

NEWMONT MINING CORP /DE/  
Form 10-Q  
April 26, 2012  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D. C. 20549

**Form 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended March 31, 2012

or

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from                      to

Commission File Number: 001-31240

# NEWMONT MINING CORPORATION

(Exact name of registrant as specified in its charter)

<b>Delaware</b> (State or Other Jurisdiction of Incorporation or Organization)	<b>84-1611629</b> (I.R.S. Employer Identification No.)
<b>6363 South Fiddler s Green Circle</b>  <b>Greenwood Village, Colorado</b> (Address of Principal Executive Offices)	<b>80111</b> (Zip Code)
<b>(303) 863-7414</b>	
<b>Registrant s telephone number, including area code</b>	

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.  Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).  Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12-b2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company.) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12-b2 of the Exchange Act).  Yes  No

There were 490,629,352 shares of common stock outstanding on April 18, 2012 (and 4,914,758 exchangeable shares).

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**Table of Contents****PART I FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS.****NEWMONT MINING CORPORATION****CONDENSED CONSOLIDATED STATEMENTS OF INCOME****(unaudited, in millions except per share)**

	<b>Three Months Ended March 31,</b>	
	<b>2012</b>	<b>2011</b>
Sales (Note 3)	\$ 2,683	\$ 2,465
Costs and expenses		
Costs applicable to sales <sup>(1)</sup> (Note 3)	1,017	940
Amortization (Note 3)	231	256
Reclamation and remediation (Note 4)	16	14
Exploration	88	62
Advanced projects, research and development	102	68
General and administrative	54	45
Other expense, net (Note 5)	120	73
	1,628	1,458
Other income (expense)		
Other income, net (Note 6)	33	31
Interest expense, net	(52)	(65)
	(19)	(34)
Income before income and mining tax and other items	1,036	973
Income and mining tax expense (Note 9)	(343)	(305)
Equity income (loss) of affiliates	(19)	2
Income from continuing operations	674	670
Loss from discontinued operations (Note 10)	(71)	
Net income	603	670
Net income attributable to noncontrolling interests (Note 11)	(113)	(156)
Net income attributable to Newmont stockholders	\$ 490	\$ 514
Net income attributable to Newmont stockholders:		
Continuing operations	\$ 561	\$ 514
Discontinued operations	(71)	
	\$ 490	\$ 514
Income per common share (Note 12)		
Basic:		

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Continuing operations	\$ 1.13	\$ 1.04
Discontinued operations	(0.14)	
	\$ 0.99	\$ 1.04
Diluted:		
Continuing operations	\$ 1.11	\$ 1.03
Discontinued operations	(0.14)	
	\$ 0.97	\$ 1.03
Cash dividends declared per common share	\$ 0.35	\$ 0.15

<sup>(1)</sup> Excludes *Amortization* and *Reclamation and remediation*.

The accompanying notes are an integral part of the condensed consolidated financial statements.

**Table of Contents****NEWMONT MINING CORPORATION****STATEMENTS OF CONDENSED CONSOLIDATED COMPREHENSIVE INCOME (LOSS)****(unaudited, in millions)**

	<b>Three Months Ended March 31,</b>	
	<b>2012</b>	<b>2011</b>
	<b>(in millions)</b>	
Net income	\$ 603	\$ 670
Other comprehensive income (loss):		
Unrealized gain (loss) on marketable securities, net of \$23 and \$(28) tax benefit (expense), respectively	(40)	168
Foreign currency translation adjustments	10	89
Change in pension and other post-retirement benefits, net of \$2 and \$1 tax benefit, respectively	4	4
Change in fair value of cash flow hedge instruments, net of \$26 and \$11 tax expense, respectively		
Net change from periodic revaluations	69	55
Net amount reclassified to income	(35)	(33)
Net unrecognized gain on derivatives	34	22
Other comprehensive income	8	283
Comprehensive income	\$ 611	\$ 953
Comprehensive income attributable to:		
Newmont stockholders	\$ 496	\$ 795
Noncontrolling interests	115	158
	\$ 611	\$ 953

The accompanying notes are an integral part of the condensed consolidated financial statements.

