

ANNEX A



**POLICY, LEGAL, AND ADMINISTRATIVE
FRAMEWORK SUPPLEMENTAL
INFORMATION**

ANNEX A-I

GENERAL LEGAL FRAMEWORK

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Various provisions of Ghanaian law relevant to this project are described in this section.

STATE LANDS ACT (1963)

Section 6(1) provides that any person whose property is affected by a public project is entitled to compensation, and provides mechanisms through which people not satisfied with compensation may seek redress. Dissatisfied compensation claimants may seek redress by first notifying the Minister who refers the case to a tribunal consisting of three persons appointed by the President.

GHANAIAN ENVIRONMENTAL AND OCCUPATIONAL SAFETY AND HEALTH REGULATIONS

Conducting an Environmental Impact Assessment (EIA) for developments, projects, or undertakings has been a requirement in Ghana since 1989. In June 1995, the EPA established new procedures for EIA's involving gradual phases depending upon the nature, complexity and location of the undertaking (Ghana Environmental Impact Assessment Procedures 1995). Between 1995 and 1999, the EPA reviewed and revised the aforementioned procedures. In June 1999, the revised procedures were adopted and passed by Parliament as Legislative Instrument 1652 Environmental Assessment Regulations (L.I. 1652). These procedures require that the resultant Environmental Impact Statement (EIS) be submitted to the EPA for review and be approved in order to obtain an Environmental Permit, which allows the Project to proceed from an environmental standpoint.

Numerous methods are used to collect vegetation and wildlife information, based on site conditions, the nature of the local biota and concerns to be addressed. There are few standards or protocols, especially in regard to collection and analysis of biological resource information, as these resources relate to mining. Ghana's Wildlife Conservation Regulations (First and Second Schedule) identify wildlife species with protected status and define the level of protection. First Schedule animals are completely protected and the hunting, capturing or destroying of these species is prohibited. Second Schedule wildlife species cannot be hunted, captured or destroyed between August 1 and December 1. The hunting, capturing or destroying young or adults accompanied by young are prohibited.

MINING AND MINERALS ACT (2006)

The legislative framework for mining in Ghana is stated in the Mining and Minerals Act (MMA) 2006, (Act 703) and the provisions of the Constitution of 1992 (the Constitution). Within this legal framework, the State is the owner of all minerals occurring in their natural state within Ghana's land and sea territory, including its exclusive economic zone. All minerals in Ghana are vested in the President on behalf of and in trust for the people of Ghana. Thus, regardless of land ownership upon or under which minerals are situated, the exercise of any mineral right requires, by law, a license granted by the Minister of Lands, Forestry and Mines (the sector Minister) acting as an agent of the State for the exercise of powers relating to minerals.

Mineral rights are legally defined to include the rights to reconnoitre, prospect for and mine minerals. The sector Minister is also authorized to exercise, within defined limits, powers relating to the transfer, amendment, renewal, cancellation and surrender of mineral rights. The powers conferred upon the Minister must be exercised contingent upon the advice of the Minerals Commission (MINCOM), which has the authority under the Constitution to regulate and manage the use of mineral resources and coordinate policies in relation to minerals.

Lawful occupants retain the right to use the land within lease areas (i.e., graze livestock, cultivate crops) provided such use does not interfere with mining operations. Occupants must obtain permission from the mining company to erect any building or structure on leased land.

A mineral rights holder must compensate for any disturbance to the rights of owners or occupiers and for damage done to the surface of the land, buildings, works or improvements, livestock, crops or trees in the area of mineral operations. However, the Act does not provide compensation for the land itself.

The MMA provides that the amount of compensation is determined by agreement between the parties concerned, with the approval of the Land Valuation Board (LVB). In practice, this agreement involves a broad section of stakeholders, including affected farmers and local traditional and political leaders. If an agreement cannot be reached, the Minister of Lands, Forestry, and Mines arbitrates.

MMA states that mineral right holders should affect as little as possible the interest of any lawful occupier of the land. Mining leases also state that a mining company shall not hinder or prevent members of the local population from exercising certain customary rights and privileges such as hunting game, gathering firewood for domestic purposes, collecting snails, cultivating farms and observing rites in respect of graves and other areas held to be sacred.

The MMA provides that efforts should be made to settle disputes amicably. In the event that this fails, then arbitration would be the available dispute resolution mechanism. Such arbitration may be in accordance with the rules of procedure for arbitration of the United Nations Commission on International Trade Law; or within the framework of any bilateral or multilateral agreement on investment protection to which the Government and the applicant are parties; or in accordance with any other international machinery for the settlement of investment disputes agreed to by the parties. In the event that neither of the mechanisms is considered satisfactory, the judicial process may also be used.

The Mining and Environmental Guidelines (1996) provide that mining companies must pay compensation for damage to land, land uses, and structures according to a schedule of compensation rates provided in the EIA / EAP using LVB rates. In practice these rates are only available if LVB is contracted to undertake the assessment.

The Mining and Environmental Guidelines also provide for resettlement:

- Any pre-existing settlement located close to mining operations where the pre-existing inhabitant's public safety is at risk, or where the inhabitants are subjected to unreasonable nuisance, shall be resettled at a more distant site with at least an equal standard of accommodation and services at the cost of the company.

- Proposed amendments to the Mining and Minerals Act were introduced in 2003 in an effort to address, among other issues, ambiguities related to compensation rules and procedures. It is understood that the proposed amendments are now with the Attorney General awaiting submission to Parliament.

Other legislation and/or regulation relevant to the Project include:

- Environmental Protection Law;
- EPA Act 490 (1994);
- Environmental Assessment Regulations (1999);
- Planning Standards for All Settlements in Ghana;
- District Assembly Planning Guidelines;
- National Development Planning Act (1994);
- Housing Standards, Building Code; and
- Local Planning Requirements.

