

Economic Impact Report: Newmont – Merian Mine, Suriname

2017 Contributions

November 2018



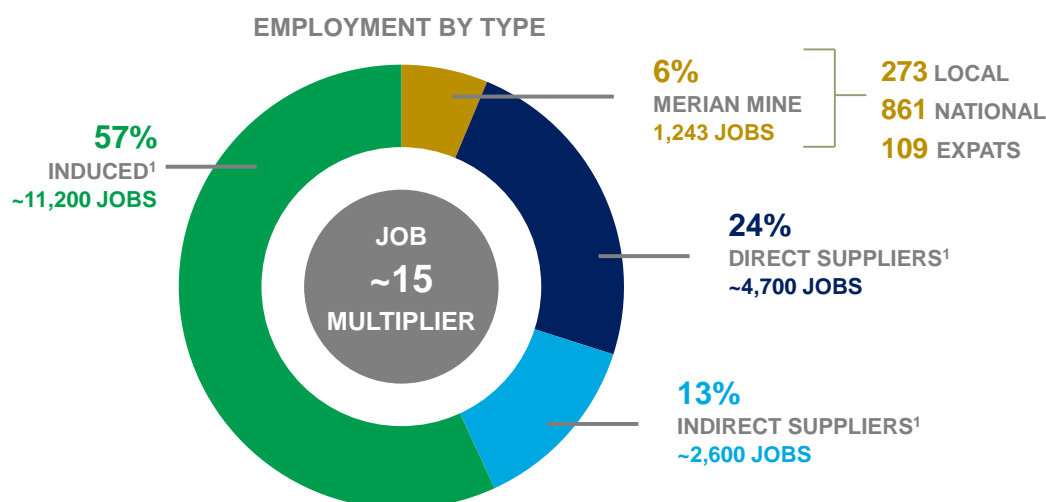
The Merian gold mine is located ~150 kilometers (~95 miles) southeast Paramaribo, the capital city of Suriname. Merian is owned by Newmont Suriname LLC (75%) and 25% by Staatsolie (a wholly owned company by the Republic of Suriname). Commercial production at Merian began in October 2016 and **the mine produced nearly 510,000 gold ounces in 2017.**

KEY FACTS

- In 2017, Merian supported nearly **19,800 direct, indirect and induced jobs** in Suriname (over **9% of the national labor force**)
- Throughout Suriname, **over \$180M** was generated in economic value add (~**5.3% of the country's overall GDP**)
- Merian and suppliers to the mine **paid nearly \$83M** in taxes and royalties (**over 12% of total Government Receipts**)
- Merian generated over **\$643M in revenues, with over \$209M spent in Suriname**, primarily on local goods and services

EMPLOYMENT

Merian supported nearly 19,800 jobs in Suriname in 2017, including nearly 1,250 people (or 6%) directly employed at the mine. **Each Merian employee indirectly supports ~15 additional jobs** throughout Suriname through supply chain activities and re-spending of salaries.



¹ "Direct" suppliers include contractors & suppliers directly contracted by the mines; "Indirect" include contractors & suppliers subcontracted through direct suppliers; "Induced" includes employment resulting from the re-spending of wages by Merian direct and supplier employees.

KEY FACTS

- Throughout Suriname, Merian supported ~19,800 direct, indirect and induced jobs in 2017 (**over 9% of the national labor force**)
- The vast majority of all direct Merian employees are either from local areas or other regions in Suriname
- In 2017, nearly 22% are local, with nearly 70% non-local Surinamese and less than 9% are expat employees

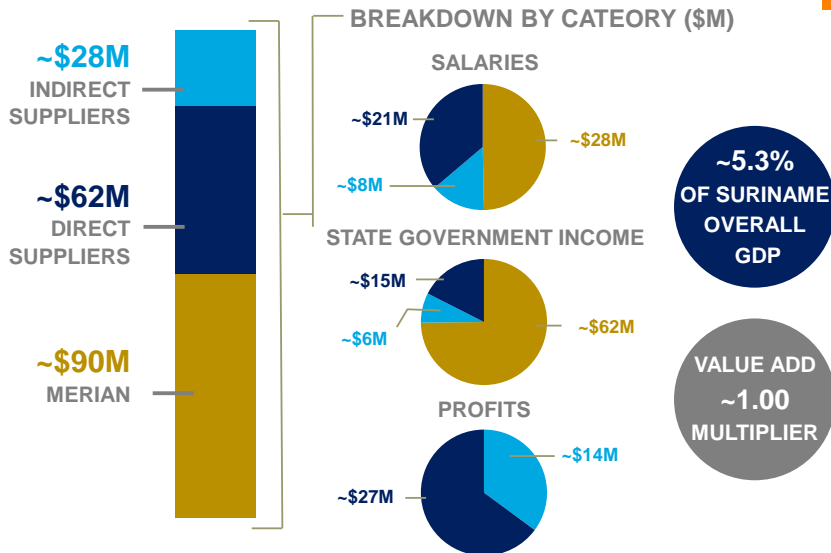
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VALUE-ADD