**Table of Contents****NEWMONT MINING CORPORATION****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS****(unaudited, in millions)**

	<b>Three Months Ended March 31,</b>	
	<b>2012</b>	<b>2011</b>
<b>Operating activities:</b>		
Net income	\$ 603	\$ 670
<b>Adjustments:</b>		
Amortization	231	256
Loss from discontinued operations	71	
Reclamation and remediation	16	14
Deferred income taxes	(55)	(33)
Stock based compensation and other non-cash benefits	17	19
Impairment of marketable securities	24	
Gain on asset sales, net	(10)	(3)
Other operating adjustments and write-downs	72	45
Net change in operating assets and liabilities (Note 22)	(356)	21
Net cash provided from continuing operations	613	989
Net cash used in discontinued operations	(4)	
Net cash provided from operations	609	989
<b>Investing activities:</b>		
Additions to property, plant and mine development	(696)	(402)
Purchases of marketable securities	(143)	(12)
Acquisitions, net	(11)	(7)
Proceeds from sale of other assets	12	6
Other	(17)	(3)
Net cash used in investing activities	(855)	(418)
<b>Financing activities:</b>		
Proceeds from debt, net	3,346	
Repayment of debt	(1,907)	(31)
Payment of conversion premium on debt	(172)	
Dividends paid to common stockholders	(173)	(74)
Dividends paid to noncontrolling interests		(15)
Proceeds from stock issuance, net	2	3
Other	(2)	
Net cash provided from (used in) financing activities	1,094	(117)
Effect of exchange rate changes on cash	4	23
Net change in cash and cash equivalents	852	477
Cash and cash equivalents at beginning of period	1,760	4,056
Cash and cash equivalents at end of period	\$ 2,612	\$ 4,533

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The accompanying notes are an integral part of the condensed consolidated financial statements.



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**NEWMONT MINING CORPORATION**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

(unaudited, in millions)

	At March 31, 2012	At December 31, 2011
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,612	\$ 1,760
Trade receivables	349	300
Accounts receivable	362	320
Investments (Note 16)	179	94
Inventories (Note 17)	699	714
Stockpiles and ore on leach pads (Note 18)	744	671
Deferred income tax assets	263	396
Other current assets (Note 19)	884	1,133
Current assets	6,092	5,388
Property, plant and mine development, net	16,364	15,881
Investments (Note 16)	1,479	1,472
Stockpiles and ore on leach pads (Note 18)	2,470	2,271
Deferred income tax assets	1,652	1,605
Other long-term assets (Note 19)	904	857
Total assets	\$ 28,961	\$ 27,474
<b>LIABILITIES</b>		
Debt (Note 20)	\$ 69	\$ 689
Accounts payable	497	561
Employee-related benefits	245	307
Income and mining taxes	343	250
Other current liabilities (Note 21)	1,417	2,133
Current liabilities	2,571	3,940
Debt (Note 20)	6,081	3,624
Reclamation and remediation liabilities (Note 4)	1,263	1,169
Deferred income tax liabilities	2,100	2,147
Employee-related benefits	484	459
Other long-term liabilities (Note 21)	397	364
Total liabilities	12,896	11,703
Commitments and contingencies (Note 25)		
<b>EQUITY</b>		
Common stock	785	784
Additional paid-in capital	8,263	8,408
Accumulated other comprehensive income	658	652
Retained earnings	3,369	3,052
Newmont stockholders' equity	13,075	12,896
Noncontrolling interests	2,990	2,875
Total equity	16,065	15,771

Total liabilities and equity	\$ 28,961	\$ 27,474
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The accompanying notes are an integral part of the condensed consolidated financial statements.

