



Newmont Goldcorp responds to “allegations of negative impacts on communities surrounding the Peñasquito mine in Zacatecas, Mexico”

October 29, 2019

Newmont Goldcorp appreciates the opportunity to respond to the media reports referenced above regarding allegations of environmental and human health impact associated with the Peñasquito mine located in the Municipality of Mazapil, Zacatecas-Mexico. We respect, value and welcome stakeholder feedback regarding our performance and take those concerns seriously. Understanding the interests and concerns of our stakeholders is critical to building successful long-term relationships with neighboring communities that host our mining operations.

Background

The Peñasquito operation recently has been subjected to illegal blockade activities organized by a local trucking contractor (CAVA) and certain leaders of the Cedros community who have economic interests in CAVA. Recent illegal blockades started in March 2019 and were initially lifted in June 2019 when Newmont Peñasquito voluntarily entered into a dialogue process sponsored and managed by the Mexican Government under the leadership of the Ministry of the Interior. The dialogue process successfully negotiated and resolved 14 of 19 issues brought by the leaders of CAVA/Cedros. Issues agreed upon included ongoing operation of potable water treatment plants constructed and operated by the company, water production wells, agricultural production wells, and numerous community investment projects. However, illegal blockades resumed in August and again in October when the company denied the request for significant financial payments to individual CAVA/Cedros leaders.

The company recently received public support from both State and Federal Mexican government authorities to maintain access to and from the mine. A recent press conference by the [Governor of the State of Zacatecas](#) summarized the activities that continue to occur and some of the concerns expressed by the government regarding numerous, ongoing illegal activities.

Impact Management

Several studies were endorsed by a local politician during 2017/18 allegedly looked into the environment and human health. The reports concluded there was some water contamination and health impacts. The last study completed was related to “health effects in Cedros Ejido members due to lead concentrations in blood.” An independent reporter from [Zacatecas](#) conducted an investigation into the report. The reporter found that the clinic that conducted the analysis did not have equipment capable of analyzing samples nor the expertise to conduct such studies. The referenced reports contain a number of inaccurate statements based on these

studies which clearly lack scientific rigor, utilized inappropriate analytical instruments and drew false conclusions and statements.

The Peñasquito mine is regularly audited by Federal and State government regulatory agencies and is fully compliant with naturally occurring background conditions and Mexican regulations. The mining operation is certified under the International Cyanide Management Code and complies with the Voluntary Principle on Security and Human Rights.

During 2016, the company supported the establishment of an independent, third party participatory water monitoring program with the aim of ensuring water quality. Community members receive technical training and participate in the sampling process and samples are analyzed by an independent laboratory and shared with the participating communities and regulatory authorities on a quarterly basis.

Summary

The Peñasquito operation will continue to maintain transparent engagement with local communities and encourage participatory monitoring of any impacts. This approach has earned the company the support of 24 of the 25 nearby communities. Similarly, the company is committed to supporting and participating in good-faith dialogue processes to resolve issues with members of the Cedros community.

Peñasquito has enhanced water availability for the mine's 25 neighboring communities through a number of projects including water treatment plants, new wells, pipelines and water trucks, along with 90 other infrastructure and community development projects. This includes installing and operating a Reverse Osmosis water treatment plant in the Cedros community in 2018 with a capacity of 600,000 liters of drinking water per day.

In the specific case of the Cedros community, the company constructed a state-of-the-art medical unit that provides services to the entire community of Cedros and other nearby communities. The company has also conducted medical brigades in the community with the participation of the National Mexican Institute of Social Security and the Secretary of Health of the State of Zacatecas. These brigades include: dental care, glucose detection, hypertension detection and treatment, exams for cervical-uterine and breast cancer, vaccinations and eye exams.

Newmont Goldcorp Peñasquito is working closely with the Federal and State governments toward a sustainable, long-term solution and will continue to participate in the government sponsored dialogue to resolve outstanding issues.