

Government of Indonesia and PT Newmont Minahasa Raya Sign Goodwill Agreement on Post-Mining Scientific Monitoring and Sustainable Development in North Sulawesi

February 16, 2006 The Government of the Republic of Indonesia and PT Newmont Minahasa Raya (PTNMR) jointly announce they have signed a goodwill agreement regarding post-mining scientific monitoring and sustainable development initiatives in North Sulawesi.

The agreement centers around two key elements, providing extended and new community development programs and long-term assurance of a safe and healthy environment to the communities of North Sulawesi. In doing so, the Government and PTNMR reconfirm their commitment to work together to improve the lives of the people of North Sulawesi. This agreement will be implemented through additions and extensions to the existing approved post-closure community development and environmental monitoring programs.

Aburizal Bakrie, Coordinating Minister for the People's Welfare, said: "With this agreement, we have put the people first, demonstrated our commitment to proper care of the environment and to sustainable development. We believe this reiterates that our joint commitment to responsible mining is more than just words. Newmont has undertaken extensive community development and environmental programs over the life of the mine. In moving forward together, our priorities are the welfare of the communities around the mine and the long-term health and safety of the environment."

Robert Gallagher, Newmont's Vice President for Australia and Indonesia Operations, said: "Our commitment to being good stewards of the environment remains as strong as ever. Together, we believe this goodwill agreement helps resolve this matter in a way that is beneficial to the communities where we operate mine and helps assure them of a healthy environment. We expect this ten-year monitoring program will support several recent scientific studies and our continuous mine monitoring, which already have shown no environmental impact on Buyat Bay and no health issues related to our activities. With today's announcement we reaffirm our long-term presence and investment in Indonesia, our commitment to the community where we operate, and look forward to a productive partnership for years to come."

Funding for the program extensions and additions will be provided by PTNMR, which has pledged 30 million US dollars over a ten-year period to cover the cost of the programs. Environmental monitoring reports will be issued annually to provide assurance to the community that the environment will remain healthy and safe. Furthermore, PTNMR has agreed to collaborate with the Government and local communities to develop the programs' specifics and to provide resources to assist in implementation.

The funds will be managed by a soon-to-be-created foundation with multiple stakeholders from the national and local governments, the community and the company. Accountability and transparency of the fund will be ensured through yearly reports available to the public. The program extensions will be funded with an initial investment of 12 million US dollars, with the balance paid annually in 3 million US dollar installments during the period 2010 - 2015.