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**NEWMONT MINING CORPORATION**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)**

(dollars in millions, except per share, per ounce and per pound amounts)

**NOTE 1 BASIS OF PRESENTATION**

The interim Condensed Consolidated Financial Statements ( interim statements ) of Newmont Mining Corporation and its subsidiaries (collectively, Newmont or the Company ) are unaudited. In the opinion of management, all adjustments and disclosures necessary for a fair presentation of these interim statements have been included. The results reported in these interim statements are not necessarily indicative of the results that may be reported for the entire year. These interim statements should be read in conjunction with Newmont's Consolidated Financial Statements for the year ended December 31, 2011 filed February 24, 2012 on Form 10-K. The year-end balance sheet data was derived from the audited financial statements and, in accordance with the instructions to Form 10-Q, certain information and footnote disclosures required by United States generally accepted accounting principles ( GAAP ) have been condensed or omitted.

References to A\$ refer to Australian currency, C\$ to Canadian currency, NZ\$ to New Zealand currency and \$ to United States currency.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Recently Adopted Accounting Pronouncements**

***Goodwill Impairment***

In September 2011, the ASC guidance was issued related to goodwill impairment. Under the updated guidance, an entity will have the option to first assess qualitatively whether it is necessary to perform the current two-step goodwill impairment test. If the Company believes, as a result of its qualitative assessment, that it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount, the quantitative impairment test is required. Otherwise, no further testing is required. The update does not change how the Company performs the two-step impairment test under current guidance. The Company's January 1, 2012 adoption of the guidance had no impact on the Company's consolidated financial position, results of operations or cash flows.

***Fair Value Accounting***

In May 2011, ASC guidance was issued related to disclosures around fair value accounting. The updated guidance clarifies different components of fair value accounting including the application of the highest and best use and valuation premise concepts, measuring the fair value of an instrument classified in a reporting entity's shareholders' equity and disclosing quantitative information about the unobservable inputs used in fair value measurements that are categorized in Level 3 of the fair value hierarchy. The Company's January 1, 2012 adoption of the updated guidance had no impact on the Company's consolidated financial position, results of operations or cash flows.

**Table of Contents****NEWMONT MINING CORPORATION****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)**

(dollars in millions, except per share, per ounce and per pound amounts)

**NOTE 3 SEGMENT INFORMATION**

	Sales	Costs Applicable to Sales	Amortization	Advanced Projects and Exploration	Pre-Tax Income	Total Assets	Capital Expenditures <sup>(1)</sup>
<b>Three Months Ended March 31, 2012</b>							
Nevada	\$ 723	\$ 267	\$ 53	\$ 34	\$ 369	\$ 7,092	\$ 157
La Herradura	93	32	5	6	45	371	21
Hope Bay					(50)	108	
Other North America					(2)	67	
North America	816	299	58	40	362	7,638	178
Yanacocha	594	161	50	17	349	2,745	93
Conga				27	(27)	1,254	147
Other South America				25	(25)	42	
South America	594	161	50	69	297	4,041	240
<b>Boddington:</b>							
Gold	298	137	32	N/A	N/A	N/A	N/A
Copper	61	30	6	N/A	N/A	N/A	N/A
Total	359	167	38	3	143	4,661	23
<b>Batu Hijau:</b>							
Gold	34	19	3	N/A	N/A	N/A	N/A
Copper	172	85	16	N/A	N/A	N/A	N/A
Total	206	104	19	7	48	3,671	33
Other Australia/New Zealand	427	190	36	15	179	1,300	70
Other Asia Pacific			1	6	5	695	3
Asia Pacific	992	461	94	31	375	10,327	129
Ahafo	281	96	24	11	150	1,277	50
Akyem				4	(5)	653	85
Other Africa				2	(2)	5	
Africa	281	96	24	17	143	1,935	135
Corporate and Other			5	33	(141)	5,020	38

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Consolidated	\$ 2,683	\$ 1,017	\$ 231	\$ 190	\$ 1,036	\$ 28,961	\$ 720
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<sup>(1)</sup> Includes an increase in accrued capital expenditures of \$24; consolidated capital expenditures on a cash basis were \$696.

