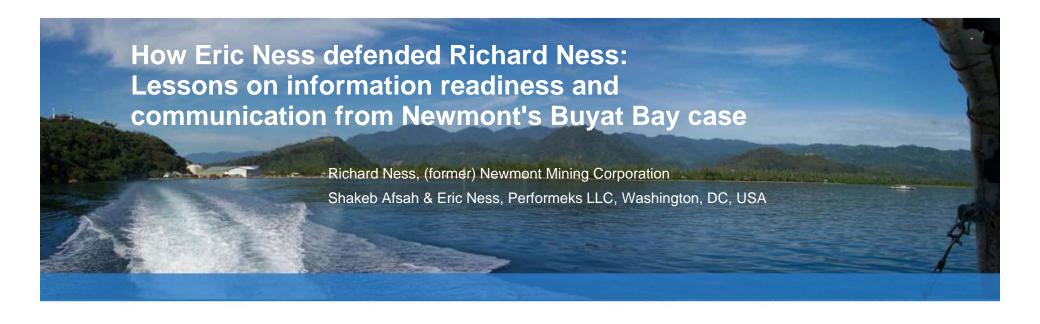
Slides revised on 1-May-08; Please discard earlier version





Presented at the 2008 Annual Conference of Prospectors and Developers Association of Canada (PDAC-2008)
3-March-2008, Toronto, Canada



Presenters



- Richard Ness Mining Executive Protagonist
- Eric Ness Blog and Web Communication Expert
- Shakeb Afsah Expert Witness and Quantitative Analysis Specialist



About this Case Study



This case study applies to those operational mining companies that have made solid commitment to environmental compliance and have verifiable data-based evidence to prove their environmental performance and commitment. Such mining companies can still be challenged by citizen groups because of the very nature of the mining business. This case study presents a rather extreme case of NGO campaign that even defied the findings of various scientific studies by the government, World Health Organization and Australia's Commonwealth for Scientific and Industrial Research Organization (CSIRO). It targeted an individual and was prepared to send him to jail for fifteen years, even if it meant using false and deceptive data. Ultimately it took more than two years for Newmont and Richard Ness to be cleared of all charges and accusations. For scientific facts and data to ultimately succeed, it required a very complex form of information readiness and communication. This presentation discusses the information strategy that applied blogging, targeted communication and continual presentation and explanation of scientific and technical information in an easy to understand format. The strategy presented in this case study is not applicable to those mining sites that haven't got their environmental, health and safety issues in order.



Presentation Outline



- Origin of Newmont-Buyat Bay Controversy in Indonesia
- Web Strategy to Combat Misinformation
- Lessons Learnt on Information Readiness for Mining Companies



First allegations of pollution - Manado Post, 1995 Except... The mine did not start operations until 1996



Dituduh Buang Limbah, PT NMR Diadukan 32 KK ke L

Manado, MP.-PT NMR, perusahaan yang bergerak dipertambangan emas, diguncang protes 22 kepala keluarga warga Desa Buyat, Q kepala keluarga warga Desa Buyat, Kycamatan/Kotabunan, Kabupaten Bolaang Mongondow, Mereka mengaku dirugikan akibat limbah PT NMR sejak dua tahun lalu, bahkan kini mereka terancam digusur, Selain menggugat PT NMR, warga juga melakukan hal yang sama terhadap PT Centralindo Panca Sakti (PT CPS), salah satu perusahaan penggergajian kayu dari pemegang HPH. Karena akibat ulah PT CPS, setiap kali hujan, tempat pemukiman

11th August 1995, 🖟

nener setiap harinya. Untung-untungan kalau sekali dalam sebulan ada di antara kami yang bisa menjaring sebanyak 100 nener." ungkap Rudy. Rudy yang saat itu didampingi salah seorang warga laimnya, Budi — juga bukan nama sebenarnya, menjelaskan, sebelum mengadukan masalahini pada L B H Manado. mengadukan masalah ini pada LBH Manado, warga sebenarnya sudah menempul, upaya musyawarah dengan pihak perusahaan. "Sayang, penguduan kami tidak "Sayang, penguduan kami tidak belum ada masalah yang ditimbulkan akibat pengoperasian dan pembuangan limbah pabrik ini," katanya dengan mada kesal. Selain warea bans menancuna kerusa.

Selain warga harus menanggung keru-Selain warga harus menanggung keru-kerangan pangkan penukiman mereka menurut Budi, tempat pemukiman mereka pun terancam bahaya banjir akibat penebangan yang dilakukan PT CPS. "Ketika kepala desa memaksa kami untuk

Tanah LBH Manado. Franky Wongkar SH. berjanji akan melakukan penelitian SH. berjanji akan melakukan penelitian mana dampak pengolahan tailing.

"Dari hasil penelitian tersebut nantinya, dapat diketahui secara pasti bahan pencemaran atau material apa yang masuk ke dalam laut dan menggangu keseimber dalam laut dan menggangu keseimse dalam laut dan menggangu keseimse Sekretaris Eksekutif Forda Walhi Sulut, Suwiryo Ismail. Menarut da, tak benar tailing tidak beracum, Karenatailing, meskimerupakan hancuran basulut da, tak benar tailing tidak beracum, Karenatailing, meskimerupakan pencemaran bila di buang ke laut

buang ke laut atau sungai. sungai. Sebab, konsen-

PT NMR ini, sebenarnya sudah mengundang protes para aktivis lingkungan di daerah ini. "Bagaiman tidak, pada saat pembahasan Amdal PT NMR yang telah dilaksanakan Oktobertahun lalu di Manado dilaksanakan Oktober tahun lalu di Manado Beach Hotel, Walhi sempat bersitegang dengan pihak penyelenggara pembahasan, ingkapnya, Alasan Hendin, "sebab, terkesan sata, pertemuan tersebut, Walhi tak diberi kesempatan untuk berbicara, bahkan Walhi pun tak diberikan draft rencana Arndal PT NMR." (ind)

Pipeline not even installed yet

Alleged for Waste Disposal, PT NMR is sued by 32 families to LBH Manado, MP.

PT NMR, a gold mining company, was protested by 32 families of Buyat village, Kotabunan, Bolaang Mongondow. They claimed to suffer from loss due to PT NMR waste since two years ago, even they are now threatened for removal.

