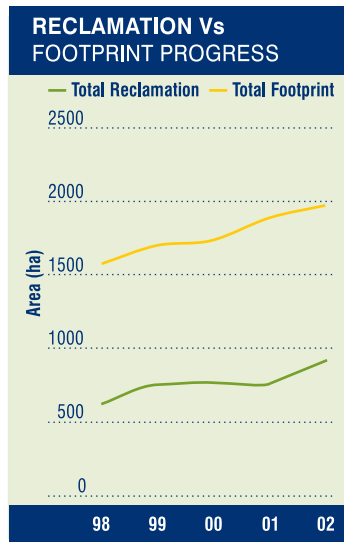
The catch cry of the new policy – *Consider, Communicate and Contribute* – describes the expectation KCGM has of all employees when working with the community. According to the policy, they are to: "Consider, how your work will affect the community and also consider buying local; Communicate openly with the community and through the use of the Public Inquiry Line; and Contribute through local sponsorships and participation". Real KCGM families have been used to promote the new policy, featuring in billboards scattered over the mine and processing site. According to a telephone survey amongst personnel at KCGM, 98% are aware of the new policy, as opposed to 70% who were previously aware a policy existed.

Performance Environment

KCGM operates within close proximity to the City of Kalgoorlie-Boulder so the effect of its activities – such as land disturbance, dust and air emissions – is highly noticeable.

Blasting dust, sulphur dioxide (SO₂) emissions and tailings management are KCGM's most demanding environmental challenges.

Blasting in the Super Pit occurs every day or once every two days, depending on production requirements. With the City's prevailing easterly winds, KCGM relies on detailed planning and forecasting to prevent dust from blasting blowing over the city particularly in summer. The operation uses Bureau of Meteorology forecasts and wind monitoring data to preempt unfavourable conditions for blasting. In some cases, blasting is delayed until weather conditions become more favourable.

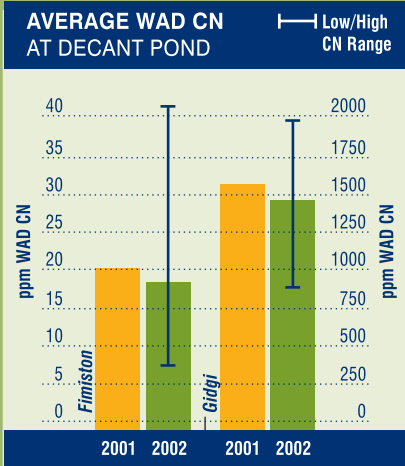
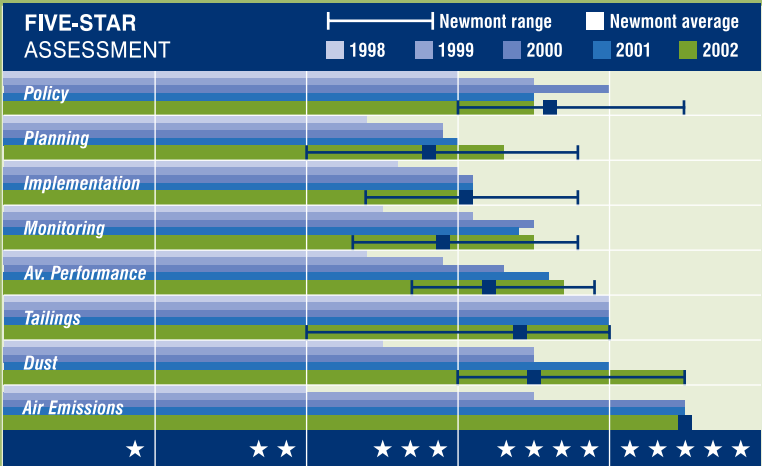


Other methods – such as faster blast detonation and different explosive types - aid the management of blast dust. In 2002, only two blasting-related dust complaints were received from the community, down from 14 in 2001.

Air quality in Kalgoorlie-Boulder and nearby residential areas is subject to the Environmental Protection (Goldfields Residential Areas) (Sulphur Dioxide) Policy. New EPP limits for SO₂ gazetted in March 2003, require KCGM to operate within a limit of 0.25 parts per million (ppm) by 2005. KCGM's SO₂-emitting roaster facility (called Gidji) is located 17km north of Kalgoorlie-Boulder.

In preparation of the new EPP limit, KCGM has revised its existing air quality control strategy in an effort to meet the 2005 limit. It achieved zero exceedences in 2002 against the 2005 limit (down from four in 2001). The mine relies on daily weather data from the Bureau of Meteorology and a monitoring network of 10 stations located in and around the Kalgoorlie-Boulder region. A significant upgrade of the network commenced in 2002 (due for completion by June 2003)