ANNEX A-2

SUMMARY OF ENVIRONMENTAL GUIDELINES FOR MINING IN PRODUCTIVE FOREST RESERVES IN GHANA

SUMMARY OF ENVIRONMENTAL GUIDELINES FOR MINING IN PRODUCTIVE FOREST RESERVES IN GHANA

INTRODUCTION AND BACKGROUND

The Ghanaian Forest Reserve concept was established in 1927 when the state approved the Forest Ordinance forming the Forest Service Division, which received powers to reserve forest areas for specific management. Existing legislation has resulted in the creation of 282 Forest Reserve areas in Ghana. The majority of Forest Reserves are divided into Conversion, Production, and Protection Areas which are defined below.

1. **Conversion Forest Reserve Areas:** Those areas which have undergone previous degradation and have been targeted for replanting.
2. **Production Forest Reserve Areas:** Those areas from which timber extraction is permissible following strict logging and other controls.
3. **Protection Forest Reserve Areas:** Those areas which represent contiguous blocks of forest set aside under the following designations:
 - Globally Significant Biodiversity Areas – A contiguous portion of the Forest Reserve set aside for the protection of biodiversity. These are usually areas with a high concentration of rare plants or of an unusual forest type.
 - Provenance Protection Areas – These areas are set aside for the protection of specific species provenance (economic gene banks) or as a provenance of a threatened ecological zone.
 - Institutional Research Plot – These are areas of the forest in which research is ongoing. There are seven areas under the Forestry Research Institute of Ghana. Each Forest Reserve also has a maximum of one hectare set aside as a Permanent Sample Plot.
 - Hill Sanctuary – All contiguous forested areas with a slope greater than 15 percent are protected as a Hill Sanctuaries to reduce soil erosion and other impacts. The threshold of a 15 percent slope is often extended to cover all watersheds or areas where a number of rivers are sourced.
 - Community Sacred Groves – Community worship or taboo sites.
 - Swamp Sites and Fire-protected Blocks.

In 1996, the Ministry of Lands, Forestry, and Mines placed a moratorium on mineral exploration in Forest Reserves as a result of growing concern over illegal logging, encroachment by farming communities, and potential mine development. The moratorium was subsequently revised in February 2003 and exploration was allowed to resume, but was limited to less than a total of 2 percent of production Forest Reserve areas at any one time.

Seventeen companies, whose cumulative permitted area was less than the required 2 percent, were invited to reapply for Forestry Entry Permits under new “*Operational Guidelines for Mineral Exploration in Forest Reserves for Selected Companies*” developed by the Ministry for Lands, Forestry, and Mines and the Chamber of Mines (October 1997).

In 1999, a number of companies that had been granted permits to explore were in a position to propose potential mining operations on their exploration properties (concessions) within Forest Reserves. At that time, the Ghana Chamber of Mines commissioned the preparation of *Environmental Guidelines for Mining in Productive Forest Reserves in Ghana* (the Guidelines). After analysis and debate the Guidelines were issued (May 2001) in a format acceptable to the interested parties and stakeholders.

These Guidelines identify, and where appropriate clarify, those aspects of mining and environmental management practices which are key to operations within a Forest Reserve. They are designed to be non-prescriptive and set a framework within which to define best practice principles on a case-by-case basis. **Figure A-2-1** presents the structure of the Guidelines, focusing on Mining Practices and Environmental Management Practice throughout the life of mine: exploration, pre-construction, construction, operation, closure, and post-closure.

Key sections of the Guidelines are summarized below.

Section 1.2.1 of the Guidelines: Purpose of the Guidelines

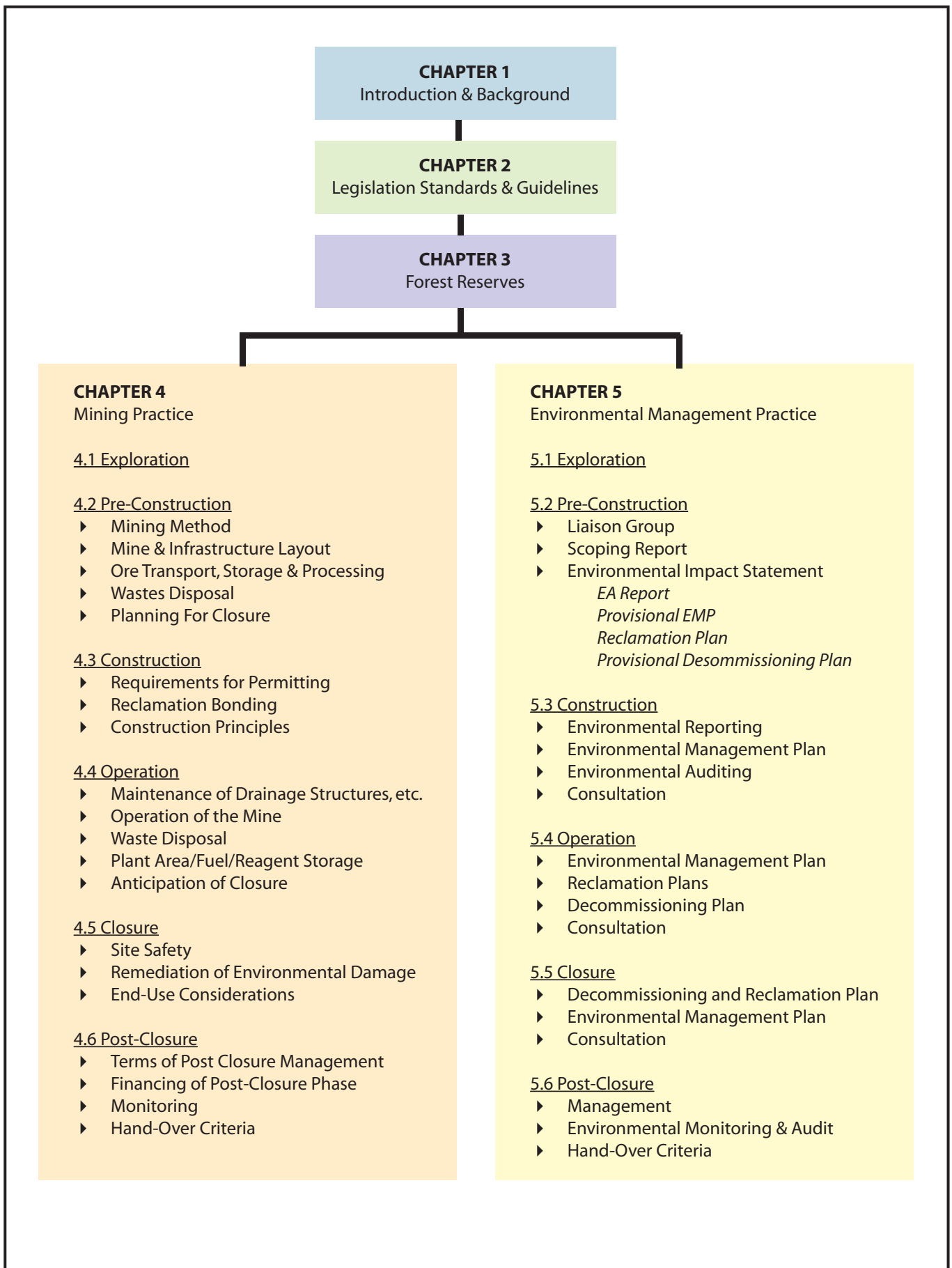
The purpose of the Guidelines is to:

