

**A brief overview of community concerns at Newmont operations and investments in
Peru, Ghana, Indonesia, the United States, and Romania
April 2007**

In Peru:

Newmont's Yanacocha mine in Cajamarca, Peru (Latin America's largest gold mine) was again the site of major community protests in 2006. In early August, residents of the community of Combayo began protests to demand that the mine hire more local people. The protests were violently broken up by FORZA, a private security company hired by Yanacocha. A local peasant, Isidro Llanos Canvar, was shot and killed during the clash between protestors and security forces. The protests later evolved into opposition to Yanacocha's plans to expand the mine's Carachugo pit, which local residents believe will negatively impact local water supplies. On August 28, protestors blocked a main road leading to the mine, forcing it to suspend operation for three days. The company stated that the shutdown cost it \$1.8 million per day in losses. The Peruvian government intervened to broker a deal between protestors and the mine.

In November, Father Marco Arana, head of the Cajamarca environmental group GRUFIDES, found himself under video surveillance by an individual who was later found by police to have ties to FORZA, Yanacocha's security company. Both FORZA and Yanacocha deny any involvement in the surveillance. At the same time, Arana and GRUFIDES colleague Mirtha Vasquez received anonymous death threats. In response to these threats, on November 22 Amnesty International issued an urgent action stating that "their lives, and those of others associated with GRUFIDES, may be in danger." Also in November, environmentalist Edmundo Becerra Corina, was shot dead in Yanacanchilla. He had reportedly received several death threats because of his opposition to mine expansion. The attack took place days before he was due to meet with representatives from the Ministry of Energy and Mines.

In Ghana:

The Ahafo mine, Newmont's first project in Ghana, started producing gold in July 2006. The mine is located in a farming region northwest of the country's capital, Accra and entails significant displacement and rural impacts. The Ahafo gold mine has physically and economically displaced 10,000 people in its first phase alone, and will displace another 10,000 people when its operations are extended to tap additional ore to the north. The company itself recognizes that the region where the mine is located is Ghana's "breadbasket" and supplies about 30 percent of the nation's food. 97 percent of the people affected by the project identified agriculture as their primary livelihood activity, and the displaced people are mostly poor subsistence farmers. There is widespread concern among groups monitoring the project about the long-term impact of displacement on livelihood restoration. A key question is whether affected farmers will gain access to replacement farmlands.

Meanwhile, construction of the Akyem mine in the Ajenjua Bepo Forest Reserve has been suspended. The company has been unable to secure a permit from the Ghana Environmental Protection Agency yet because of concerns about the mine's long-term

environmental and public safety impact. The EPA has asked Newmont to reconsider key aspects, such as the size and depth of the proposed pit, the height of the waste rock pile, and the post-mining reclamation plan. Much of Ghana's forests have been heavily deforested during the last 40 years. As a forest reserve, Ajenua Bepo has special status, and Ghana's leading environmental groups argue that these forest reserves should remain off-limits to mining. They also point to the diversity of species that the Ajenjua Bepo Forest Reserve supports, in particular the 83 species of birds. A number of threatened and endangered species are also found in Ajenjua Bepo, including the Pohle's fruit bat, Zenkers's fruit bat, and Pel's flying squirrel. Opponents of the mine also point out that allowing Akyem to go forward could set the precedent for other mines to follow suit. Mining companies have identified at least five other forest reserves for mining development.

In Indonesia:

Indonesia is the only country where Newmont uses a controversial practice of dumping mine waste directly into the ocean. Between 1996 and 2004, the company employed this waste disposal practice – known as submarine tailings disposal -- at the now-closed Minahasa Raya gold mine in North Sulawesi, dumping more than 4 million tons of waste directly into Buyat Bay. Citing environmental contamination, declining fish catch, and human health impacts, 66 families of the Buyat Bay fishing village relocated in June 2005 to another coastal village to resume their traditional livelihood as fishermen. Although dumping toxic waste into water bodies is effectively banned in the United States and Canada, Newmont continues to dump mine waste into the ocean at its Batu Hijau copper and gold mine, which is located on Sumbawa Island. Batu Hijau dumps 120,000 tons of tailings daily into Senunu Bay -- roughly 60 times more than what was dumped daily into Buyat Bay.

