



Cripple Creek & Victor Gold Mine

2022 Social Impact Assessment Summary

Report prepared by Acorn International,
LLC and Sympact Advisory

CC&V Overview



Newmont's Cripple Creek and Victor (CC&V) Mine is located in Teller County, Colorado, southwest of Pikes Peak between the towns of Cripple Creek on the eastern side and Victor directly adjacent on the south side. The center of the mine's permit area lies approximately two miles southeast of Cripple Creek and a little over a mile north of Victor.

The Cripple Creek Mining District was mined historically with underground operations until the 1960's. Small-scale surface mining using the heap-leach gold recovery method began in 1971 followed by large-scale surface mining, which grew with the start of production at CC&V's current mining operation, called the Cresson Project. The operations are conducted primarily on privately owned lands, with both the surface and mineral rights held in private ownership.

CC&V's operating permits allow for surface mining of various ore types, including gold and silver. CC&V is the largest gold mine in the state of Colorado and the only remaining large-scale producer of gold in the state. CC&V produced 272,000 gold ounces in 2020 and 220,000 gold ounces in 2021. The majority of the ore is processed in a zero-discharge, valley-type, leach pad to recover gold and silver.

Social Impact Assessment (SIA)



The objective of the Social Impact Assessment is to provide an understanding of the key social and economic risks associated with Newmont's current and future activities, and as a guide for identifying and understanding the effectiveness of mitigation measures and supporting sustainable community outcomes during operations and closure.

Desktop Review

To better understand the evolving dynamic of CC&V and the impact on host communities, Acorn and Sympact reviewed the following:

- 2017 SIA and 2018 Amendment
 - Engagement activity records
 - Social investment documentation
 - Social and environmental management plans
 - Summary of grievances and records
- As well as other related policies and procedures

Social Baseline Study

Research was conducted on the following information:

- Demographics
- Health Profile
- Employment Levels
- Local Governance
- Social Infrastructure
- County/City Taxation Distribution
- Standard of Living
- Identification of vulnerable groups
- Human Rights
- Cultural Heritage

Stakeholder Engagement

More than 45 interviews were conducted with community members, business owners, local government, local nonprofits, and CC&V contractors and employees. Methods of engagement included individual interviews as well as several focus groups.



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Social Baseline Study Results

Demographics



Teller County has experienced steady population growth over the last two decades. The county's population grew by 2.3% between 2010 and 2015, and by 7.0% between 2015 and 2020. Between 2019 and 2020, the last year for which data was available, its population increased by approximately 1.9%, slightly above the state average population growth rate of 1.3%.

Cripple Creek and Victor both have older populations, and the average household size and average family size are lower than state averages.

Community/Region	Victor	Cripple Creek	Woodland Park	Teller County	Fremont County	State of Colorado
Total Population	449	975	7,943	24,981	47,725	5,684,926
Population Growth/Contraction (2019-20)	3.9%	-4.5%	5.1%	1.9%	0.9%	1.3%
Female (%)	42.3%	45.0%	50.9%	49.7%	41.7%	49.7%
Male (%)	57.7%	55.0%	49.1%	50.3%	58.3%	50.3%
Non-binary (%)	N/A	N/A	N/A	N/A	N/A	N/A
Under 18	5.3%	9.0%	20.3%	17.2%	15.8%	22.1%
Age 18-64	75.1%	64.7%	60.9%	61.0%	62.7%	63.7%
Age 65+	19.6%	26.3%	18.6%	21.8%	21.5%	14.2%
Median Age (years)	52.7	53.6	44.4	50.2	45.2	36.9
Total Households	271	503	3,098	10,460	17,449	2,137,402
Average Household Size	1.66	1.83	2.56	2.38	2.11	2.6
Average Family Size	2.14	2.54	2.96	2.85	2.55	3.19
Married Couple Households	28.4%	19.7%	61.4%	55.6%	53.1%	50.0%
Households with one or more people under 18 years	5.5%	12.7%	25.7%	17.4%	22.9%	30.3%

2020 Estimates

<https://data.census.gov/cedsci/>

Employment and Income



As of 2020, approximately 9.2% of the population of Teller County lives below the poverty line, which is lower than the national average of 12.8% and slightly lower than the Colorado average of 9.8%.

There appears to be a correlation between the lower household incomes recorded in Victor and Cripple Creek, and the strong reliance of both cities' economies on tourism and entertainment (including gambling).

