

**NEWMONT GHANA GOLD LTD.
AHAFO SOUTH PROJECT**

**EXTERNAL/INDEPENDENT SOCIAL,
ENVIRONMENTAL, HEALTH, AND SAFETY
COMPLIANCE MONITORING**

GENERAL TERMS OF REFERENCE

APRIL 2006

BACKGROUND

Newmont Ghana Gold Ltd. (NGGL) is developing gold reserves at the Ahafo Project in the Brong Ahafo Region of Ghana, West Africa. The Ahafo Project is located along a mineralized zone (Ahafo Project area) that extends approximately 70 kilometers (km) in the central portion of Ghana.

The Ahafo Project is a gold mining and milling operation with a current expected mine-life of 15 years. Construction of the Ahafo Project initiated during the first quarter of 2005 and mine operations start-up is expected in early third quarter 2006. Newmont is seeking financial assistance from the International Finance Corporation (IFC) to continue development of the Project. In addition, Newmont seeks to apply IFC social and environmental safeguards and control requirements to the design, construction, operation, and closure of the Ahafo South Project.

IFC involvement and financing require both substantial pre-finance project due diligence and post-finance project assurance related to the various social, environmental, and Health and Safety IFC Safeguard Policies relevant to the project.

The following General Terms of Reference (TOR) have been developed to identify the key focus areas for External/Independent Social, Environmental, and Health and Safety compliance monitoring, schedules and reporting requirements.

EXTERNAL/INDEPENDENT COMPLIANCE MONITORING GUIDANCE

NGGL has committed to external/independent social, environmental, and health and safety compliance monitoring in order to provide an additional level of transparency to the implementation of social, environmental and health & safety management programs.

The specific IFC Safeguard Policies and standards which form the basis for external/independent compliance monitoring are summarized below and are also presented in the Environmental and Social Impact Assessment which was disclosed on August 29, 2005. Specific IFC Safeguard Policies are described in detail on the IFC Website <http://www.ifc.org/ifcext/enviro.nsf/Content/Safeguardpolicies>. In addition, NGGL has committed to external/independent compliance monitoring of social, environmental and health and safety compliance and performance as described below.

Commitments for monitoring the Resettlement Action Plan (RAP) and other social aspects are contained in the disclosed documents (RAP, Environmental and Social Impact Assessment (ESIA), and the Public Consultation and Disclosure Plan (PCDP). This document expands on the framework established in these documents in terms of monitoring implementation with concrete steps to move forward and definition of resources needed for external monitoring.

OD 4.30 – Involuntary Resettlement: This OP is applied around the world by public and private investors to govern involuntary resettlement associated with natural resource development, and sets the benchmark against which projects are gauged by international financial institutions, both private and multi-lateral. OP 4.30 is internationally acknowledged as one of the most comprehensive and efficient set of international standards with respect to the protection of the rights of affected people. This policy sets out objectives to be met and procedures to be followed for carrying-out baseline studies, impact analyses, and mitigation plans when affected people must move or lose part or all of their livelihoods.

OP 4.37 – Safety of Dams (September 1999 draft): IFC requires that dams be designed and constructed by experienced and competent professionals. For dams that are over 15 meters high, and dams between 10 and 15 meters that present special design complexities, IFC requires reviews by a panel of independent experts, preparation of detailed plans, and periodic safety inspections. The policy covers mine tailing dams as well as water storage dams.

Open Pit Mining/Milling (1995): The open pit mining and milling guidelines describe requirements for tailing disposal, liquid effluent discharge, and air pollution control (including workplace air quality compliance). In addition, other general requirements are included for erosion and sediment control, development of a mine reclamation plan, sewage sludge and solid waste disposal management, workplace noise, confined space, hazardous material handling and storage, sanitation, worker safety, employee training, and record-keeping and reporting.

World Bank Environment, Health and Safety Guidelines (1995): These guidelines for mining and milling at open pit mines include information for tailings disposal, liquid effluents, ambient and workplace air quality, erosion and sediment control, mine reclamation, sewage sludge disposal, solid waste disposal, workplace noise, work in confined spaces, hazardous material handling and storage, general health and safety, training, and record keeping and reporting.

Disclosure Policy (1998): IFC is open about its activities and welcomes input from affected communities, interested members of the public, and business partners and will seek out opportunities to explain its work to the widest possible audience. This policy was developed in recognition of the importance of accountability and transparency in the development process.

General Environmental Guidelines (1998): For financed projects in which no other specific environmental guidelines have been developed, general environmental guidelines may be used. These guidelines emphasize pollution prevention, and are intended to minimize resource consumption, including energy use, and to eliminate or reduce pollutants at the source. General Environmental Guidelines include requirements for air emissions, liquid effluents, hazardous chemicals and wastes, solid wastes, and ambient noise.