The Buyat Bay case and the ocean dumping practice have been the subject of national and international controversy. A criminal case brought by the Indonesian government against Newmont's Indonesia unit, PT Newmont Minahasa Raya, and its head Richard Ness has been ongoing since 2005. A verdict is expected on April 24th. In March 2007, WALHI, Indonesia's largest environmental group, filed a civil suit against PT Newmont Minahasa Raya over negligence in the dumping of mine waste into the ocean. WALHI is also suing the Indonesian Department of Energy and Mineral Resources and the Indonesian Environment Ministry as the bodies responsible for overseeing and regulating mining and environmentally hazardous activities, respectively.

In the United States:

In Nevada, Newmont operates several mines on the traditional lands of the Western Shoshone – with neither their consent, nor compensation from the mining company or the US government to the Shoshone for past and present gold extraction. The Western Shoshone have a strong cultural and spiritual connection to the land, water, and air. Mining impacts such as scarring of the landscape, pollution, and groundwater depletion directly threaten the Western Shoshone's traditional way of life. The Western Shoshone maintain that the US government recognized their land rights in the 1863 Treaty of Ruby Valley, which allowed settlers to mine as it was understood in 1863 but also recognized

the Shoshone as landowners, entitled to royalties for the extractive activities. But no royalties have ever been paid.

The Western Shoshone have pursued various legal means to protect their land from mining, including taking their case to international human rights bodies, which have called on the United States government to respect Western Shoshone rights. The US government, however, ignores these rights, instead claiming Shoshone lands for the federal government and allowing them to be used for activities such as gold mining under the antiquated 1872 Mining Law. Because Newmont is mining on disputed lands, the Western Shoshone argue that Newmont is party to their human rights violations. They want the company to establish a formal policy regarding their concerns, including disputed land, fair compensation, and the right to free, prior, and informed consent for any new mining and expansion projects.

In Romania:

Newmont began its investment in Gabriel Resources, a small Canadian mining company with no previous mining experience, in August 2004 and currently holds a 19 percent stake in the company. Gabriel Resources wants to develop a gold mine on top of the historic town of Rosia Montana in Romania. If constructed, Rosia Montana would become Europe's largest gold mine and transform the Rosia Montana valley into four open-pit mines, and the neighboring Corna valley into a tailings dam to hold the mine's toxic waste. Both valleys are densely inhabited, and the project would require 2,000 people to move out of their homes and also lead to the destruction of churches, cemeteries, farm lands, and unique cultural and archaeological treasures in the area.

From the outset the venture has been beleaguered by scandals, operational problems, and vehement local, national and international opposition. Newmont's investment, which has boosted Gabriel Resources financially, has led local families to question why Newmont wants to be linked to such a highly controversial and risky project. Within Romania, Rosia Montana has become an issue of national significance. A January 2007 opinion poll conducted by a Deputy Chamber of the Romanian parliament found that over 96 percent of Romanians voted against the mine proposal. The widespread opinion is that the political decision-making about the project is riddled with corruption. Gabriel Resources has not even received its environmental permit yet, but the company uses Newmont's position as an investor to claim "a vote of confidence."

NOTE: This backgrounder was prepared in association with the April 23rd, 2007 joint press release, "[Groups Urge Newmont to Address Shareholder and Community Concerns](#)" issued by Alburnus Maior (Romania), EARTHWORKS (U.S.), FIAN-Ghana, GRUFIDES (Peru), JATAM (Indonesia), Oxfam America (U.S.), WACAM (Ghana), WALHI (Indonesia), Western Shoshone Defense Project (Newe Sogobia/Nevada, U.S.)