Community/ Region	Victor	Cripple Creek	Woodland Park	Teller County	Fremont County	State of Colorado
Labor force participation rate (% of population over age 16)	66.6%	56.8%	63.2%	59.5%	37.9%	68.2%
Total employment	65.6%	55.5%	58.9%	56.9%	35.7%	64.3%
Unemployment rate	1.4	2.4	6.5	3.9	5.5	4.6
Per capita income	30,486	26,119	36,078	35,541	24,703	44,617
Median household income	46,806	31,581	78,445	61,463	52,364	75,231

<https://data.census.gov/cedsci/>

Education

- Teller County K-12 school enrollment rate: 70.2%
 - State of Colorado school enrollment rate: 66.5%
- CC-V RE-1 students: 352 students (21/22 school year)
 - Enrollment declined 6% over the last 5 years
 - Average pupil to teacher ratio is 13:1 at the elementary school level, and 12:1 at the high school level
- Woodland Park RE-2 students: 1,832 (21/22 school year)
 - Enrollment declined 26% over the last 5 years
 - Average pupil to teacher ratio is 12:1 to 14:1 at the elementary school level, and 15:1 at the high school level
- Graduation rates (21/22 school year):
 - RE-1: 57.1% (down from 84.6% the previous year)
 - RE-2: 77.8% (down from 81.7% the previous year)
 - State average: 81.1%



<https://data.census.gov/cedsci/profile?g=0500000US08119>
<https://www.cde.state.co.us/cdereval/pupilcurrent>



Stakeholder Engagement

Identifying Themes

Themes - Communities



2017 SIA

- Local perception of Newmont as helping maintain population levels in Teller County, especially in Cripple Creek and Victor.
- Community awareness of Newmont community investment programs and appreciation of the company's contributions.
- Newmont contributes financially to education services in Teller County through taxation payments and contributions that benefit the school district.
- Perception that Newmont contributes to preserving the area's mining and other cultural heritage.

2022 SIA

- Overall positive view from residents of Cripple Creek and Victor of the impact of the CC&V mine on their communities.
- Perceived lack of engagement with local communities by CC&V employees (particularly GM and community liaison officers), with some residents noting that they only hear from the mine during permitting.
- Concern that the pandemic has inhibited the interaction between the company and communities.
- Ambivalence regarding CC&V's ability to effectively capture community concerns and interests.
- Overall positive perceptions of Newmont's community investments, including contributions to education.
- Some residents of Cripple Creek and Victor felt that their communities were not prioritized, arguing more could be done to support communities closest to the mine.
- Some community members noted the process of applying for and receiving Newmont funds was more rigorous than that of the previous mine owners.
- Some concern of internal and external stakeholders regarding whether CC&V's community investments are strategic, sustainable, and results oriented.
- Concerns regarding schools available in Victor and Cripple Creek were identified by some CC&V employees as influencing their decision to live outside of these cities.
- Public perception that Newmont's contributions to the local public school system assisted in improving the schools.
- Community concern regarding scarcity of locally available childcare options, including daycares and some perception that Newmont could do more to improve availability of childcare.

Themes – Housing, Infrastructure, and Land Use



2017 SIA

- Community perception that rental costs in southern Teller County are driven up by Newmont workers (who have higher average earnings), coupled with perception that the presence of CC&V helps sustain housing prices.
- CC&V mining and processing activities are conducted on privately-owned lands, but some concerns were identified about the closure of a lookout and trail located on mine operation lands (American Eagles lookout and Vindicator Valley trail). Newmont agreed to develop options for alternative viewing areas and trails.
- Objection from the City of Cripple Creek regarding the inclusion of Poverty Gulch as part Amendment 11 expanding Newmont's permit boundary - an agreement was reached, with much of Poverty Gulch remaining outside the project area.

2022 SIA

- Lack of housing is a concern throughout Cripple Creek and Victor, but generally not seen as caused by CC&V as few mine workers live in the towns.
- Perception that population in Cripple Creek has become more transient and due to housing shortage and inflation, staying in temporary accommodations, rather than living in town.
- Difficulties in obtaining housing were identified as a factor influencing where CC&V employees live, with many choosing to live outside of Victor and Cripple Creek, but within Teller County.

Themes – Health and Safety



2017 SIA

- Newmont provides health insurance to employees.
- Perception that Newmont contributes to overall health in the community, including through support of a school health center program, and other health care initiatives in Teller County.