..... "We used to catch approximately 10,000 nener per day, yet, since the tailings are disposed to the sea, we no longer catch it every day. We are lucky if in a month one of us is able to catch 100 nener," said Rudy.

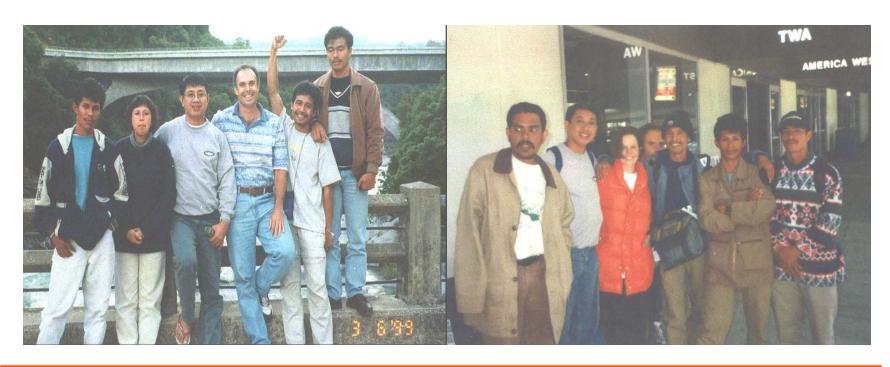
...The report was seriously responded by Executive Secretary of Walhi Sulut, Suwiryo Ismail. He said tailings is toxic, despite it is waste of natural rock, it makes pollution when it enter the sea or river for its concentration and characteristics have changed after physical treatment process.

Operations Started 23 March 1996



1999 "local fishermen" and Walhi - Jatam travel to USA



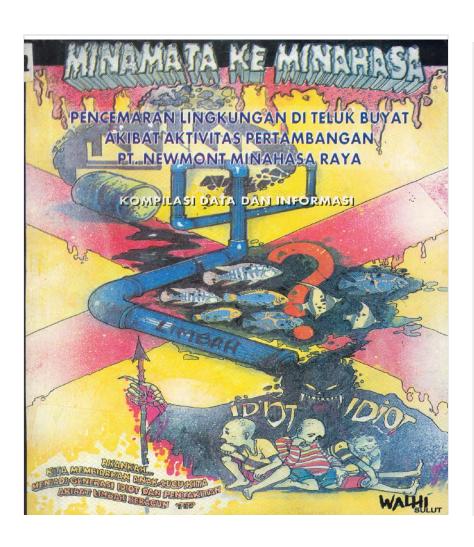


"to receive training on how to conduct anti-mining campaigns in Berkley, CA"



In 2001 Walhi - Jatam publishes a book "Minamata to Minahasa"





- Book attacks the use of Submarine Tailings
 Placement Technology
- Compares Buyat Bay to the Minamata Bay mercury pollution incident of the 50's
- To be used for WSSD and WBG Extractive Industries Review campaigns.





Background information shows that this case is the product of a well orchestrated campaign of NGO's in collusion with certain regulators

funded by local politicians who successfully escalated the controversy to the national stage during a sensitive political period before the election.



Initial Media Onslaught











More Allegations





Rignolda Djamaludin, Sinar Harapan, 21 July 2004

And then:

A series of sensational allegations that PT NMR's operations caused the spread of mercury contamination, Minamata disease, death of Baby Andini and area residents.

"It is advisable for Newmont to first examine the fact that there are already four adults and two babies that died as a result of mercury contamination originating from the river and Buyat Bay which serve as the final disposal place for Newmont's tailings"



Criminal charges filed against PT NMR & Minister of Health





KEJAHATAN PELANGGARAN) YANG DITERIMA LAIN-LAIN

" PRO JUSTITIA "

LAPORAN - POLISI No. Pol. : LP/2/2 /VII/2004/SIAGA-

YANG MELAPORKAN:

Dr. IANE M. PANGEMANAN.M.Kcs, Jenis kelamin perempuan, Tempat tanggal lahir Ujung Pandang 7 Juni 1951, Kewarganegaraan Indonesia, Agama Kristen, Pekerjaan Dosen Fak Kedokteran Unsrat, alamat Jl. Langsat Lingk III No. 10 Kel. Tikala Baru, Kec. Tikala Kodya Manado Sulut. ----

PERISTIWA YANG DILAFORKAN

- 1. Waktu Kejadian
- 2. Tempat Kejadian
- 3. Apa yang terjadi
- 4. Siapa pelaku
- Bagaimana terjadi
- 6. Dilaporkan pada

Sojak th 1996 s/d 2004 -----

Desa Buyat. Kec. Rata Totok Minahasa Selatan dan atau PT. New Mont Minahasa Raya, Menara Rajawali Jl. Mega Kuningan Lt. 26 Kawasan Mega Kuningan Jaksel.-----Tindak Bidana Kanasa lalajawa dan sengaja membiarkan sonngga kesehatan masyarakat terganggu.-

- 1. PT. NEW MONT MINAHASA RAYA (Lidik).
- DEPARTEMEN KESEHATAN RI (Lidik).cinokat kejadjan ----

Hari Selasa tanggal 20 Juli 2004.

TINDAK PIDANA APA

Tindak Pidana Karena laiainya dan sengaja membiarkan sehingga kesehalan masyarakat terganggu sebagaimana dimaksud dalam pasal 359 dan 361 KUHP to pasal 8 dan 9 UU NO. 23/92 ng Kesebatan.

NAMA DAN ALAMAT SAKSI-SAKSI:

- 1. RASID, pck. Nelayan, alamat Ds. Pantai Buyat Dusun V Minahasa Selatan.
- MASNAH, pek. Ibu Rumah Tangga alamat sda ---





Mabes Polri 20 Juli 2004





The New York Times



The New Hork Times Spurred by Illness, Indonesians Lash Out at US Mining Giant

Jane Perlez and Evelyn Rusli

New York Times

September 8, 2004



Jailed for 32 days







Buyat Case: Benchmark for promotion



Penjarakan Ness, Jaksa Promosi

Janji Jampidum Kejagung

Umum) Prasetyo SH kepada

luruh warga Sulut mendukung dakwaan jaksa dalam kasus ini. Menurutnya, tuntutanterhadapPTNMR tidak MANADO-Jampidum akan menurunkan investor (Jaksa Agung Muda Pidana yang masuk ke Indonesia ataupun Sulut, sebaliknya

menangani kasus ini dengan sukses," janji Prasetyo yang didengar langsung kajati Sulut Nelson Edward Worotikan SH.