- Provide a framework for an agreed balance which benefits Ghana, the mining company, and the local community.
- Enable continued exploration and mining, not extending beyond 2 percent of the production areas of Forest Reserves.
- Provide uniform criteria to address environmental constraints and issues specifically relating to mining within Forest Reserves.
- Ensure that the negative impacts of mining are minimized and that mining ultimately benefits and forest and local community.
- Identify environmental management tools which promote environmental protection and stakeholder confidence.

Section 4.2.2 of the Guidelines: Mining Method

In considering the range of options available to access and extract the identified ore reserve, the mining company must take due consideration, together with technical and economic constraints, of the following criteria in selecting a preferred mining method:

- Minimisation of effective land take for support infrastructure,
- Avoidance of disturbance to surface drainage features,
- Avoidance, to the extent possible, of loss of high value forest and habitats,



Source: Ghana Chamber of Mines, Environmental Guidelines for Mining in Production Forest Reserves in Ghana (2001).

**Structure of Environmental Guidelines for Mining
 In Production Forest Reserves in Ghana
 Akyem Gold Mining Project
 Eastern Region, Ghana
 FIGURE A2-1**

- Avoidance of mining practices, which, in themselves, may create undue instability or disturbance having regard to surface features, wildlife or human communities and
- Adoption of a design which is amenable to reclamation to provide for an acceptable end-use.

One of the conclusions reached in the Guidelines document was that only the actual mines themselves (mine pits or underground access) could be located within reserve areas and that all other mine support facilities would need to be located outside the Forest Reserve boundary.

Section 4.2.8 of the Guidelines: Requirements for permitting

The Guidelines recommend that for projects which propose to utilize land within a Forest Reserve that attention be focused on the following during the permitting process:

- Early and effective consultation with those government agencies having any remit over Forest Reserves and
- Forest Reserve issues included within the supporting documentation for the permit (e.g., environmental assessment report and Reclamation Plan) to the satisfaction of EPA/FSD.

Chapter 5 of the Guidelines: Environmental Management Practice

Chapter 5 of the Guidelines identifies, and where appropriate clarifies, those aspects of environmental management practices which are key to mining operations within a Forest Reserve, including preparation of Environmental Assessments and Environmental Management Plans to confirm the condition of the Forest Reserve and ensure the exploration, construction, operation, and closure works are carried out in an environmentally acceptable manner with continuing stakeholder consultation throughout the life of mine.

The Guidelines highlight the need to analyze cumulative effects to the Forest Reserve, those effects which arise when two or more effects combine to product a resultant effect which is greater than either of the single effects. According the Guidelines, cumulative effects can impact the forest in five ways, as follows:

1. Sensory propagation – noise, lights, smells, or visual intrusion from one action may combine with those from another (e.g., ongoing or historic logging areas).
2. Contaminant transport – contaminants emitted from one action may travel through a suitable mechanism and combine or interact with those from another.
3. Habitat loss through fragmentation – habitat is destroyed and patches of remaining habitat become smaller and most distantly separated, thus becoming vulnerable to deterioration.
4. Visual impact – alteration to the landscape features resulting in the degradation of scenic views.
5. Experiential degradation – use of the reserve for other activities drops because of perceived collective disturbances from many actions.

ANNEX A-3

ENVIRONMENTAL AND SOCIAL MANAGEMENT

ENVIRONMENTAL AND SOCIAL MANAGEMENT

Newmont uses a Global Management System, developed in-house and administered by the corporate office, to ensure compliance with statutory and regulatory requirements and drive outstanding performance and continual improvement in the areas of Environment, Social Responsibility, and Health, Safety and Loss Prevention for all its operating sites around the world. The system is founded on internationally accepted management system principles and includes discipline-specific standards to manage, Environmental, Social Responsibility and Health, Safety and Loss Prevention risks specific to the mining industry and includes assessments of performance and general perception regarding the system. The policies are described below.

The Newmont Global Management System provides the foundation for achieving outstanding performance by establishing a culture of continual improvement based on planning, execution of plans, monitoring of plans to ensure they are on track, and timely response to correct actions that are off course. The management system also provides consistency through systematic and institutionalized processes of management.