**Table of Contents****NEWMONT MINING CORPORATION****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)**

(dollars in millions, except per share, per ounce and per pound amounts)

	Sales	Costs Applicable to Sales	Amortization	Advanced Projects and Exploration	Pre-Tax Income	Total Assets	Capital Expenditures <sup>(1)</sup>
<b>Three Months Ended March 31, 2011</b>							
Nevada	\$ 582	\$ 272	\$ 72	\$ 17	\$ 216	\$ 3,414	\$ 95
La Herradura	65	18	4	6	36	254	16
Hope Bay			3	44	(48)	2,259	19
Other North America					(2)	125	
North America	647	290	79	67	202	6,052	130
Yanacocha	362	153	53	6	149	2,677	41
Conga				3	(4)	335	64
Other South America				7	(6)	36	
South America	362	153	53	16	139	3,048	105
<b>Boddington:</b>							
Gold	232	100	28	N/A	N/A	N/A	N/A
Copper	53	28	7	N/A	N/A	N/A	N/A
Total	285	128	35	1	104	4,393	49
<b>Batu Hijau:</b>							
Gold	140	34	7	N/A	N/A	N/A	N/A
Copper	369	89	20	N/A	N/A	N/A	N/A
Total	509	123	27		323	3,627	40
Other Australia/New Zealand	415	166	35	12	197	1,049	62
Other Asia Pacific			1	1		548	2
Asia Pacific	1,209	417	98	14	624	9,617	153
Ahafo	247	80	22	7	136	1,039	15
Akyem				1	(1)	320	28
Other Africa					(1)	6	
Africa	247	80	22	8	134	1,365	43
Corporate and Other			4	25	(126)	6,772	14
Consolidated	\$ 2,465	\$ 940	\$ 256	\$ 130	\$ 973	\$ 26,854	\$ 445

<sup>(1)</sup> Includes an increase in accrued capital expenditures of \$43; consolidated capital expenditures on a cash basis were \$402.

**Table of Contents****NEWMONT MINING CORPORATION****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)**

(dollars in millions, except per share, per ounce and per pound amounts)

**NOTE 4 RECLAMATION AND REMEDIATION**

At March 31, 2012 and December 31, 2011, \$1,136 and \$1,070, respectively, were accrued for reclamation obligations relating to mineral properties. In addition, the Company is involved in several matters concerning environmental obligations associated with former, primarily historic, mining activities. Generally, these matters concern developing and implementing remediation plans at the various sites involved. At March 31, 2012 and December 31, 2011, \$197 and \$170, respectively, were accrued for such obligations. These amounts are also included in *Reclamation and remediation liabilities*.

The following is a reconciliation of *Reclamation and remediation liabilities*:

	<b>Three Months Ended March 31,</b>	
	<b>2012</b>	<b>2011</b>
Balance at beginning of period	\$ 1,240	\$ 1,048
Additions, changes in estimates and other	105	1
Liabilities settled	(28)	(8)
Accretion expense	16	14
Balance at end of period	\$ 1,333	\$ 1,055

The current portion of *Reclamation and remediation liabilities* of \$70 and \$71 at March 31, 2012 and December 31, 2011, respectively, are included in *Other current liabilities* (see Note 21).

The Company's reclamation and remediation expenses consisted of:

	<b>Three Months Ended March 31,</b>	
	<b>2012</b>	<b>2011</b>
Accretion operating	\$ 14	\$ 12
Accretion non-operating	2	2
	\$ 16	\$ 14

**NOTE 5 OTHER EXPENSE, NET**

	<b>Three Months Ended March 31,</b>	
	<b>2012</b>	<b>2011</b>
Hope Bay care and maintenance	\$ 50	\$ 16
Regional administration	21	17
Community development	31	4
Western Australia power plant	4	2
World Gold Council Dues	3	21
Indonesian value added tax settlement		21



Other	11	13
	\$ 120	\$ 73

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(dollars in millions, except per share, per ounce and per pound amounts)