Disisi lain, Jampidum mengaku, bahwa PT NMR

Prosecutor Promotion

Promise by Deputy Attorney General for General Criminal Prosecutions (Jampidum) of the Attorney General Office

MANADO – Deputy Attorney General for General Criminal Prosecutions (Jampidum), Prasetyo, SH., confirmed to the journalists on Thursday (12/8) that the attorney general office is convinced that the indictment on mercury-andarsenic-polluted.....

Amazingly, Prasetyo said that if the public prosecutor team for the Buyat case, including Head of North Sulawesi Provincial Prosecutor Office, Nelson Edward Worotikan, SH., who leads the case handling, is successful, Attorney General Office will pay attention to the achievement of these select prosecutors. "We will surely appreciate them if they are successful in handling the case," Prasetyo promised whilst Head of North Sulawesi Provincial Prosecutor Office, Nelson Edward Worotikan, SH., was listening beside him.



Criminal trial for alleged pollution starts in August 2005



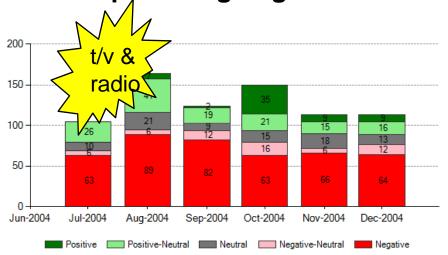


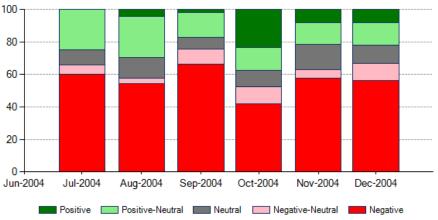


Analysis: Print, TV & Radio's compounding effect



The story is also featured on the tv news and radio broadcast resulting in a compounding negative effect.





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Sensationalism of a story

- Is covered on page one in multiple publications
- Story continues to be featured and expanded upon for several days
- Editorials further expand interest

Sensationalism expands coverage

- Sensationalism expands media coverage from print media to television and radio.
- In the case of Buyat, the story was featured front page and was the lead tv and radio news story for days on end.



Analysis: Initial Negative Coverage

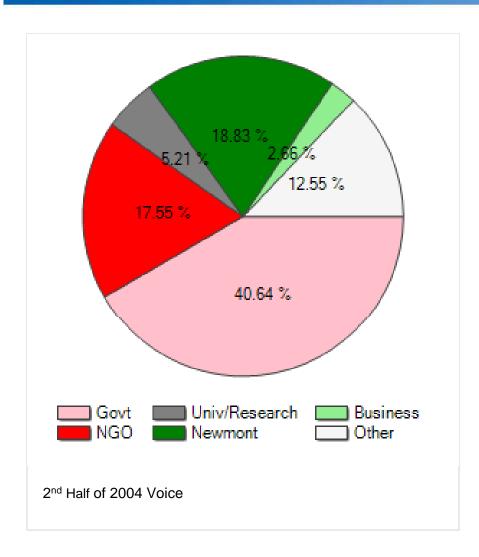


- Initial negative coverage irreversible effect, no resources for response.
- Once multiple media outlets featured the story in a negative light, fiction became fact, perception became reality and investigative journalism fell by the wayside.
- Editors were hesitant and slow to react as the true facts relating to the story came to the surface.
- Politicians jumped on the bandwagon and used the issue as a platform to further their individual popularity; this was especially true during the national election campaign period.



Analysis: Voice





- Voice analysis of first phase shows extremely low company voice representation, and indicates leading newspapers had very good access to government and politicians on the campaign trail.
- Pre-existing level of the understanding of the issues is a requirement.
- If not, press and others require education.



Analysis: Four favorable events





 The World Health Organization determines that the Buyat villagers were not exposed to any heavy metal contamination.



 Australia's Commonwealth Scientific and Industrial Research Organization finds no evidence of any heavy metal contamination in the waters of Buyat Bay with all the fish population low in heavy metals.



Analysis: Four favorable events (cont.)





 Indonesia's own Ministry of Environment finds that Buyat Bay water is pristine, with the fish low in metals and safe for consumption.

universitas SamRatulangi

• Indonesia's leading university in marine sciences and health confirms the findings that waters, coral and aquatic life were not impacted by heavy metals or mine tailings, and that the health of the community was not impacted and is similar to that of other costal communities.





Misinformation:

Facts, while interesting were totally irrelevant and gained limited news coverage!

... Misinformation ruled the day!



Misinformation: Samples, Samples



Police Investigation Samples

Field Sample Collection

24

water samples collected in field

Police Laboratory

34

water samples analyzed by police

Someone tampered

+10

samples were added in shipment



Misinformation: Indonesian Police Laboratory



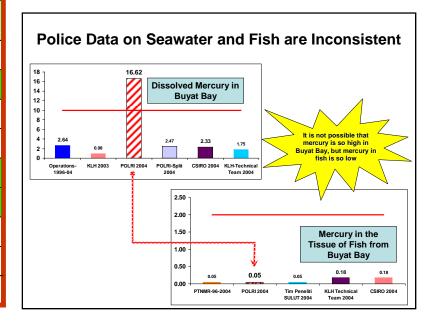


= CLEAN



Study	SeaWater		Fish		Human		
Standard/ Guideline	Hg 1 ug/L	As 12 ug/L	Hg 0.5 mg/kg	Inorganic Arsenic 2 mg/kg	Hg-Blood 50 ug/g	As-Blood 100 ug/g	Hg- Hair 50 ug/g
1. KLH 03	ND	0.975	0.05				
2. POLRI 04	4.89	16.62	0.007	0.04	6.329	6.026	1.097
3. POLRI (SPLIT- ALS)	ND	2.47					
4.UNSRAT	ND	2.52	0.117	0.053			
5.WHO	ND		0.243				3.071
6. DEPKES					13.14		4.006
7. CSIRO	ND	2.33	0.103	0.0176			
8. KLH 04	ND	1.51	0.169	0.176			
9. ALS 06	ND	1.33					

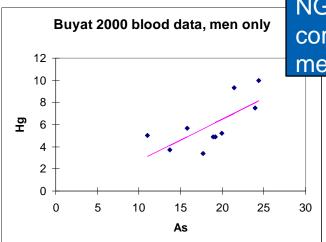
Fish are 40 X below guidelines ??