Hazardous Materials Management Guidelines (2001): Requirements of this guideline include screening to determine characteristics and threshold quantities for hazardous materials, development of a Hazardous Materials Management Program, and community involvement and awareness.

IFC Environmental Guidelines for Occupational Health and Safety (2001): This guideline covers general aspects of occupational health and safety and would be supplemented, as needed, with the appropriate national or international standards. Under this guideline, an Occupational Health and Safety Management System are required. Such a system would require provisions for ensuring an organizational framework to support the occupational health and safety program, a hazard prevention program, performance monitoring, and evaluation.

EXTERNAL/INDEPENDENT COMPLIANCE MONITORING APPROACH

The overall approach to external/independent compliance monitoring is to improve social, environmental, and health and safety performance and management. The external process will be implemented primarily to achieve the following.

- Identify areas and degrees of compliance or non-compliance with the IFC's Safeguard Policies and Guidelines listed above and the project's commitment to culturally appropriate informed consultation.
- Provide practical guidance and advice to the projects' internal field teams on how to solve any problems identified. To identify areas and degrees of compliance or non-compliance with the applicable IFC Policies & guidelines as presented above.
- Identify specific issues and/or conduct follow-up and closure of issues identified in previous compliance monitoring visits.

The external independent compliance monitoring will be conducted by international social, environmental and health and safety experts as discussed in the section titled "Consultant Selection." Should it prove necessary to replace these experts, suitable replacements will be agreed upon between NGGL and IFC. The compliance monitoring schedule will allow for multiple visits each year (see attached schedule) through the end of calendar year 2008. At that point in time, a determination will be made by NGGL and IFC, based on recommendations from the external monitors, whether to continue multi-year visits or to revert to annual external reports for the project's lifetime. The following presents the general areas to be assessed on a regular basis.

NGGL will develop and manage a detailed internal monitoring system related to social, environmental and health and safety performance. The monitoring systems along with the key indicators, reporting, and corrective action management systems will serve as a critical external/independent compliance monitoring information resource. External assessors may advise NGGL from time to time regarding recommended internal monitoring system changes in order to continuously improve internal monitoring data applicability and utility for managing social, environmental and health and safety risks.

Social Focus Areas

- Resettlement Action Plan implementation and performance.
- Broad community consultation presented in the Public Consultation and Disclosure Plan (PCDP).
- Broad community development.
- Influx management in surrounding communities.
- Grievance system management and effectiveness.

- IFC Social policies and guidance.
- Social Action Plan (SAP from the ESIA).

Environmental Focus Areas

- Environmental management system performance.
- Environmental compliance (Ghanaian and International Standards as presented in ESIA).
- IFC Environmental Safeguard Policies.
- Facility review.
- Associated facility review.
- Onsite/Off-site Biodiversity Management Plan performance (as appropriate).
- Environmental Action Plan (EAP from the ESIA).

Health and Safety Focus Areas

- Health and Safety management system performance.
- Health and Safety compliance (Ghanaian and International Standards as presented in ESIA).
- IFC Health and Safety Safeguard Policies.
- Facility review.
- Hazardous Material and Transportation management.

EXTERNAL/INDEPENDENT COMPLIANCE MONITORING SCHEDULE

An indicative schedule for compliance monitoring reviews and report delivery is summarized in the following Table. It is also recognized that additional compliance monitoring may be conducted relative to site specific conditions which warrant external review and may be requested by either the IFC or NGGL.

Schedule of External/Independent Social, Environmental, Health, and Safety Compliance Monitoring

Monitoring Event	Review Period	Report Issued	Discipline Area			Reports to be publicly Disclosed on Company Website
			Social (Note 1)	Environmental (Note 2)	Health and Safety (Note 2)	
External/Independent Compliance Monitoring	12/ 2005	1/2006	X			X
External/Independent Compliance Monitoring	3/2006	4/2006	X			X
External/Independent Compliance Monitoring	6/2006	7/2006	X	x	x	X
External/Independent Compliance Monitoring	9/2006	10/2006	X			X
External/Independent Compliance Monitoring	12/ 2006	1/ 2007	X	x	x	X
External/Independent Compliance Monitoring	3/ 2007	4/2007	X			X
External/Independent Compliance Monitoring	6/ 2007	7/2007	X	x	x	X
External/Independent Compliance Monitoring	9/2007	10/2007	X			X
Completion Compliance Monitoring (Note 3)	1/1/ 2007	1/2008	X	x	x	X
External/Independent Compliance Monitoring	6/2008	7/2008	X			X
External/Independent Compliance Monitoring	1/1/2009	1/2010	X	x	x	X

Note 1: Review schedule will be conducted on a quarterly frequency until the completion compliance monitoring at which time the review reverts to bi-annual if mutually agreed by IFC and NGGL.