ENVIRONMENTAL POLICY

Newmont's Environmental Mission Statement (Newmont 1991) states in part that Newmont and its affiliates intend to set standards of excellence with regard to environmental matters. The following policies provide definition to the Environmental Mission Statement that reflects challenges faced by Newmont as a global business in the 21st century:

- Newmont will, at all times, operate its facilities in compliance with applicable laws and regulations.
- Newmont will adopt and adhere to standards that are protective of both human health and the environment at facilities it builds and operates.
- Each Newmont operation will develop during the design phase and implement during operations and closure, a closure and reclamation plan that provides for long-term environmental stability and suitable post-mining beneficial land uses.

In addition, Newmont will:

- Commit necessary human and financial resources to support activities necessary to achieve compliance with the environmental mission statement and policies.
- Motivate and reinforce behaviour in its employees (including contractors) that support the environmental mission statement and policies, including compensation linked to annual environmental performance targets.
- Operate and maintain pollution control equipment and facilities to minimize upsets or malfunctions and demonstrate a record of continuous improvement in this regard.
- Establish an audit program to systematically evaluate compliance of operating facilities with applicable federal, state, and local rules and regulations, as well as corporate policy, which includes a corrective action process to address deficiencies that arise.

- Hold employees accountable for ensuring equipment, facilities, and resources are managed to comply with this policy and minimize environmental risk.

As such, the Akyem Gold Mining Project will operate in full compliance with all applicable Ghanaian environmental regulations. Furthermore, in recognition of the evolving state of the regulatory structure in Ghana, and in recognition of ever-increasing requirements from shareholders and financial institutions, the facility will operate in accordance with generally accepted International Environmental Standards and Practices. Consideration of these objectives will be included in planning and implementation of all aspects of the operation.

Management and employees will be informed of environmental management responsibilities through training and supervision. All levels of development and operation will consider environmental factors in the decision process. Through awareness of environmental responsibility and cooperation from employees, Newmont is committed to achieving the highest standards of social responsibility in Ghana.

In accordance with the Global Management System requirements, periodic auditing and reviews will be conducted by internal/external auditors to verify environmental conformance and confirm management responsibilities are in accordance with environmental procedures.

SOCIAL RESPONSIBILITY POLICY

Newmont understands that its future is dependent on its ability to develop, operate and close mines consistent with its commitment to sustainable development, protection of human life, health, the environment, and to adding value to the communities in which it operate. To realize these commitments, every Newmont operation will:

- Develop and use systems to identify and manage risks, and provide accurate information to support effective decision making,
- Train its people and provide the resources to meet social responsibility objectives and targets,
- Respect the Universal Declaration of Human Rights in its business operations,
- Respect the social, economic and cultural rights of indigenous people,
- Adopt policies and standards and operating practices that ensure ongoing improvement,
- Wherever appropriate and feasible, set operating standards that exceed the requirements of the local law,
- Assess performance against internal policies and standards,
- Demand leadership in social responsibility from all its people,
- Seek to share its success by partnering with stakeholders in appropriate community development programs,
- Consult stakeholders in matters that affect them and
- Strive to communicate performance in an accurate, transparent and timely manner.

HEALTH, SAFETY AND LOSS PREVENTION POLICY

This policy provides the framework for the development of Health, Safety and Loss Prevention (HSLP) standards, procedures and guidance, which will address the control environment, risk assessment, information and communication, control activities and monitoring. This policy requires that all Newmont managed facilities and employees:

- Identify health and safety exposures and hazards with the potential for loss and community health impacts,
- Adhere to *Newmont Safety Principles*, which includes health and safety leadership in all its people,
- Implement and maintain a health and safety management system that identifies, assesses and controls health and safety risks,
- Identify measurable objectives and targets that will drive the continuous improvement necessary to pursue an injury-free workplace and community health opportunities,
- Comply with relevant and applicable statutory and other requirements,
- Demonstrate positive behaviour in pursuit of superior HSLP performance,
- Be reviewed by internal and external resources to ensure that the HSLP organizational goals and objectives are being achieved and
- Publicly report its HSLP performance.

NEWMONT MANAGEMENT SYSTEM

OPERATIONAL ELEMENTS

This section describes the operational elements of the Newmont Management System and sets forth a framework by which the Project would achieve consistent and disciplined management of social responsibility issues. Implementation of the management system would be influenced by varying needs of the organization, its particular objectives, activities, and processes and specific practices employed. The management system is composed of the following primary components, which are discussed in greater detail in subsequent sections:

- Standards and guidelines,
 - Integrated management system standards and
 - Discipline-specific standards
- Assessments,
- Communications and
- System reviews.

The management system is designed to encourage employees to develop a mindset of “Plan-Do-Check-Act”. It is simple and practical enough to be understood and applied by non-technical and technical employees. Program coordinators involve people both inside and outside the company. Examples of internal/external involvement and participation are illustrated below.

- Employees may help develop new Environment, Social Responsibility, and Health, Safety, Loss Prevention procedures and implement action.
- Contractors or Vendors would have similar involvement.
- Operators of joint ventures would be encouraged to develop similar systems.
- Community members would be kept informed and invited to participate in community investment and emergency planning.

The core of the system is the management and discipline-specific standards. These standards establish the minimum expected behaviors and actions in order to drive consistency and continual improvement throughout Newmont.

PROCESS OBJECTIVES

Implementation of the management system is designed to achieve the following process objectives:

- Advance the understanding that only through our behaviours and actions can we demonstrate social responsibility and earn and maintain acceptance of our activities from our stakeholders.
- Implement a systematic approach to managing safety, environmental, and community relations affairs across Newmont’s global operations.
- Promote strategic planning at the operational level consistent with corporate strategic plans for safety, environmental, and community relations management.
- Effectively manage both operation-specific and global risks.
- Establish a process that drives continuous improvement throughout the organization.

The process is designed to identify and manage risks and encourage planning and focus on changing behaviour to promote effective management.