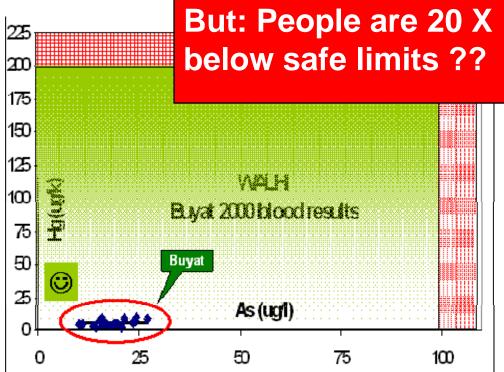


Misinformation: Indonesian NGO's

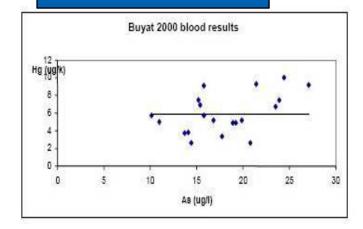




NGO's show a correlation of metals in blood



But... No Correlation !!





Misinformation: Tech Team Report [Hazard Index Calculations]





A family of four eats 5.1 TONS OF FISH MEAT PER YEAR ??? The correct amount would be less than 0.2 tons!!

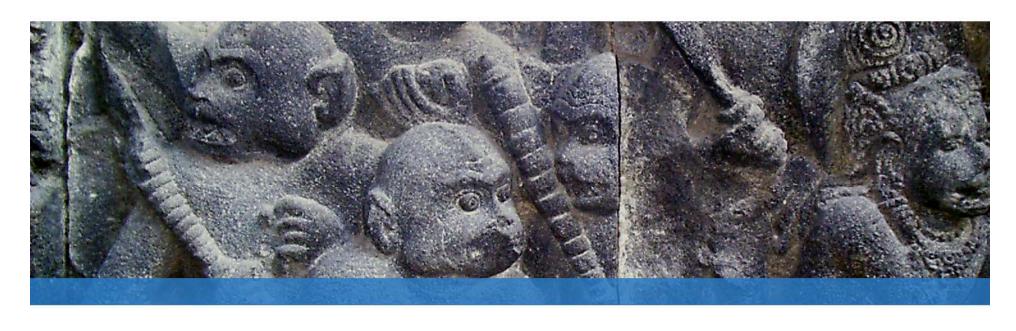


The Verdict



- On 24-April-2007 the court ruled in favor of Newmont and Richard Ness.
- All charges were dropped
- The court also ruled that the data presented by NGOs and the Police were incorrect
- The court upheld the scientific conclusions of the World Health Organizations and CSIRO-Australia.





Richardness.org: An innovative communications strategy



Media Recognition of Blog



FINANCIAL REVIEW

Australian Financial Review, August 9, 2006

Throughout the trial, Newmont has undertaken a well orchestrated and somewhat innovative publicity campaign that includes a very professional website (richardness.org) run by Ness's son Eric.

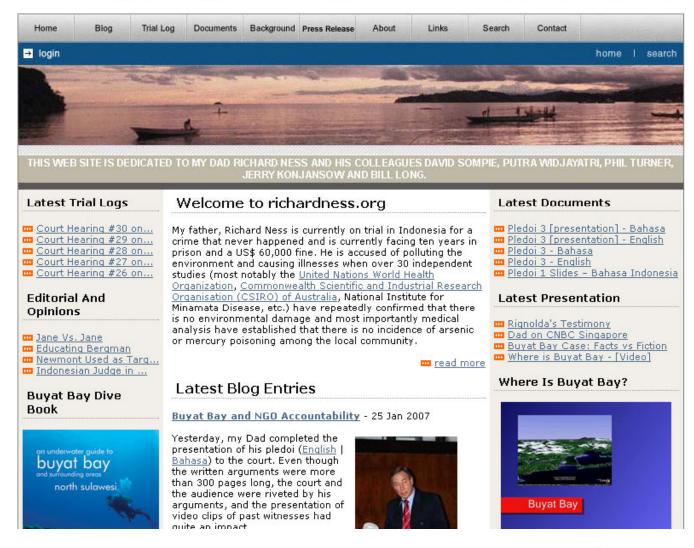
"This website is dedicated to my dad and his colleagues," the site says. "My father, Richard Ness, is currently on trial in Indonesia for a crime that never happened."

There are also lengthy emails to journalists from Eric about weaknesses in the prosecution's case as well as a veritable army of expert witnesses, including specialists in legal and environmental law, medical forensics, toxicology, marine biology and public health.



Richardness.org



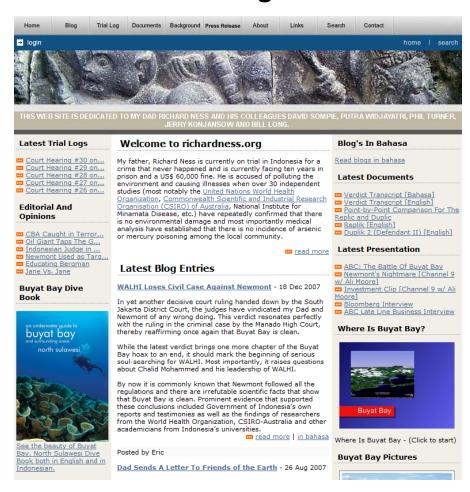




Richardness.org



Reasons for starting the website



Initial Reasons for a Blog

- Started in late 2005
- A way for me to participate/contribute.
- Keep friends and family up-to-date.
- Document the trial.
- Centralized area to store documents.

A Shift in Focus

- An additional resource for State Dept., State Senators, press.
- Evolved into resource for case studies,
 PhD and Master students.
- Combat biased news coverage.

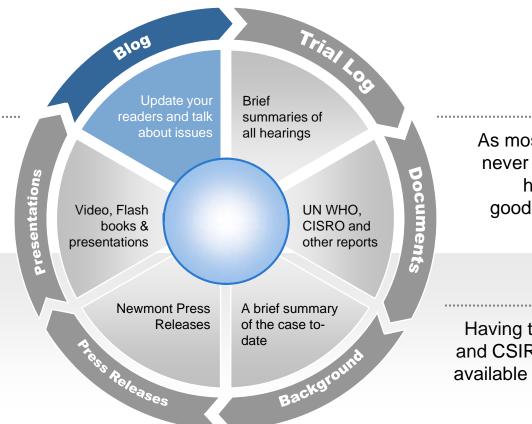


Blog Components



Short, bite-sized blogs tell the story and break down complex issues.