2022 SIA

- An engagement program called SOS ('See it, Own it, Solve it'), which was a collaborative effort across all levels of the organization, is perceived as having improved health and safety within the company by encouraging employees to speak up when they identify potential risks, and to take ownership helping identify solutions.
- General perception that Newmont's Health and Safety programs are more comprehensive than what existed with the prior operator of the mine.
- Employee and community perceptions of the company's handling of COVID-19 were mixed. While some felt that the company had done well, others (including many community members) expressed a concern that the company's vaccination requirement was an overreach.
- Community concerns that the "super seven" schedule could lead to greater fatigue of CC&V employees, and given significant commutes after long shifts, could contribute to road accidents.
- Some concern that the company has difficulty attracting and retaining employees for long because of stress and fatigue.
- Some employees feel that only physical safety is prioritized, and employees' mental health is insufficiently considered.

Themes - Environment



2017 SIA

- General stakeholder perception that Newmont is adequately managing the negative effects of mine operations on recreation and tourism, water resources, and air quality.
- While CC&V is a major user of water, there were no significant concerns raised regarding water quality or access.
- Dominant perception is that CC&V mining and processing activities do not have significant adverse effects on air quality.
- Concern amongst some community members about noise issues, but additional mitigation was not listed as being high in importance.
- No major stakeholder concern regarding wildlife impacts.
- Concerns expressed regarding the visual effects of vegetation removal as CC&V expands its operations and increasing visibility of the mine from Cripple Creek and Victor.
- Concern about sky glow effects in the evenings.
- Concerns about increasing truck traffic as a result of mine operations (addressed in the 2018 Amendment SIA).

2022 SIA

- Concerns regarding blasting from some community members, while others living near the mine were not bothered.
- Community concern regarding viewsheds and the effects of mining expansion that has changed the local landscape.
- Some community concerns regarding dust and air quality impacts of blasting.
- Some community concerns regarding noise emanating from haul trucks' back-up beepers, particularly at night.
- Some community concerns regarding sinkholes caused by historic mine tunnels mistakenly attributed to current CC&V operations.
- Some community concerns that Newmont is not fully transparent regarding its environmental practices.

Themes – Human Rights



2017 SIA

- No potential risks and impacts to human rights were identified.
- No concerns regarding human rights pertaining to CC&V operations were raised through the Complaints and Grievance Mechanism, the Ethics Hotline, or the Site Risk Register.
- No incidents were recorded of suppliers not meeting CC&V's human rights pre-qualifications, or of violations of human rights within CC&V's operations or the operations of its affiliates.
- No human rights issues were raised during Newmont's Human Rights Risk Assessment on the Voluntary Principles on Security and Human Rights for the North American Region.
- Human rights standards at the CC&V site are ensured through the implementation of best practices including risk registrars and complaints and grievance mechanisms that have a human rights risk identification component.
- Human rights training is provided for staff, and human rights contractual conditions and human rights risk screening are included for contractors and suppliers.

2022 SIA

- Concern that the “super seven” schedule has a negative impact on employees and local communities' interaction since employees are perceived as participating less in community events as a result of schedule.
- Perceived negative impact of the “super seven” schedule on employees who have children, since most childcare services do not accommodate that schedule.

Themes – Economy, Employment, and Perceptions



2017 SIA

- Newmont provides important financial contributions to local communities through direct tax revenue to the local government.
- Property taxes paid by Newmont employees and employees of its contractors are perceived to provide financial support for nearly all of the local community services and infrastructure.

2022 SIA

- CC&V is one of the largest private employers in Teller County.
- CC&V is perceived as a good place to work, providing a living wage and benefits, and paying comparatively more than other employers in county, but less than equivalent mining operations in Nevada.
- Newmont contributes financially to Teller County through its payment of taxes and royalties.
- Newmont contributes to local employment through its procurement practices.
- Some concerns regarding local procurement - stakeholders worry about a lack of communication and short transition times when new standards and/or expectations are established for contractors, limiting CC&V's ability to attract or retain local contractors.
- Residents of local communities, including Victor and Cripple Creek, are aware of the company's contributions to the local economy.
- Perception among some community members that, in the past, the mine spent more in local communities and that Newmont's current local spending doesn't reflect the gold price/revenues.
- Perception that mine employees do not contribute to the economies of Victor and Cripple Creek through their purchasing, but to other areas of Teller County.
- Concern that local businesses in Cripple Creek and Victor struggle and perception that more local jobs would help this.

