



PT NEWMONT
MINAHASA RAYA

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MENARA RAJAWALI 26TH FLOOR
JL. MEGA KUNINGAN LOT # 5.1, KAWASAN MEGA KUNINGAN
JAKARTA 12950 - INDONESIA
Phone No. (62-21) 576-1444 Fax No. (62-21) 576-1464

Press Release

PT NMR HAS PROPER PERMIT FOR ITS TAILING PLACEMENT & WATER QUALITY IN BUYAT RIVER IS NOT EFFECTED BY MINING OPERATIONS: EXPERTS

(Manado, 30 June 2006). The criminal trial proceeding against PT Newmont Minahasa Raya (PTNMR) was resumed today in Manado with testimonies from both legal and environmental experts. The court heard testimonies attesting to PT Newmont Minahasa Raya's full compliance to existing legal and environmental regulations in Indonesia.

Prof. Safri Nugraha, an expert on state administration law from University of Indonesia's Faculty of Law, testified that in their operations PT NMR has met Indonesia's legal regulations. In his testimony Prof. Safri noted that, "BAPEDAL's letter (B-1456/BAPEDAL/07/2000) granted PT NMR the formal and material authorization to place tailing into Buyat Bay." Prof. Safri Nugraha is also a member of the Legal Expert Team with the Ministry of Justice and Human Rights.

In summary, Prof. Safri Nugraha's testimony concluded that by law, the letter signed by Sonny Keraf (Number B-1456 dated July 11, 2000) is a PERMIT, and that the permit is not TEMPORARY in nature and is APPLICABLE throughout the operations of PT NMR. As such, PT NMR's tailing placement is legal and proper under Indonesian law.

The second witness, Dr. Ir. Rudy Sayoga Gautama represented Bandung Institute of Technology (ITB)'s research institute (LPPM-ITB) and Faculty of Engineering, University of Gajah Mada. A joint team from ITB and UGM conducted research in the Buyat area in April-August 2005. Research of the hydrogeology system in areas surrounding PT NMR's operations and concluded that there is no contamination of the ground water as result of the mining activities. The level of mercury and arsenic in the Buyat River is well below limit as mandated by law (PP 81/2001 Class II). Traces of arsenic found in rocks in the Buyat River were not a result of PT NMR's operations.

In his testimony, Dr. Rudy Gautama elucidated that "Chemical analysis of the water shows no indication of adverse effects to the quality of ground water in Buyat village from NMR's mining operations. Analysis of the flow of ground water from Buyat village towards the Buyat River further strengthens this conclusion."

Dr. Rudy's expert testimony clearly challenges the prosecutor's allegation that sludge from PT NMR's sediment pond has degraded the water quality of Buyat River. Research findings in 24 points along the Buyat River were consistent with the findings from other credible institutions such as the World Health Organizations (WHO).

In response to today's testimony, Mr. Richard B. Ness, President Director of NMR said, "Coming from experts from Indonesia's most prestigious institutions, today's testimonies

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Or kindly contact Rubi W. Purnomo, Public Relations Manager Newmont

Telp: 0815 183 7203 or rubi.purnomo@newmont.com



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once again underlined something that we Newmont Minahasa Raya knew all along – that there is no harm done to the environment where we operated in. NMR has been consistent in ensuring its compliance to Indonesian mining and environmental regulations.” In addition, Mr. Ness also stated, "the finding by Dr. Ir. Rudy S. Gautama and his team is similar to the finding taken by the Ministry of the Environment and Police, including where the location of sample was taken is from the same location."

NOTE:

The two expert/fact witnesses in today's trial are:

- **Prof. Dr. Safri Nugraha, SH, LLM** – Senior Lecturer, Faculty of Law, Universitas Indonesia, 1999 - present.
- **Dr. Ir. Rudy Sayoga Gautama** – Full time lecturer, Faculty of Earth Sciences and Mineral Technology, Bandung Institute of Technology (ITB).