Note 2: Review schedule will be conducted on a bi-annual frequency until the completion compliance monitoring at which time the review reverts to annual if mutually agreed by IFC and NGGL.

Note 3: Specific TOR's will be developed for the RAP completion audit , tentatively scheduled for year-end 2008, but this date will be reviewed by mid-2007 with external consultants, IFC and NGGL to determine if that date is feasible for completion in some or all of the areas. Completion audit dates will be readjusted as appropriate. [please note that a formal RAP completion audit is required - and end of 2008 is probably more realistic for this. Other longer term community development and consultation issues would continue through the life of the project. The Social Completion Compliance monitoring will focus on the RAP implementation (via a specific RAP Audit) and SAP commitments that can be adjusted at that time for monitoring, as relevant, throughout the life of the project. The Environmental and Health and Safety Completion Compliance monitoring will focus on the EAP commitments.

REPORTING

Based on the results on the compliance monitoring visits, NGGL is required to produce an Annual Social, Environmental, and Health and Safety Monitoring Report, known as the AMR, or an equivalent consisting of a compilation of the more frequent quarterly or semi-annual reports, for the IFC. An independent consultant engaged by NGGL and acceptable to the IFC (who may or may not be the same consultants undertaking the compliance monitoring) must prepare this report, based on these Terms of Reference, which have been agreed between NGGL and the IFC.

Reports must be presented to the IFC as indicated below relative to reporting frequency. In the case of an annual frequency, reports must be provided to the IFC within 90 days of the end of the NGGL Fiscal Year.

Reporting Process

The expected time requirement for the external compliance monitor will be 10 days in the field per monitoring report. Thus, on the social side, 10 days will be needed in the field and a maximum of 10 days for report preparation for the RAP report and for the report covering broader community development and public consultation and relations issues. The independent completion audit of the RAP, which will entail a more extensive review, would likely require 30 days for field visit and report writing.

Initial Brief Summary: A two-page summary report (bullet points) or presentation will be provided by the consultants to IFC/NGGL at the completion of the field visits to highlight key aspects of the compliance monitoring. The initial reports should contain an executive summary along with the key issues/activities conducted during the reporting period.

Final Draft Report: A draft final report in electronic form should be submitted to the IFC and NGGL generally within 15 days of completing field work activities. This report should include an activity log, a summary of the outcome of key meetings held, progress achieved on addressing issued previously identified and specific recommendations as to how outstanding and/or problematic issues could be addressed and a corrective action schedule. The compliance monitoring will clearly identify any corrective action needed to bring the issues in compliance with relevant laws and regulations, appropriate safeguard policies, existing commitments or best practice guidelines. If there are any issues of non-compliance, describe the severity of non-compliance. In addition to identifying the action, the assessor will estimate the complexity of the required action and the time required for it to be implemented.

IFC and NGGL will review the draft final report in a timely fashion and discuss any comments with the consultant who will then prepare the final report. Comments from both IFC/NGGL should be submitted to the report preparer within 15 working days of draft final report submittal.

In some instances environmental sampling may occur in support of compliance monitoring activities. In those cases, analytical results will not likely be available or

included in the final draft report rather presented in the Final Report following review and discussion with NGGL.

Final Report: A final report will be prepared upon receipt and review of the comments from both the IFC and NGGL. The final report will be publicly disclosed.

Report Disclosure

The final report will be disclosed on both the IFC and NGGL web sites. In addition, copies of the report will be available in the local district offices and the NGGL Public Outreach office for public review.

CONSULTANT SELECTION

NGGL will evaluate and select appropriate external consultants to conduct the compliance monitoring. The IFC will participate in and review the selection process and must be in agreement with the selected consultant(s). Both NGGL and the IFC may submit consultant recommendations to be considered as external/independent consultants.

The selected consultants must demonstrate specific skills (social, environmental and health and safety), experience and externality to be considered. NGGL may select consultants from several companies or unaffiliated to provide appropriate review capacity or may select one consultant who has the capacity to conduct all review requirements. This process must also be satisfactory to IFC.

External/Independent consultants may be replaced as required and with consensus and approval of both the IFC and NGGL. Either NGGL or the IFC may suggest consultant substitution; however, any consultant changes must be acknowledged and accepted in writing by both the IFC and NGGL prior to changing.