Videos from interviews, press items, court hearings and flash presentations are resources that visitors can draw on.



As most of the press has never been to any of the hearings this was a good way to keep them up todate

Having the the UN WHO and CSIRO reports easily available helped establish credibility

Having a wide variety of materials that are linked together in a central location helps convey your message



Blog Process



Blog Idea
Event or story
driven

Sources
Important to cite sources

Media
When possible include other media

Publish

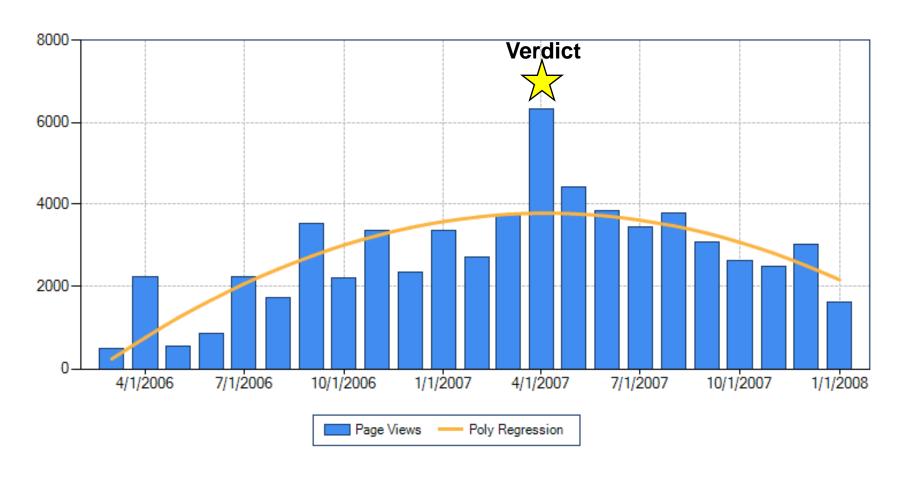
Post blog and send out newsletter

Engage
Start
discussions on other sites



Blog Statistics







Compounding effect of traffic



Surprising sources of interest

Referral Sources	Rank
jennifermarohasy.com (Australia)	3
theunspunblog.com (Indonesia)	5
resourceinvestor.com (USA)	7
hukumonline.com (Indonesia)	10
ithinkmining.blog.infomine.com (USA)	11
goldmine.wordpress.com (South America)	12
grenswetenschap.nl (Netherlands)	13
jurist.law.pitt.edu (Law School-US)	14

Network effect through other blogs increased readership non-linearly!!!





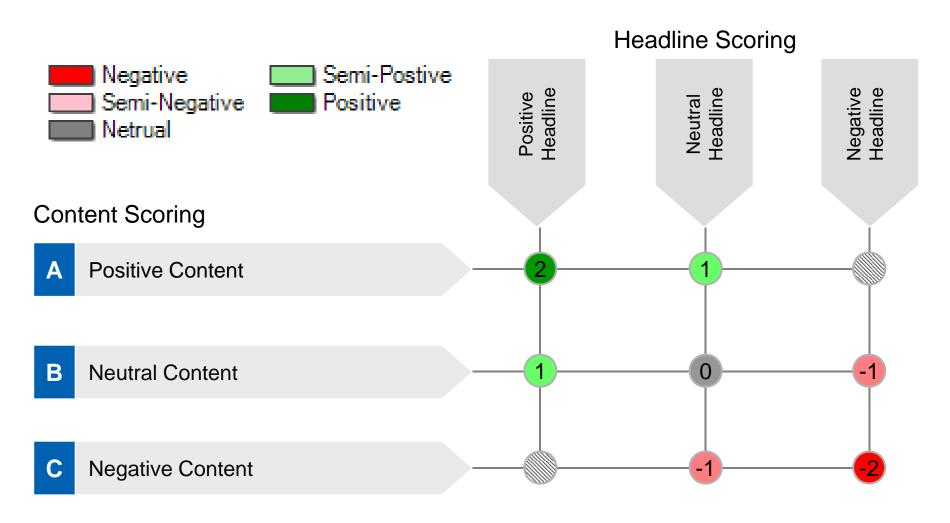
Media Analysis: Key Findings

Results are based on the analysis of more than 3,000 media reports.