OUTCOME OBJECTIVES

The Newmont Management System is ultimately focused on achieving specific desired outcomes related to Environment, Social Responsibility and Health, Safety and Loss Prevention. Specific outcome objectives of programs which would be implemented at the Akyem Gold Mining Project are:

- Reduce actual impacts to employee health and safety, the environment, and communities in which Newmont operates.
- Prevent or manage future potential impacts.
- Ensure legal compliance.

- Maximize all opportunities to develop and maintain our reputation as a leader in health, safety, environmental stewardship, and social responsibility.
- Establish mutually beneficial relationships with the communities in which Newmont works.

ROLES AND RESPONSIBILITIES

To achieve the objectives, employees at all levels of business must be involved through clearly defined roles and responsibilities. Effective implementation is dependent on demonstrated commitment of senior management. This “upper level” commitment will drive elements of the management system down through the workforce, encourage behavioural changes and ultimately develop a workplace culture that demonstrates leadership in safety, environmental, and social responsibility through on-the-ground performance. Functional responsibilities of the various levels of support are summarized below:

Executive Steering Committee – comprised from selected Executive Management, Vice-Presidents, Directors, and senior representation from Operations. The Executive Steering Committee has the following responsibilities:

- Champion the value creation of the management system through strategic direction.
- Communicate the management system program structure and organization to all levels throughout the company.
- Ensure consistency in design modifications and implementation of the management system.
- Participate in management review sessions to evaluate the effectiveness of the management system and to implement improvements.
- Promote the value of the management system during site visits.

REGIONAL/GENERAL MANAGEMENT

- Lead implementation of the management system at the operational level through personal involvement and commitment.
- Participate in review of the management system.
- Engage and communicate relevant management system activities through to the Executive Steering Committee.

SITE MANAGEMENT

- Facilitate implementation for continual improvement to the management system.
- Coordinate regular assessments, as relevant to the function.
- Coordinate the annual management system standards review process.
- Communicate relevant changes/modifications to the management system.

- Maintain appropriate surveillance to ensure accurate and functional application of management system is understood and applied.
- Provide functional support, training, and awareness as appropriate.
- Facilitate information exchange within Newmont and to/from relevant external bodies (meetings, networks, workshops, review, and electronic media).
- Support Executive Steering Committee members in promoting the management system.
- Manage budget and resources for the management system.
- Coordinate and manage a central data system for the management system.
- Leadership/sponsorship of the management system within Corporate discipline-specific initiatives.

STANDARDS

The Newmont Management System consists of both management and discipline specific standards for Environmental, Social Responsibility, Health and Safety and Loss Prevention. The standards address issues that have a direct impact on its Social License to Operate. In some cases, international standards relevant to the manner in which these issues are managed have been adopted; for example, ISO 14001 environmental management standards and ICMI cyanide management code.

The following section identifies the Management System Standards that will be implemented by the Akyem Gold Mining Project.

MANAGEMENT STANDARDS

Nineteen management system standards have been developed for systematically identifying, managing, monitoring, tracking, and minimizing risks specific to individual operations. As part of systematically managing risks, Integrated Management System Standards also define requirements for incident investigation and reporting, document control and record management, internal and external communications, emergency response, inspections and auditing, contractor and employee management, and review of the system. The Integrated Management System Standards have been designed with a similar framework to internationally recognized standards such as ISO 9001 (Quality Management) and ISO 14001 (Environmental Management).

Program Commitment and Leadership (NEM-IMS-S.001) - The purpose of this standard is to demonstrate leadership to Newmont values and commitment to the policies and standards of the Corporation.

Risk and Opportunity Management; (NEM-IMS-S.002) – The purpose of this standard is to provide a common framework for the systematic and structured management of risks and identification of opportunities to Newmont such that risk management, including risk assessment and risk mitigation/control, is conducted in a systematic and consistent manner across the Corporation.

Management System Documentation, Document Control and Management (NEM-IMS-S.003) – The purpose of this standard is to ensure that those significant hazards and risks have the necessary documentation and information to define, describe and report on the effectiveness of the system of management to control those risks.

Legal and Other Requirements (NEM-IMS-S.004) – The purpose of this standard is to ensure that Newmont facilities have a system to manage their legal and other requirements.

Organization and Responsibility (NEM-IMS-S.005) – The purpose of this standard is to define, document and communicate health, safety and loss prevention, environmental and social roles, responsibilities and accountabilities for all personnel and contractors within the facility to enable effective Health Safety and Loss Prevention (HSLP), and Environmental and Social Responsibility (ESR) Management.

Training, Competency and Awareness (NEM-IMS-S.006) – The purpose of this standard is to ensure that Newmont’s approach and methodology provides for requisite skills and knowledge training and assessment of competency within its operations.

Internal Communications and Reporting (NEM-IMS-S.007) – The purpose of this standard is to ensure facilities develop and implement a formal system of consultation and communication with personnel and that these engagement processes are monitored and measured for effectiveness to promote positive HSLP, and ESR outcomes.

External Stakeholder Engagement and Reporting (NEM-IMS-S.008) – The purpose of this standard is to ensure proactive external stakeholder engagement to manage risks and opportunities to both Newmont facilities and external stakeholders, and to develop and maintain positive stakeholder relationships.

Accident-Incident Reporting and Investigation (NEM-IMS-S.009) – The purpose of this standard is to report and investigate accidents/incidents to determine underlying causes in order to eliminate the potential of future failures and to apply adequate controls site wide.

Emergency Preparedness and Response (NEM-IMS-S.010) – The purpose of this standard is to ensure all Newmont facilities have adequately identified, planned for, and are able to respond effectively to emergency situations with potential adverse effects to Newmont personnel, facilities, the environment or reputation.

Standard Operating Procedures (NEM-IMS-S.011) – The purpose of this standard is to maintain effective control over a facility’s HSLP and ESR issues and impacts through the application of standard Operating procedure/standard task procedures.