**NOTE 6 OTHER INCOME, NET**

	<b>Three Months Ended March 31,</b>	
	<b>2012</b>	<b>2011</b>
Reduction of allowance for loan receivable	\$ 21	\$
Income from developing projects, net	14	24
Gain on asset sales, net	10	3
Canadian Oil Sands	9	6
Refinery income	5	
Interest	5	4
Ineffective portion of derivative instruments, net	2	(1)
Foreign currency exchange, net	(15)	(11)
Impairment of marketable securities	(24)	
Other	6	6
	<b>\$ 33</b>	<b>\$ 31</b>

**NOTE 7 EMPLOYEE PENSION AND OTHER BENEFIT PLANS**

	<b>Three Months Ended March 31,</b>	
	<b>2012</b>	<b>2011</b>
Pension benefit costs, net		
Service cost	\$ 7	\$ 6
Interest cost	10	10
Expected return on plan assets	(11)	(10)
Amortization, net	6	5
	<b>\$ 12</b>	<b>\$ 11</b>

	<b>Three Months Ended March 31,</b>	
	<b>2012</b>	<b>2011</b>
Other benefit costs, net		
Service cost	\$ 1	\$ 1
Interest cost	1	1
	<b>\$ 2</b>	<b>\$ 2</b>

**Table of Contents****NEWMONT MINING CORPORATION****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)**

(dollars in millions, except per share, per ounce and per pound amounts)

**NOTE 8 STOCK BASED COMPENSATION**

	<b>Three Months Ended March 31,</b>	
	<b>2012</b>	<b>2011</b>
Stock options	\$ 4	\$ 3
Restricted stock units	4	7
Performance leveraged stock units	3	3
Deferred stock	1	2
	<b>\$ 12</b>	<b>\$ 15</b>

**NOTE 9 INCOME AND MINING TAXES**

During the first quarter of 2012, the Company recorded estimated income and mining tax expense of \$343 resulting in an effective tax rate of 33%. Estimated income and mining tax expense during the first quarter of 2011 was \$305 for an effective tax rate of 31%. The increase in the effective tax rate from 2011 to 2012 is a result of valuation allowances recorded on our Canadian deferred tax assets generated in the quarter. Aside from the above mentioned valuation allowance, the effective tax rates in the first quarter of 2012 and 2011 are different from the United States statutory rate of 35% primarily due to the U.S. percentage depletion deduction.

The Company operates in numerous countries around the world and accordingly it is subject to, and pays annual income taxes under, the various income tax regimes in the countries in which it operates. Some of these tax regimes are defined by contractual agreements with the local government, and others are defined by the general corporate income tax laws of the country. The Company has historically filed, and continues to file, all required income tax returns and pay the income taxes reasonably determined to be due. The tax rules and regulations in many countries are highly complex and subject to interpretation. From time to time the Company is subject to a review of its historic income tax filings and in connection with such reviews, disputes can arise with the taxing authorities over the interpretation or application of certain rules to the Company's business conducted within the country involved.

At March 31, 2012, the Company's total unrecognized tax benefit was \$242 for uncertain income tax positions taken or expected to be taken on income tax returns. Of this, \$45 represents the amount of unrecognized tax benefits that, if recognized, would affect the Company's effective income tax rate.

As a result of the statute of limitations that expire in the next 12 months in various jurisdictions, and possible settlements of audit-related issues with taxing authorities in various jurisdictions with respect to which none of the issues are individually significant, the Company believes that it is reasonably possible that the total amount of its net unrecognized income tax benefits will decrease by approximately \$25 to \$30 in the next 12 months.

The Company's income and mining tax expense differed from the amounts computed by applying the United States statutory corporate income tax rate for the following reasons:

	<b>Three Months Ended March 31,</b>	
	<b>2012</b>	<b>2011</b>
<i>Income before income and mining tax and other items</i>	\$ 1,036	\$ 973

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Tax on income at 35% statutory rate	35 %	\$ 363	35%	\$ 341
<b>Reconciling items:</b>				
Percentage depletion	(7)	(74)	(6)	(55)
Change in valuation allowance on deferred tax assets	3	33		
Other	2	21	2	19
<i>Income and mining tax expense</i>	<i>33 %</i>	<i>\$ 343</i>	<i>31%</i>	<i>\$ 305</i>