News Item Scoring Methodology

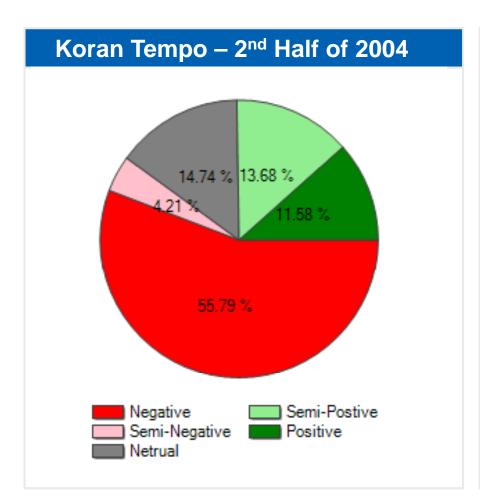


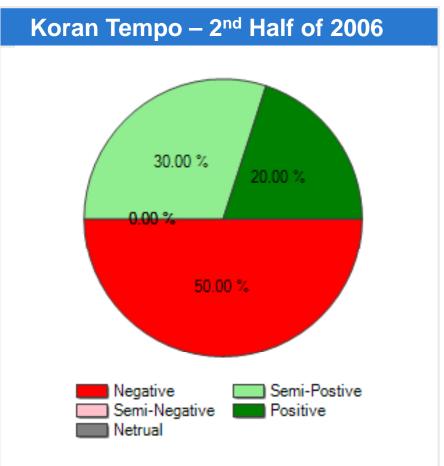




Media DNA - Unchanged





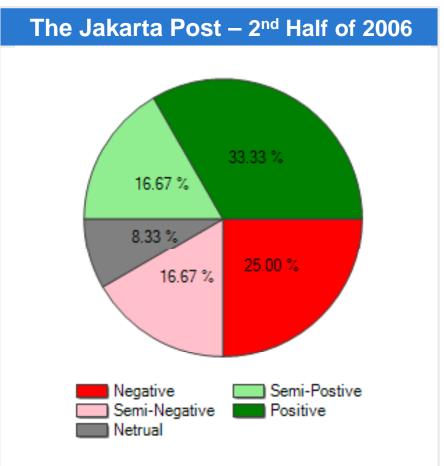




Media DNA - Changed



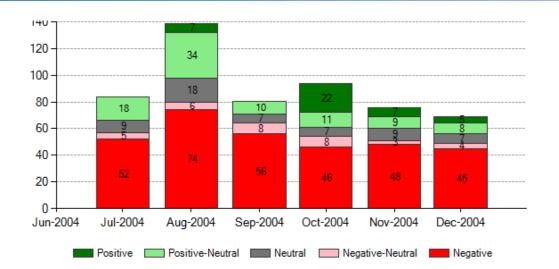


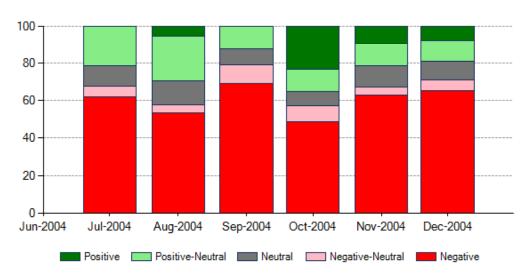


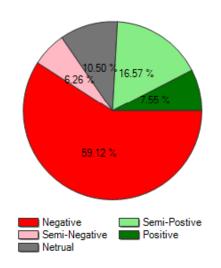


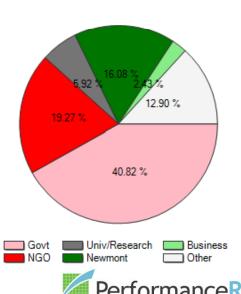
National Media, 2nd half of 2004





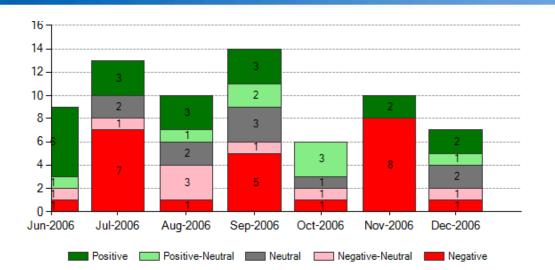


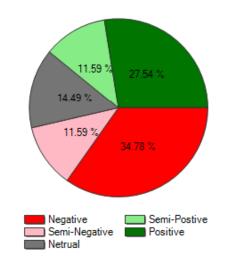


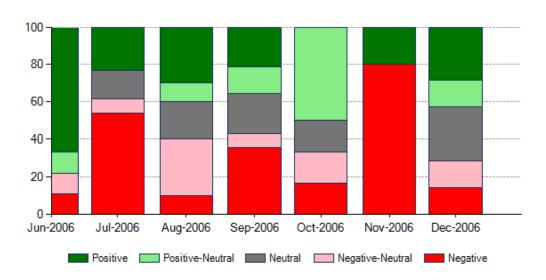


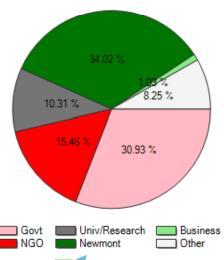
National Media, 2nd half of 2006





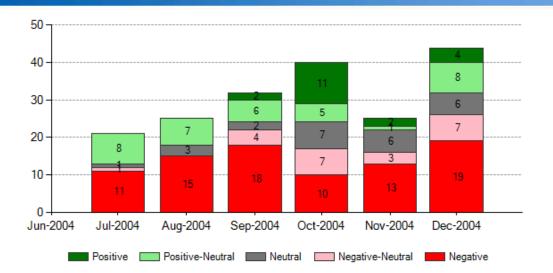


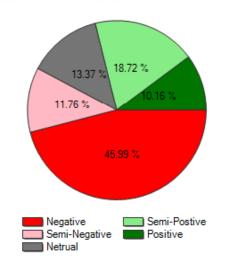


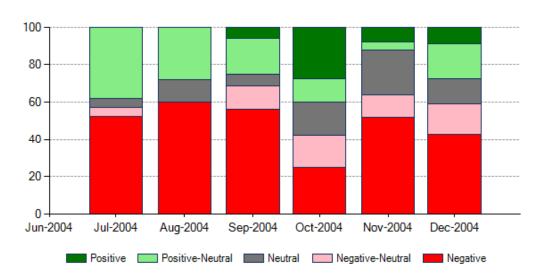


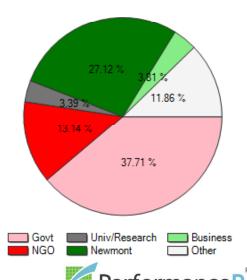
English-Language Papers, 2nd half of 2004







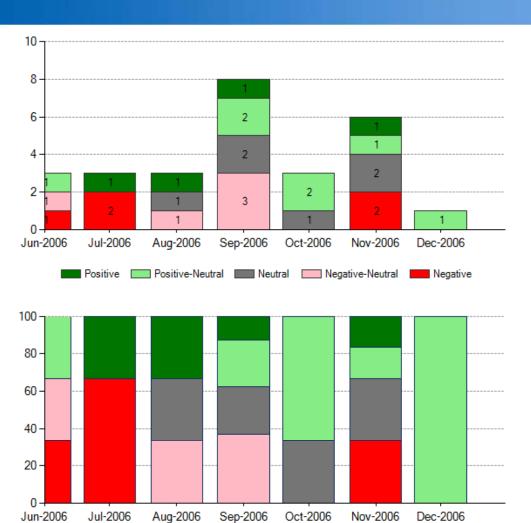




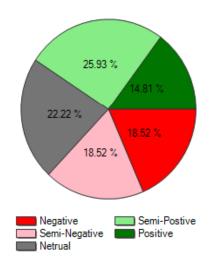
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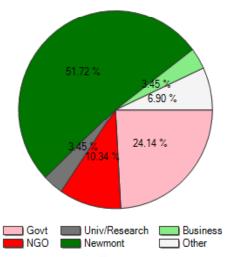
English-Language Papers, 2nd half of 2006