Inspections (NEM-IMS-S.012) – The purpose of this standard is to ensure that workplace areas and activities are inspected on a regular basis to ensure operational controls are effective and hazards are identified.

Monitoring and Measurement (NEM-IMS-S.013) – The purpose of this standard is to ensure a consistent approach to analytical monitoring and measurements programs to gauge the effectiveness of the facility’s management system controls implemented to mitigate risk that can have an impact on health and safety, environment, and the community.

Audits and Assessments (NEM-IMS-S.014) – The purpose of this standard is to systematically and objectively verify conformance with management system requirements, evaluate performance of management processes, audit compliance with legal and other requirements, and produce feedback to improve health, safety, loss prevention, environmental and social performance.

Corrective and Preventative Action (NEM-IMS-S.015) – The purpose of this standard is to correct or prevent management system, process, or performance deficiencies, and implement opportunities, that have been identified and impact the legal/regulatory compliance, risk profile or efficiency/effectiveness of the facility.

Change Management (NEM-IMS-S.016) – The purpose of this standard is to prevent harm to the environment, communities, our people, processes, and property by ensuring that all new or modified projects, processes, materials and equipment are evaluated and controlled before being implemented.

Contractor Selection and Management (NEM-IMS-S.017) – The purpose of this standard is to ensure that contractor and contract personnel comply with relevant Newmont HSLP and ESR policies, standards, procedures and other contract conditions during the execution of their contract of work.

Behavior and Observation (NEM-IMS-S.018) – The purpose of this standard is to identify and reward positive behavior, eliminate sub-standard acts and promote continuous improvement.

Management Review (NEM-IMS-S.019) – The purpose of this standard is to review the ESR and HSLP management systems periodically to ensure they remain effective, widely used; communicated and adding value to the operation.

ENVIRONMENTAL STANDARDS

Eleven Environmental Standards have been developed for systematically identifying, managing, monitoring, tracking, and minimizing risks specific to individual operations.

Hydrocarbon Management (NEM-ENV-S.031) – The purpose of this standard is to set minimum Newmont requirements for the management of hydrocarbons to control occurrences of spills, releases, leaks and uncontrolled overflows such that environmental impacts are avoided or minimized.

Chemical Management (NEM-ENV-S.032) – The purpose of this standard is to set the minimum Newmont requirements for the management of chemicals to prevent spills, releases, leaks, overflows and unplanned chemical reactions such that environmental impacts are managed and minimized.

Cyanide Management (NEM-ENV-S.033) – The purpose of this standard is to set the minimum Newmont requirements for cyanide management to be protective of human health and wildlife and to prevent uncontrolled releases to the environment.

Mercury Management (NEM-ENV-S.034) – The purpose of this standard is to set the minimum Newmont requirements for the management of elemental mercury generated from Newmont facilities to prevent uncontrolled releases to the environment.

Tailing Management (NEM-ENV-S.041) – The purpose of this standard is to set the minimum Newmont requirements for the characterization of tailing, protection of wildlife, protection of groundwater, prevention of uncontrolled releases to the environment, management of process fluids, and closure and reclamation of tailing storage facilities.

Waste Rock Management (NEM-ENV-S.042) – The purpose of this standard is to set the minimum Newmont requirements for the management of waste rock to prevent environmental impacts, promote beneficial post-mining land uses and reduce post mining closure and reclamation liability.

Waste Management (NEM-ENV-S.046) – The purpose of this standard is to set the minimum Newmont requirements for the management of hazardous wastes, non-hazardous wastes and wastewater generated at Newmont sites, such that human health and the environment are protected.

Water Management (NEM-ENV-S.064) – The purpose of this standard is to set the minimum Newmont requirements to manage water at mining facilities including site water balances, stormwater, discharges, and dewatering activities such that human health and the environment are protected.

Air Quality Management (NEM-ENV-S.071) - The purpose of this standard is to set the minimum Newmont requirements to manage point and non-point source air emissions to be protective of human health and the environment.

Closure and Reclamation Planning (NEM-ENV-S.096) - The purpose of this standard is to set the minimum Newmont requirements for closure and reclamation planning and management of long-term liabilities associated with mining sites pursuant to United States Financial Accounting Standards (FAS) Statement Number 143 requirements.

Heap Leach Facilities Management (NEM-ENV-S.121) – The purpose of this standard is to set the minimum Newmont requirements for the characterization of the ore, protection of wildlife, protection of groundwater, prevention of uncontrolled releases to the environment, management of process fluids, and closure and reclamation of heap leach facilities.

COMMUNITY AND EXTERNAL RELATIONS STANDARDS

Fourteen Community and External Relations Standards have been developed for systematically identifying, managing, monitoring, tracking, and minimizing risks specific to individual operations.

Management of Sites with Cultural and/or Religious Significance to Indigenous People (NEM-CER-S.020) – The purpose of this standard is to ensure that each Newmont-managed facility properly respects and adequately protects all sites with cultural or religious significance for indigenous people in the facility’s sphere of influence.

Management of Heritage Sites (NEM-CER-S.021) – The purpose of this standard is to ensure that each Newmont-managed facility takes the necessary steps to properly respect and adequately protect all sites with heritage significance or potential heritage significance within the facility’s sphere of influence. These steps should reduce actual or potential harm to sites by staff and contractors, in accordance with the cultural norms of relevant stakeholders.

Land Access and Acquisition (NEM-CER-S.022) – This purpose of this standard is to ensure the necessary permits, permissions, and land titles are acquired before any exploration, mining, or other related activity commences and that such permission is obtained honoring the principle of prior informed consent.

Local Community Investment (NEM-CER-S.024) – The purpose of this standard is to ensure that each Newmont-managed facility has a strategic program based on a needs analysis for financial and in-kind assistance that delivers sustainable benefits to the local communities.