**Table of Contents****NEWMONT MINING CORPORATION****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)**

(dollars in millions, except per share, per ounce and per pound amounts)

**NOTE 10 DISCONTINUED OPERATIONS**

Discontinued operations include Holloway Mining Company, which owned the Holt-McDermott property ( Holt property ) and was sold to St. Andrew Goldfields Ltd. ( St. Andrew ) in 2006. In 2009, the Superior Court issued a decision finding Newmont Canada Corporation ( Newmont Canada ) liable for a sliding scale royalty on production from the Holt property, which Newmont Canada appealed. In May 2011, the Ontario Court of Appeal upheld the Superior Court ruling. During the first quarter of 2012, the Company recorded an additional \$71 charge, net of tax benefits of \$4, to reflect an increase in future expected production at the Holt property due to new reserve and resource estimates published by St. Andrew and an increase in the current spot gold price.

*Net operating cash used in discontinued operations* of \$4 in the first quarter of 2012 relates to payments on the Holt property royalty.

**NOTE 11 NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS**

	<b>Three Months Ended March 31,</b>	
	<b>2012</b>	<b>2011</b>
Yanacocha	\$ 111	\$ 56
Batu Hijau	13	102
Other	(11)	(2)
	<b>\$ 113</b>	<b>\$ 156</b>

At March 31, 2012, Newmont had a 48.5% effective economic interest in PT Newmont Nusa Tenggara ( PTNNT ). PTNNT operates the Batu Hijau copper and gold mine in Indonesia. Based on ASC guidance for variable interest entities, Newmont continues to consolidate PTNNT in its Condensed Consolidated Financial Statements.

Newmont has a 51.35% ownership interest in Minera Yanacocha S.R.L. ( Yanacocha ), with the remaining interests held by Compañía de Minas Buenaventura, S.A.A. (43.65%) and the International Finance Corporation (5%).

**Table of Contents****NEWMONT MINING CORPORATION****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)**

(dollars in millions, except per share, per ounce and per pound amounts)

**NOTE 12 INCOME PER COMMON SHARE**

Basic income per common share is computed by dividing income available to Newmont common stockholders by the weighted average number of common shares outstanding during the period. Diluted income per common share is computed similarly to basic income per common share except that weighted average common shares is increased to include the potential issuance of dilutive common shares.

	<b>Three Months Ended March 31,</b>	
	<b>2012</b>	<b>2011</b>
Net income attributable to Newmont stockholders	\$ 490	\$ 514
Weighted average common shares (millions):		
Basic	495	493
Effect of employee stock-based awards	2	2
Effect of convertible notes	7	6
Diluted	504	501
Net income attributable to Newmont stockholders per common share		
Basic:		
Continuing operations	\$ 1.13	\$ 1.04
Discontinued operations	(0.14)	
	\$ 0.99	\$ 1.04
Diluted:		
Continuing operations	\$ 1.11	\$ 1.03
Discontinued operations	(0.14)	
	\$ 0.97	\$ 1.03

Options to purchase 1 and 2 million shares of common stock at average exercise prices of \$59 and \$57 were outstanding at March 31, 2012 and 2011, respectively, but were not included in the computation of diluted weighted average common shares because their effect would have been anti-dilutive.

Under its convertible note indentures, Newmont is required to settle the principal amount of its 2014 and 2017 Convertible Senior Notes in cash and may elect to settle the remaining conversion premium (Newmont average share price in excess of the conversion price), if any, in cash, shares or a combination thereof. The effect of contingently convertible instruments on diluted earnings per share is calculated under the net share settlement method in accordance with ASC guidance. The average price of the Company's common stock exceeded the conversion prices for all periods presented, resulting in additional shares included in the computation of diluted weighted average common shares for the period in which the Convertible Senior Notes were outstanding during the quarter.

In February 2012, the holders of the Company's 2012 Convertible Senior Notes exercised their election to convert the notes. The Company elected to pay the \$172 conversion premium with cash, and as a result no common shares were issued.