Positive Positive-Neutral Neutral Negative-Neutral

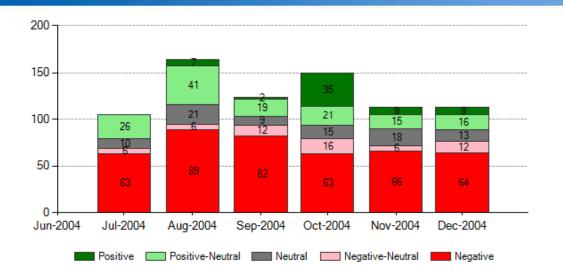


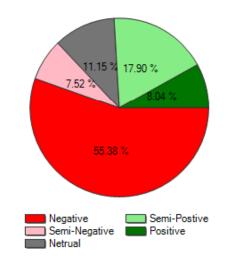


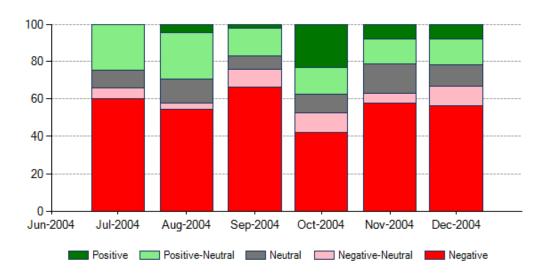


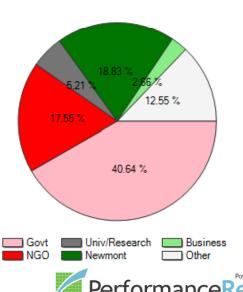
Total, 2nd half of 2004







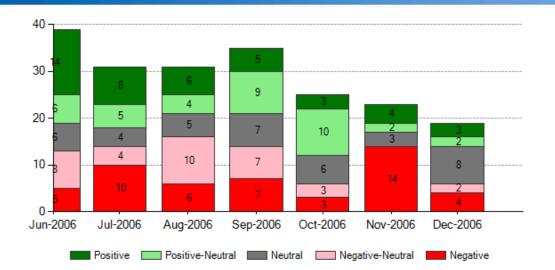


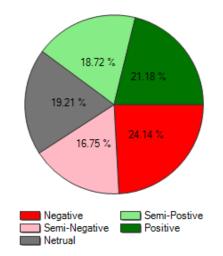


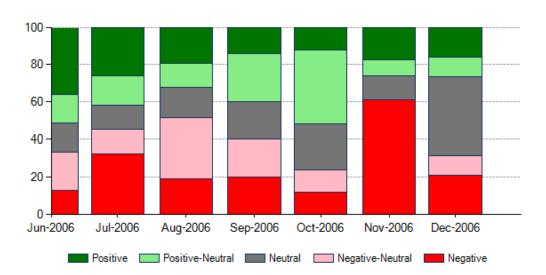
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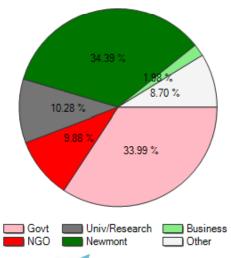
Total, 2nd half of 2006











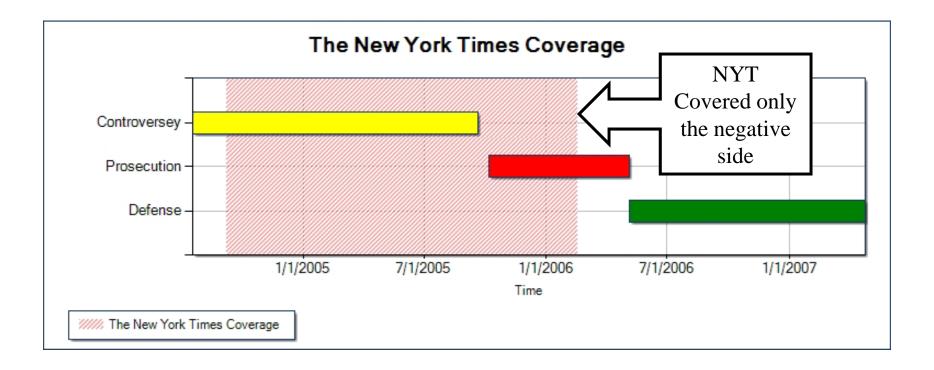


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News Outlets' Lack of Coverage



All the news that's not 'Fit to Print'



Some news organizations will not correct the record and continue to be quoted by others.





Information Readiness & Campaign Strategies



Information Readiness Issue for Mining Companies



Reality

 Mining operation has a wide range of environmental and social issues

Risk

This creates ready opportunity for information cherry-picking

Strategy

Get Environmental

 compliance in shape
 develop
 communication

Environmental commitment must be complete and comprehensive—no compromises

Even with solid environmental commitment, mining operations remain highly vulnerable!!!



New Realities



- No News is NOT good news
- Only plenty of good news is really good news
 - Conventional PR is no longer good enough

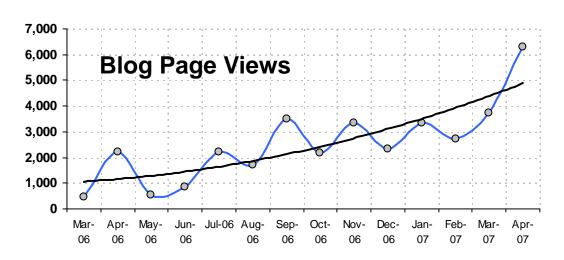
- Half-life of good news: may be a day
 - Half-life of negative news: forever

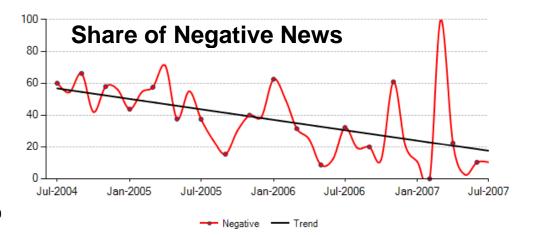


Blog Traffic and Negative News Trend



Strong Web Presence Matters!!!





Key Result:

trend coincides with the increasing readership trend of the blog. Survey of journalists showed that blog played a significant role in getting the information out to the media and the public.