Indigenous Employment and Business Support (NEM-CER-S.025) – The purpose of this standard is to ensure proactive steps are taken to provide employment and business opportunities to local indigenous stakeholders, thereby ensuring inclusion, wherever possible, in opportunities provided by the facility’s presence. This standard applies in addition to the Local Employment and Business Support standard.

Media Relations (NEM-CER-S.027) – The purpose of this standard is to ensure that Newmont managed facilities effectively and proactively engage with the media at a local level, both in relation to balanced media coverage and in relation to the transparent and responsive communication of issues.

Staff and Contractor Behaviour (NEM-CER-S.029) – The purpose of this standard is to ensure steps are in place to address the impact that employee and contractor behavior can have on the relationships that exist between the facility and the local community and that these steps are driven by local expectations.

Government Relations (NEM-CER-S.031) – The purpose of this standard is to ensure that each Newmont managed facility has a proactive approach to government relations and this is effective for interacting with all relevant levels of government.

Social Impact Assessments (NEM-CER-S.032) – The purpose of this standard is to ensure that social impact assessments are conducted, maintained and used to inform the operation’s risk assessment and external relations strategic planning.

Human Rights Awareness (NEM-CER-S.033) – The purpose of this standard is to ensure that Newmont-managed facilities have processes for raising human rights awareness, including identification of human rights issues and impacts.

Local Employment and Business Support (NEM-CER-S.034) – The purpose of this standard is to ensure that proactive steps are in place to provide employment and business opportunities to local stakeholders thereby ensuring their inclusion, wherever possible, in opportunities because of the facility's presence.

Security Forces Management (NEM-CER-S.035) – The purpose of this standard is to ensure Newmont managed facilities provide safety and security within a framework that conforms to the *Voluntary Principles on Security and Human Rights*.

Closure (NEM-CER-S.036) – The purpose of this standard is to ensure that potential closure and post-closure risks and opportunities are effectively identified and managed throughout the mining life-cycle.

Resettlement and / or Displacement of Peoples (NEM-CER-S.037) – The purpose of this standard is to ensure that resettlement plans developed and implemented by a Newmont operation offset the short and long term adverse cultural and socio-economic impacts, and honour the principles of free prior informed consent, mutual respect, integrity, and transparency. If resettlement is required, Newmont's aim is voluntary resettlement, thus the participation of external stakeholders is of paramount importance, and is used to inform all resettlement decisions and plans. The standard requires amongst others that resettlement shall be: "Compliant with local and national regulations on resettlement, and follow international best practice as defined by the World Bank Group in OD 4.30 and OP 4.12."

HEALTH, SAFETY AND LOSS PREVENTION STANDARDS

Seventeen Health, Safety and Loss Prevention Standards have been developed for systematically identifying, managing, monitoring, tracking, and minimizing risks specific to individual operations.

Occupational Health and Hygiene (NEM-HSLP-S.030) – The purpose of this standard is to anticipate, recognize, evaluate, and control occupational exposures to levels which potentially eliminate occupational disease by minimizing occupational health risk.

Surface Ground Control (NEM-HSLP-S.032) - The purpose of this standard is to ensure that ground control risk is managed continuously at all Newmont surface mining operations through the use of ground control management plans. The implementation of a ground control management plan which utilizes a systematic and common approach will ensure that undesirable losses related to safety, environment, and economic impact are reduced to the lowest level practicable

Underground Ground Control (NEM-HSLP-S.033) - The purpose of this standard is to ensure that ground control risk is managed through systematic ground control programs at all Newmont underground mining operations. An underground ground control management plan utilizing a systematic approach shall ensure that undesirable losses to safety, environment, and economic impact are reduced to the lowest level practicable.

Surface Fire Prevention (NEM-HSLP-S.034) - The purpose of this standard is to control the risk of fire through effective prevention, detection, and emergency preparedness.

Underground Fire Prevention (NEM-HSLP-S.035) - The purpose of this standard is to control the risk of fire in underground operations through effective prevention, detection, and emergency preparedness.

Remote Control Equipment (NEM-HSLP-S.036) - The purpose of this standard is to eliminate / control the risks associated with the use of underground remote control equipment.

Energy Isolation (NEM-HSLP-S.037) – The purpose of this standard is to protect personnel and equipment from the uncontrolled release of energy through the use of effective isolation, lockout, tagging, de-energizing, and testing of systems.

Mobile Equipment (NEM-HSLP-S.038) - The purpose of this standard is to control the hazards associated with mobile equipment in surface and underground mining areas.

Electrical Safety (NEM-HSLP-S.039) - The purpose of this standard is to ensure that electrical hazards are recognized and controlled and that all electrical equipment is maintained and operated safely.

Work Permit Systems (NEM-HSLP-S.040) - The purpose of this standard is to ensure that specific work which could potentially expose personnel to unacceptable safety or health risks is controlled in part through a work permit system.

Machine Guarding and Conveyors (NEM-HSLP-S.041) - The purpose of this standard is to ensure that personnel are protected from unintentional contact with machines and equipment.

Explosives (NEM-HSLP-S.042) – The purpose of this standard is to eliminate / control the risk related to the storage, transportation, handling and use of explosives.

Light Vehicles and Road Safety (NEM-HSLP-S.043) – The purpose of this standard is to ensure that roadways are designed, constructed, and maintained for safe light vehicle use and that light passenger vehicles are operated and maintained in a safe manner.

Working at Heights (NEM-HSLP-S.044) - The purpose of this standard is to ensure that the hazards of working at height from mechanized lifting devices, platforms, fixed structures, and other elevated locations are controlled.

Pressurized Systems (NEM-HSLP-S.045) - The purpose of this standard is to ensure that a safe work environment is provided in the design, installation, handling and commissioning of a pressurized system. The system shall be safely operated and maintained at all times.

Cranes and Lifting Equipment (NEM-HSLP-S.047) – The purpose of this standard is to eliminate or control hazards associated with the use of cranes, man-lifts and lifting gear.