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(dollars in millions, except per share, per ounce and per pound amounts)

**NOTE 13 CHANGES IN EQUITY**

	<b>Three Months Ended March 31,</b>	
	<b>2012</b>	<b>2011</b>
<b>Common stock:</b>		
At beginning of period	\$ 784	\$ 778
Stock based awards	1	1
At end of period	785	779
<b>Additional paid-in capital:</b>		
At beginning of period	8,408	8,279
Stock based awards	27	25
Conversion premium on convertible notes	(172)	
At end of period	8,263	8,304
<b>Accumulated other comprehensive income:</b>		
At beginning of period	652	1,108
Other comprehensive income	6	281
At end of period	658	1,389
<b>Retained earnings:</b>		
At beginning of period	3,052	3,180
Net income attributable to Newmont stockholders	490	514
Dividends paid	(173)	(74)
At end of period	3,369	3,620
<b>Noncontrolling interests:</b>		
At beginning of period	2,875	2,371
Net income attributable to noncontrolling interests	113	156
Other comprehensive income	2	2
At end of period	2,990	2,529
Total equity	\$ 16,065	\$ 16,621

**NOTE 14 FAIR VALUE ACCOUNTING**

Fair value accounting establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:



Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

Level 3 Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

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The following table sets forth the Company's assets and liabilities measured at fair value on a recurring basis (at least annually) by level within the fair value hierarchy. As required by accounting guidance, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

	Fair Value at March 31, 2012			
	Total	Level 1	Level 2	Level 3
<b>Assets:</b>				
Cash equivalents	\$ 809	\$ 809	\$	\$
<b>Marketable equity securities:</b>				
Extractive industries	1,409	1,409		
Other	15	15		
<b>Marketable debt securities:</b>				
Asset backed commercial paper	19			19
Corporate	144		144	
Auction rate securities	5			5
Trade receivable from provisional copper and gold concentrate sales, net	222	222		
<b>Derivative instruments, net:</b>				
Foreign exchange forward contracts	231		231	
Diesel forward contracts	11		11	
	\$ 2,865	\$ 2,455	\$ 386	\$ 24
<b>Liabilities:</b>				
Boddington contingent consideration	43			43
Holt property royalty	247			247
	\$ 290	\$	\$	\$ 290

The Company's cash equivalent instruments are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices. The cash equivalent instruments that are valued based on quoted market prices in active markets are primarily money market securities and U.S. Treasury securities.

The Company's marketable equity securities are valued using quoted market prices in active markets and as such are classified within Level 1 of the fair value hierarchy. The securities are segregated based on industry. The fair value of the marketable equity securities is calculated as the quoted market price of the marketable equity security multiplied by the quantity of shares held by the Company.

The Company's marketable debt securities include investments in auction rate securities and asset backed commercial paper. The Company's corporate marketable debt securities are valued using quoted market prices in non-active markets and as such are classified within Level 2 of the fair value hierarchy. The Company reviews the fair value for auction rate securities and asset backed commercial paper on at least a quarterly basis. The auction rate securities are traded in markets that are not active, trade infrequently and have little price transparency. The Company estimated the fair value of the auction rate securities based on weighted average risk calculations using cash flow assumptions discounted approximately 42%, which reflects an estimated discount for lack of marketability. The Company estimated the fair value of its asset backed commercial paper using a probability of return ranging from 13%-74% for each class of notes, which is reflective of information reviewed regarding the separate classes of securities. As a result of utilizing the unobservable inputs noted above in its fair value estimation of the Company's auction rate securities and asset backed commercial paper, both fair value estimates are classified within Level 3 of the fair value hierarchy.

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The Company's net trade receivable from provisional copper and gold concentrate sales, subject to final pricing, is valued using quoted market prices based on forward curves and, as such, is classified within Level 1 of the fair value hierarchy.

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The Company's derivative instruments are valued using pricing models and the Company generally uses similar models to value similar instruments. Valuation models require a variety of inputs, including contractual terms, market prices, yield curves, credit spreads, measures of volatility, and correlations of such inputs. The Company's derivatives trade in liquid markets, and as such, model inputs can generally be verified and do not involve significant management judgment. Such instruments are classified within Level 2 of the fair value hierarchy.

