

## **Robert Gallagher statements during the signing of the goodwill agreement between Newmont and the Indonesian Government:**

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

### Main Points

The party's first priorities are the welfare of the communities in the vicinity of the Mesel Mine and the long-term health and safety of the environment.

### Scientific Environmental Monitoring Program

-Both parties agree to carry out an environmental monitoring program for ten years to ensure that there are no negative impacts from mining operations.

-The Goodwill Agreement stipulates that an independent scientific panel will be established within 60 days from today.

-The Government and PTNMR will each appoint three scientists as members of the Scientific Panel.

-The monitoring program, to be designed by the Scientific Panel, will be under coordination of the Ministry of Research and Technology.

-The Scientific Panel will report the results of its data analysis and study results annually to the public.

-If the Scientific Panel determines that a negative environmental impact occurred, the Panel must notify the Government and PTNMR. If both parties reach a mutual agreement or if an arbitration decision orders rehabilitation action, PTNMR would be bound to implement those actions.

### Sustainable Development Initiatives

-The Government and PTNMR remain committed to leaving a post-mine closure legacy that creates improved living conditions for the communities around the mine.

-To achieve this goal, programs to improve health, education and infrastructure will be implemented through a foundation or legal entity to be created within 90 days of signing this agreement.

-The Management of the Foundation will be jointly determined by the National and Regional Governments and PTNMR.

-The Foundation will control the funds provided by PTNMR and provide audited and publicly available annual reports.

-Programs funded under this program will emphasize those areas adjacent to the mine operations area.

## Program Financing

- Within ten days of the Goodwill Agreement's signing, PTNMR will transfer US\$12 million to an escrow account for the initial funding required for the monitoring and community programs.
- Within 10 days of signing this Goodwill Agreement and on receipt of proof of the transfer of the funds to the escrow account, the Government will withdraw the appeal of the civil suit.
- After the appeal against the ruling in South Jakarta District Court is withdrawn by the Government and after the Foundation has been established, an escrow agent will transfer these funds to the newly formed Foundation.
- From the 5th through the 10th years after the signing date of the Goodwill Agreement, PTNMR will transfer a sum of US\$3 million annually to the account of the Foundation, bringing the total to US\$30 million.

## Other Provisions

- Newmont issued a corporate guarantee to ensure that the programs in the Goodwill Agreement are fully funded and to ensure the implementation of a decision if the scientific panel monitoring results require any action.
- The Goodwill Agreement does not have any provisions related to the Government's criminal case currently being heard in Manado District Court.
- Although PTNMR maintains that its operations did not cause environmental pollution, both parties recognize that other parties have expressed different views.  
(By Newmont)