Medical Programs (NEM-HSLP-S.048) – The purpose of this standard is to ensure effective Medical Programs exist to detect pre-existing medical problems that could prevent a person from performing their job properly. To ensure that ongoing medical programs deemed necessary to control potential health problems to the workforce are in place and working.

INDEPENDENT ASSESSMENTS

Independent assessments are conducted regularly at each operation to provide an indication on how effectively the system is being implemented, including third party reviews following the International Council of Mining and Metals (ICMM) Assurance Process requirements. Stringent procedures and scoring criteria ensure a consistent and rigorous approach to the assessments. Use of external, independent assessors provides credibility that enables Newmont to demonstrate our performance to external stakeholders while also providing accurate information to internally identify the strengths and weaknesses of the management system.

COMMUNICATING RESULTS

Internal Communication

Assessment results are documented in reports posted on the Newmont Intranet for access by all employees. A summary of the assessment results from all operations are compiled in a Summary Report which is presented to the Board of Directors and the Environment, Health, and Safety Committee.

External Communication

Assessment results are communicated to the public via Newmont's *Beyond the Mine, The Journey to Sustainability*, distributed to identified external stakeholders and at the Annual General Meeting. The *Beyond the Mine* reports are also available on Newmont's internet website (Newmont.com). The report contains a performance assessment using the Global Reporting Initiative indicators.

In addition, Newmont following each assessment, a Community and External Relations extract report is provided to external stakeholders interviewed during the assessment to ensure follow up.

INTERNATIONAL CYANIDE MANAGEMENT CODE

Newmont is a signatory to the International Cyanide Management Code (ICMC) and would comply with ICMC requirements. The ICMC is a voluntary industry program for companies involved in the manufacture and transport of cyanide and the production of gold. The objective of ICMC is to improve management of cyanide used in gold mining beyond the requirements of governments and regulatory agencies and, thereby, reduce risks to workers, the environment, and communities, and to reduce community concern in relation to cyanide management. The ICMC was developed by a multi-stakeholder Steering Committee under the guidance of United Nations Environmental Program (UNEP) and International Council of Mining and Metals (ICMM). The committee was comprised of participants selected from government, non-government organizations, cyanide producers, labour, financial institutions, and the gold mining industry.

The ICMC covers the lifecycle of cyanide management and defines a series of principles and objectives which cover production of cyanide, transportation, handling and storage, operations, decommission of facilities, worker safety, emergency response, training, and communications with the public. For gold mining operations to be certified as being in compliance with ICMC, they must first be signatories and undergo a third party audit every three years to demonstrate compliance.

Newmont recognizes that to ensure continuity of cyanide supply into the future, the gold mining industry and associated companies, manufacturers, and transporters, must be able to demonstrate responsible management of cyanide. Newmont believes that ICMC provides the necessary framework to publicly demonstrate responsible cyanide management. Newmont is working towards ensuring all of its operations are in compliance with ICMC and is designing future operations to be in compliance. Newmont is also working in partnership with manufacturers and transporters to ensure responsible management of cyanide. The Akyem Gold Mining Project would implement requirements of ICMC once operations are initiated. ICMC has been used to ensure proper considerations are identified and incorporated into design and facility construction.

INTERNATIONAL COUNCIL ON MINING AND METALS

The International Council on Mining and Metals (ICMM) was founded in October 2001 to represent leading international mining and metals companies. Newmont is a founding member.

The Company is also a signatory to the ICMM's Sustainable Development Framework, which flowed from the Global Mining Initiative's 2002 Breaking New Ground report. The principles underlying the Framework are:

- Implement and maintain ethical business practices and sound systems of corporate governance
- Integrate sustainable development considerations within the corporate decision-making process

- Uphold fundamental human rights and respect cultures, customs and values in dealings with employees and others who are affected by mining activities
- Implement risk management strategies based on valid data and sound science
- Seek continual improvement of environmental performance
- Contribute to conservation of biodiversity and integrated approaches to land use planning
- Contribute to the social, economic and institutional development of affected communities
- Implement effective and transparent engagement, communication, and independently verified reporting arrangements with stakeholders

EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE

The Extractive Industries Transparency Initiative (EITI) was launched in September 2002. The objective of this initiative is to increase transparency over revenues in the extractive sector in countries that are heavily dependent on these resources. EITI is grounded in the shared belief that the potential to provide the basis for sustainable economic growth and development. Both Ghana and Newmont are members of EITI.

IFC PERFORMANCE STANDARD FOR SOCIAL AND ENVIRONMENTAL ASSESSMENT AND MANAGEMENT SYSTEMS

The Project has chosen to adopt the applicable International Finance Corporation (IFC) performance standards to manage social and environmental risks and impacts, and to enhance development opportunities. For the purposes of the proposed Akyem Gold Mining Project, two performance standards are applicable:

- **Performance Standard 1 - Social and Environmental Performance Assessment and Management Systems** – underscores the importance of managing social and environmental performance through the life of the project. The objectives are:
 - To identify and assess social and environment impacts, both adverse and beneficial, in the project's area of influence
 - To avoid, or where avoidance is not possible, to minimize, mitigate or compensate for adverse impacts on workers, affected communities, and the environment
 - To ensure that affected communities are appropriately engaged on issues that could potentially affect them
 - To promote improved social and environment performance of companies through the effective use of management systems.
- **Performance Standard 5 – Land Acquisition and Involuntary Resettlement** – applies to the following types of land transaction:
 - Type I: Land rights for a private sector project acquired through expropriation or other compulsory procedures

- Type II: Land rights for a private sector project acquired through negotiated settlements with property owners or through those with legal rights to land, including customary or traditional rights recognized under the laws of the country. This negotiation can be carried out by the private company acquiring the land, or by the agent of the company.

At the proposed Project, the Company will be dealing with Type II land transaction.