Newmont Overview

Newmont Mining Corporation

- Founded in 1921
- Publically traded on the NYSE since 1940
- Market Cap = $13B

- 2015E gold production = ~4.6 - ~4.9M ounces

~27,000 Total Workforce
- ~13,000 Full-Time / ~14,000 Contractor

Operations
- Carlin
- Leeville
- Midas
- Phoenix
- Twin Creeks
- Emigrant
- Phoenix Cu Leach

Projects
- Turf Vent Shaft
- Long Canyon
- Cripple Creek & Victor
- Yanacocha
- Conga (on hold)
- Merian
- Ahafo Mill Expansion
- Akyem
- Subika UG
- Yanacocha
- Batu Hijau
- Tanami
- Jundee
- Waihi
- KCGM
- Tanami Expansion
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March 2023
Newmont Mining Corporation
Gold Mining & Economic Value to Host Countries

Key Discussion Points

- Host countries and off-shore businesses receive immediate value from a typical mining project investment
  - Majority of value remains in the host-country or is paid to off-shore businesses providing goods/services not available in the host country
- Mining company receives delayed value after risk of the exploration and development investments are recovered
- Literature on the economic contribution of mining to host countries typically focus on royalty rates and taxes that governments levy on mineral extraction as the primary benefit source
- Value distributed by mining companies through other means (supply chain expenditures, employment, training, etc.) represent the largest value
- Governments and regulators who seek to maximize benefits received from mining investment should consider all of the various mechanisms by which value is generated and not just focus on traditional ‘macro economic’ value drivers

Life Cycle of a Typical Mine

Typical Mine Cash Flow Distribution (Development & Operational Phases)

Value Distribution from Gold Mining

Gold Price history (2005 – Present)
Ghana gold miners revenue breakdown – investment, costs and profits typically follow gold prices

Avg. Company Profits = ~10% of Revenue

Source: Steward Redqueen, ICMM Report, "Mining in Ghana – What future can we expect?", July 2015; includes results and projections for 7 operating companies in Ghana
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Conclusions

• Typical residual economic value of a gold mining operation after paying for onshore/offshore goods and services approaches only 15% - 20% of the value created which is shared roughly 60% to government and 40% to investing companies.

• Holistic benefits of mining create, stimulate and nurture local/national economies via employment, human capacity and training, development investment, local purchases of goods/services, and support programs in addition to taxes and royalties.

• The business impact of increased taxes and/or royalties can result in:
  • Decreased mining reserves
  • Reduced exploration expenditures
  • Shortening of Mine Life
  • Premature job loss
  • Reduced mineral investment

• Time requirements and capital intensity of mining requires stable investment and legislative environments (uncertainty reduces the incentive to invest).

• Holistic social and economic benefits provided by mining investment cannot be the responsibility of companies alone (Partnership Is Key).
In-country recipients of the value distributed by global gold miners

In-Country Distribution of by Gold Mining Firms

- Payments to suppliers and employees account for ~70% of the total economic value distributed
- Payments to governments (taxes, royalties, other) = 14%

Average Composition of Direct Payments to Governments

- Income and corporate tax = ~60% of government payments
- Royalties account for only 15%

Employment, Human Capital and Social Investment

• Globally, gold mining companies directly employed ~1M people in 2013
• An additional 3M people are employed via supply chain/procurement activities

Distribution of employee training hours/year

- Majority of training is technically related (~30 hours/year)
- Skills are typically transferable to other industries

Example distribution of community investment

Gold Mining Company – “All-In Costs”

Industry “All-In Costs” = Production costs + exploration + corporate overhead + taxes + royalties + interest on debt + sustaining capital + development capital + dividends

Source: Scotia, Gold Quarterly Review, July 2015