ECONOMIC VALUE ADD (TOTAL ~\$180M)²



KEY FACTS

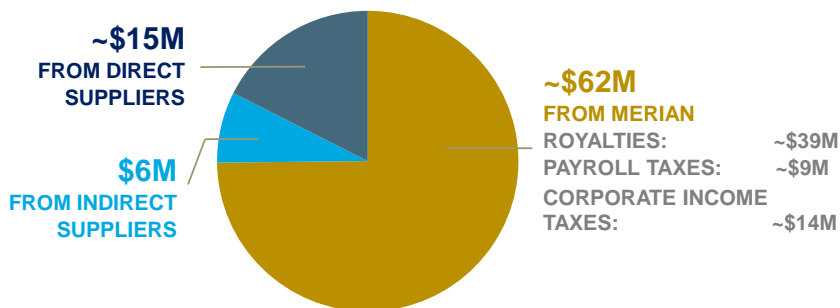
During 2017:

- Merian generated over **\$180M in economic value add**, representing **~5.3% of Suriname's overall GDP**
- Merian directly contributed over **\$90M** through salaries and payments to the national government
- Suppliers to the mine provided another **~\$90M in economic value add** in Suriname through salaries and taxes paid and in profits
- For each \$1 generated in economic value by the mine an added \$1 is provided via the supply chain

² Economic value-add is the value generated through gold mining and supplier activities at the Merian mining operations toward Suriname's overall economy. It is calculated as the sum of payments to labor (wages and benefits), to governments (taxes, royalties and profit sharing) and through profits realized by on-shore suppliers (and supplier's suppliers) to the mine.

PAYMENTS TO GOVERNMENTS

NATIONAL GOVERNMENT PAYMENTS (~\$83M)



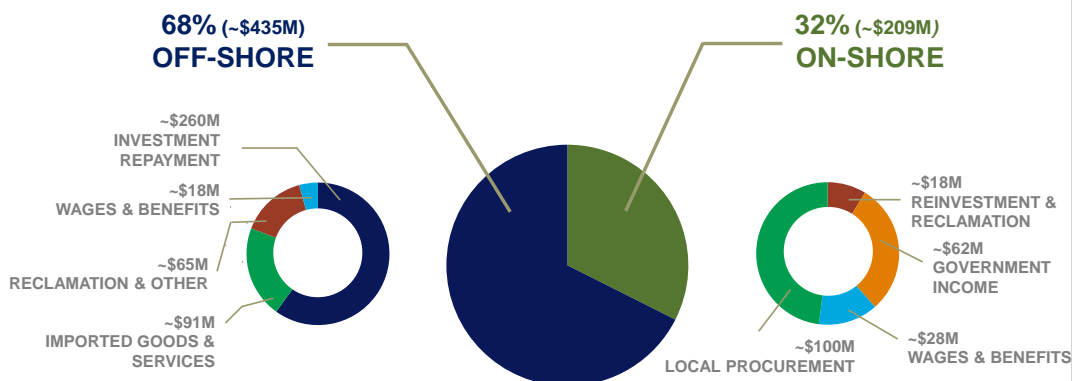
KEY FACTS

During 2017:

- Merian and suppliers to the mine paid nearly **\$83M in taxes and royalties** to the National government (**over 12% of Total Government Receipts and nearly 21% received from the Mining Sector**)³
- Direct payment from the mines include **~\$39M in royalties, ~\$9M in payroll and ~\$14M in income taxes**
- Royalties received** from Merian represent **nearly 56% of government total**³

³ 2017 statistics per the Suriname Ministry of Finance Table of Public Finances 2017. The Mining sector includes receipts from oil bauxite, crushed stone and gold operations.

REVENUE BREAKDOWN (% OF TOTAL)



KEY FACTS

During 2017:

Of the over **\$643M in revenues** generated by Merian:

- Over 32% of the total (~\$209M) was spent in Suriname**, primarily on procurement (over \$100M) and in taxes and royalties paid (~\$62M)
- 68% was paid off-shore**, primarily to repay the initial investment to build the mine (~\$260M)