CC&V Employee Focus Groups

When CC&V employees were asked what influenced their decisions to live outside of the surrounding communities, responses included the following:

- Difficulty in obtaining housing
- Concerns regarding quality of education and school resourcing in Cripple Creek & Victor
- Childcare availability





Impact and Mitigation Activities

Impacts and Mitigation



Overall, two impacts came out as having a high negative impact before implementation of the mitigation measures recommended in this SIA, both are related to the mine closure. Continued engagement with stakeholders and capacity-building are key steps to ensuring these impacts are mitigated and minimized. Eight impacts were assessed to have a medium impact on CC&V's communities, ranging from community health and safety, to economic and environmental related impacts, and one was ranked as having a low impact.

CC&V also has a number of positive impacts on its community, mainly related to direct and indirect contributions, including the positive impacts its tax contributions have had on the education programs.

Two of the main mitigation measures that were repeatedly mentioned by stakeholders during the site visit include continuing to encourage and support local procurement opportunities, and continuing to regularly engage with stakeholders, in particular with regards to mine closure plans and environmental impacts.

Closure



Predicted Impact

- Closure causes a sudden decrease in tax revenues that could impact local municipal and social services.
- Closure is a key source of concern and angst, as some community members are unaware of mine life and closure plans.

Proposed and Ongoing Mitigation

- Continue open and transparent conversations on closure plans.
- Continue developing and socializing the endowment fund and the legacy fund.



Predicted Severity: **High**
Likelihood: Certain

Communities



Predicted Impacts

- Lack of locally residing CC&V workers contribute to the feeling of a transient community.
- CC&V is perceived as less visible and engaged in the community and more difficult to connect with.

Proposed and Ongoing Mitigations

- Increase CC&V's visible participation in the community life and events in the area of impact.
- Continue undertaking stakeholder engagement.
- Encourage community engagement with the CC&V management team.



Predicted Severity: **Medium**
Likelihood: Certain

Environment



Predicted Impact

- Noticeable blasting (dust and vibrations) occurs near Cripple Creek and Victor and is disruptive to community members.
- Blasting impacts are exacerbated for residents unaware of the blasting schedule.
- Noise related to CC&V operations disturb the communities' way of life.
- Proposed and Ongoing Mitigations
 - Continue informing community members of blasting schedule.
 - Continue to share open and transparent information on air quality, dust and vibration measures and results.



Predicted Severity: **Medium**
Likelihood: Likely

Environment



Predicted Impact

- Changes to viewshed as mine expands causes community concerns around tourism and enjoyment of nature.

Proposed and Ongoing Mitigation

- Continue to share information about timelines on the viewshed, to better manage expectations of changes that the community will see.



Predicted Severity: **Low**
Likelihood: Likely

Economy

Predicted Impact

- Number of direct and indirect CC&V supported jobs decreased (2020-2021).
- Lack of locally residing CC&V workers minimizes money circulating in the local economy.
- CC&V's procurement process and related communications have made it more difficult for local contractors to bid.

Proposed and Ongoing Mitigation

- Continue to include local content information in community engagements.
- Prioritize local hiring where possible.
- Continue to prioritize local procurement where possible as outlined in CC&V's Local Procurement Plan to meet local supplier spend public target of \$86M in 2023.



Predicted Severity: **Medium**
Likelihood: Certain

Positive Impacts



Impact	Explanation of Ranking
Generation of new jobs during operation, with an opportunity for increased local employment.	Long-term high-level benefit that has the potential to affect individuals and the community more broadly. However, on-going operations are unlikely to add many more jobs.
Local school districts and educational programs are improved thanks to CC&V contributions.	High positive severity as contributions make tangible difference.
CC&V contributions to COVID-19 related initiatives helped minimize adverse impacts of COVID-19 on communities and community organizations.	High positive severity as the contributions made by CC&V during the COVID-19 pandemic made tangible differences in the community.
Community priorities are advanced thanks to CC&V contributions.	High positive severity as contributions make tangible difference (\$463,000 in 2021 alone).
Preserving cultural mining heritage in Cripple Creek and Victor.	High severity as the mining heritage has been shown to be important to the cultural identify of Cripple Creek and Victor.
CC&V provides millions in direct and indirect economic contributions, in the form of wages, procurement, and taxes.	In 2021, the CC&V's overall economic value added across Colorado stood at \$75.4 million.
CC&V contributes directly to local economy through water purchase.	CC&V annually procures >\$1 million in raw water from the city of Victor (\$1.5 million in 2020).
CC&V directly employs hundreds of workers (391 people in 2021).	While very few jobs are still being created, this provides stable and good-paying job for community members.



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