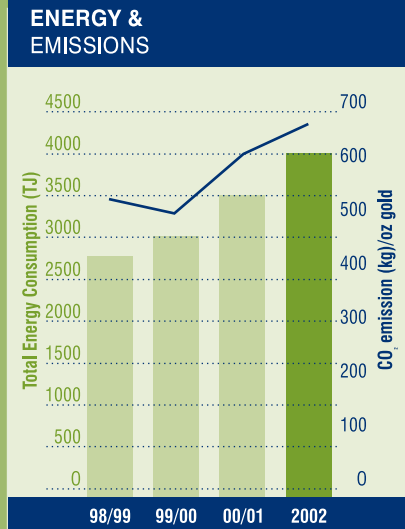
PERFORMANCE INDICATORS				
	Target	By	'02	'01
Waste oil recovery (%)	>50	2003	53	n/a
Reclamation rate (%)	>50	2004	51	64.7
Scorecard for 2002 (as recorded in Now & Beyond 2001)				Result
No exceedences of 0.2ppm for sulphur dioxide in policy areas			No exceedences	
Complete implementation of Total Waste Management System			100% implemented	
Rehabilitate 57 hectares in line with life-of-mine plan			38ha rehabilitated	
Targets for 2003				Achievement date
Compliance with sulphur dioxide limits (0 exceedences)			December 2003	
Rehabilitate 72 hectares in line with life-of-mine plan			December 2003	
Develop risk profile of operations and set corrective actions to all risks			December 2003	



and at a cost of about \$350,000, will increase the reliability and accuracy of monitoring data. Finally, air quality monitoring data will be integrated into the process control system at KCGM. The new system will have the significant advantage of automatically notifying process controllers when adverse conditions exist or are predicted, enabling them to take the required action in accordance with the air quality control strategy.

The level of copper in the calcine leach and Gidji roaster at KCGM requires high concentrations of cyanide in processing, resulting in equivalent concentration in tailings – thereby posing a potential risk area to fauna and groundwater. Despite achieving a marked reduction in the amount of cyanide used in processing (as the result of ultra-fine grinding), the operation was unable to realize any noticeable reduction in cyanide concentration in tailings. Ponded water on the surface of the tailings storage facility has been netted to prevent access by fauna. The netting has proven highly successful, preventing any fauna related-incidents in 2002. The volume of water in the decant pond is carefully monitored in an attempt to decrease potential for seepage and to ensure decant water remains within the netted area. The operation plans to extend the netting across the entire storage facility in 2003.

KCGM's five-star assessment score for cyanide management decreased in 2002 from 3 stars to 2.5 stars as the result of a detailed cyanide audit conducted at the site in November 2002. All Newmont Australia operations were audited against an internally-developed cyanide management standard in 2002. The standard is consistent with the International Cyanide Management Code. At KCGM, the cyanide audit identified a number of low-medium priority issues relating to the safety and environmental risks

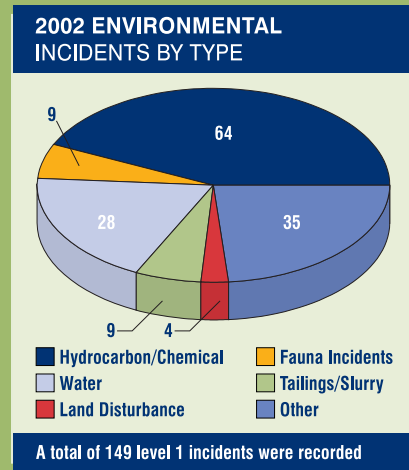
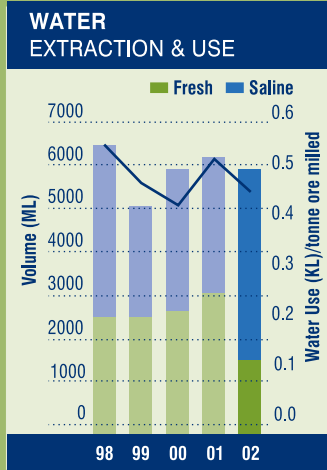


associated with cyanide transport, storage and use. The operation is expected to address these issues in a 'timely manner'.

Finally, KCGM commenced an environmental risk assessment process in 2002. As part of the site-wide process, KCGM will identify and consider its existing operational

(continued on page 14)

Performance Environment



Continued from page 13.

controls and additional controls to further reduce potential environmental risks. This means considering all physical, system and behavioural operational controls. Completion of the risk assessment, maintenance of the risk register and use of the risk assessment to prioritise work and resources (by all departments) is expected in 2003.

KCGM in 2002 recorded 149 level one incidents (see type above) but no higher level incidents. No compliance issues were recorded. A level one incident is defined as having no or very low environmental impact. KCGM was not prosecuted in 2002.

CONTACT US: feedback@newmont.com.au

COMPLETE THE ELECTRONIC FEEDBACK FORM ON THE NEWMONT WEBSITE, OR WRITE TO: GENERAL MANAGER
 KALGOORLIE CONSOLIDATED GOLD MINES, PMB 27, KALGOORLIE 6430, WESTERN AUSTRALIA. PH: (08) 9022 1100, OR
 EXTERNAL AFFAIRS, 100 HUTT ST, ADELAIDE 5000, SOUTH AUSTRALIA. PH: (08) 8303 1700
 OR VISIT www.newmont.com OR www.superpit.com.au

NEWMONT AUSTRALIA LIMITED ABN 86 009 295 765