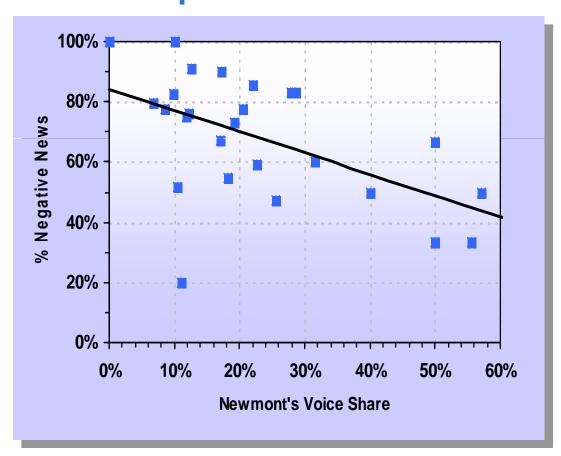


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Key Finding from Newmont-Buyat Controversy



Voice Representation Matters!!!



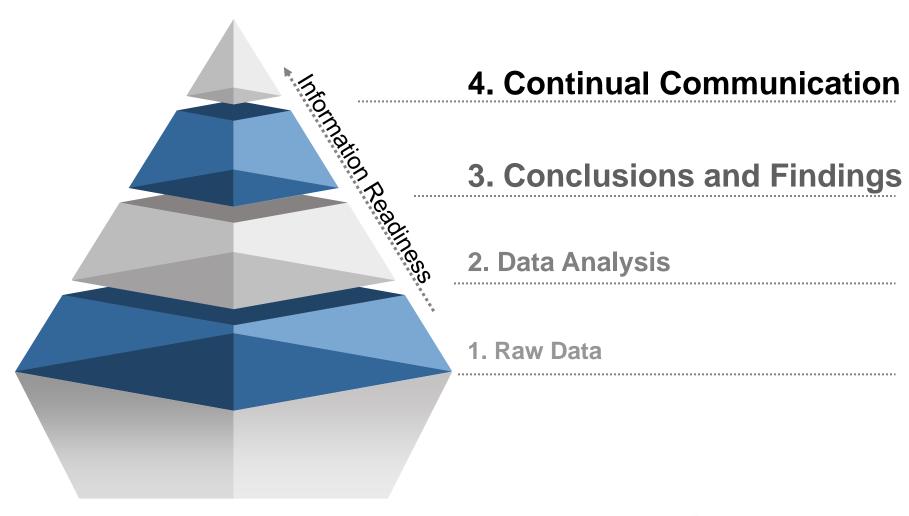
Key Result:

1% Increase in voice share causes around 1% decrease in negative news.



Steps Towards Information Readiness









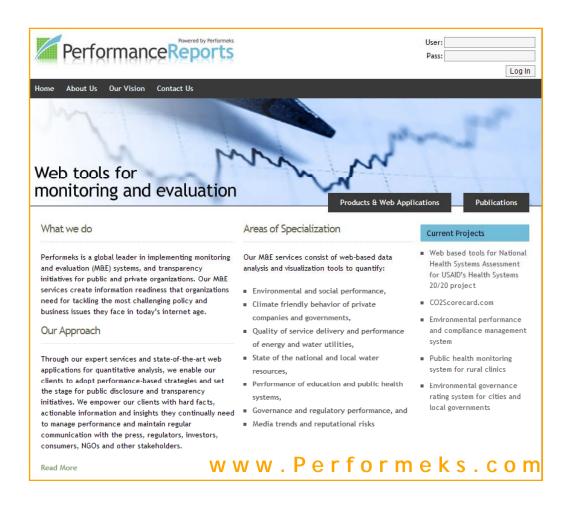
It does not take much negative news to have a company's reputation damaged and undermine shareholder value.

Information readiness is key to a company's defense.



THANK YOU!!!









Supporting Slides



Timeline of Events



Date	Events
20 July 2004	A local NGO accused Newmont of causing over a hundred local residents to suffer from Minamata disease, which is caused by mercury contamination.
August 2004	The Indonesian National Police announced their water tests, conducted by their own uncertified laboratory, showed Buyat Bay had been polluted with high levels of mercury and arsenic. Newmont had an independent laboratory test duplicate samples (simultaneously collected) which disagree with police lab results and found all levels of heavy metals within all international clean water standards.
September 8, 2004	The New York Times published a front page story implicating Newmont in death of baby Andini and causing fish stocks to disappear. Story leapt onto international scene. NYT ombudsmen would later criticize this story in his report.
September 2004	PTNMR, Rick Ness, and five other Newmont employees were arrested and detained by police.
October 2004	The World Health Organization and the Japanese Minamata Disease Institute release a study that says mercury levels in villagers are within normal range, thus there is no Minamata disease. Two additional studies [Indonesian Ministry for Environmental Affairs and the Australian Commonwealth Scientific and Industrial Research Organization (CSIRO)] confirm Newmont's own studies – Buyat Bay is not polluted.
November 8, 2004	A sub-group of the Integrated Team issues a "Technical Team Report" which uses the same data as the original October report, but, although the data show that the water is not impacted and the fish are safe, concludes the Buyat Bay is polluted. Dissenting members of the Integrated Team issue letters claiming that the Technical Team's conclusions are political and not scientific.



Timeline of Events



Date	Events
December 23, 2004	Newmont won Habeas Corpus appeal; Jakarta District Court ruled that police investigation was illegal. Police refuse to follow Habeas Corpus decision.
March 9, 2005	Indonesian Ministry of Environment filed a \$133 million dollar civil suit against company. Later, Government announced it will settle suit out of court.
March 15, 2005	Supreme Court reviewed and overturned Habeas Corpus decision on appeal by the police despite Indonesian law that says it cannot be appealed.
August 5, 2005	Richard Ness indicted by Manado District Court on charges of pollution
February 16, 2006	The Government of Indonesia and Newmont jointly announce they have signed a goodwill agreement regarding post-mining scientific monitoring and sustainable development initiatives in North Sulawesi.
April 24, 2007	Concluding the 21-month long trial, Rick Ness and PTNMR were acquitted of all charges in Manado's District Court. The court ruled that there was insufficient evidence that the Minahasa mine failed to comply with government regulations or the waste dumped near Buyat Bay caused any health problems or pollution. Judges release 500+ page verdict detailing in painstaking detail their investigation and conclusions to the case.