The estimated value of the Boddington contingent royalty was determined using a Monte Carlo valuation model which simulates future gold and copper prices and costs applicable to sales. At March 31, 2012 the Company used the following long-term price assumptions: 1) \$1,500 per ounce gold price, 2) \$3.50 per pound copper price, 3) \$90 per barrel of oil, and 4) a \$1.00 A\$/US\$ exchange rate. The Company used an approximately 4% discount rate in the model. The contingent royalty liability is classified within Level 3 of the fair value hierarchy.

The estimated fair value of the Holt sliding scale royalty was determined using a Monte Carlo valuation model to simulate future gold prices utilizing a long-term gold price assumption of \$1,500 per ounce, various gold production scenarios based on publicly available reserve and resource information for the Holt property and an approximately 4% weighted average discount rate. The sliding scale royalty liability is classified within Level 3 of the fair value hierarchy.

The table below sets forth a summary of changes in the fair value of the Company's Level 3 financial assets and liabilities for the three months ended March 31, 2012:

	Auction Rate Securities	Asset Backed Commercial Paper	Total Assets	Boddington Contingent Royalty	Holt Property Royalty	Total Liabilities
Balance at beginning of period	\$ 5	\$ 19	\$ 24	\$ 54	\$ 176	\$ 230
Settlements				(11)	(4)	(15)
Revaluation					75	75
Balance at end of period	\$ 5	\$ 19	\$ 24	\$ 43	\$ 247	\$ 290

At March 31, 2012, assets and liabilities classified within Level 3 of the fair value hierarchy represent 1% and 100%, respectively, of total assets and liabilities measured at fair value.

**NOTE 15 DERIVATIVE INSTRUMENTS**

The Company's strategy is to provide shareholders with leverage to changes in gold and copper prices by selling its production at spot market prices. Consequently, the Company does not hedge its gold and copper sales. The Company continues to manage certain risks associated with commodity input costs, interest rates and foreign currencies using the derivative market. All of the derivative instruments described below were transacted for risk management purposes and qualify as cash flow or fair value hedges.

**Cash Flow Hedges**

The foreign currency, diesel and forward starting swap contracts are designated as cash flow hedges, and as such, the effective portion of unrealized changes in market value have been recorded in *Accumulated other comprehensive income* and are reclassified to income during the period in which the hedged transaction affects earnings. Gains and losses from hedge ineffectiveness are recognized in current earnings.

**Foreign Currency Contracts**

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Newmont utilizes foreign currency contracts to reduce the variability of the US dollar amount of forecasted foreign currency expenditures caused by changes in exchange rates. Newmont hedges a portion of the Company's A\$ and NZ\$ denominated operating expenditures which results in a blended rate realized each period. The hedging instruments are fixed forward contracts with expiration dates ranging up to five years from the date of issue. The principal hedging objective is reduction in the volatility of realized period-on-period \$/A\$ and \$/NZ\$ rates, respectively.

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In June 2011, Newmont began hedging a portion of the Company's A\$ denominated capital expenditures related to the construction of the Akyem project in Africa utilizing foreign currency contracts. The hedging instruments are fixed forward contracts with expiration dates ranging up to two years.

In July 2011, Newmont began hedging a portion of the Company's A\$ denominated capital expenditures related to the construction of a mine shaft at Tanami in Australia utilizing foreign currency contracts. The hedging instruments are fixed forward contracts with expiration dates ranging up to three years.

Newmont had the following foreign currency derivative contracts outstanding at March 31, 2012:

	Expected Maturity Date						Total/ Average
	2012	2013	2014	2015	2016	2017	
<b>A\$ Operating Fixed Forward Contracts:</b>							
A\$ notional (millions)	935	987	701	407	202	11	3,243
Average rate (\$/A\$)	0.92	0.92	0.90	0.88	0.89	0.89	0.91
Expected hedge ratio	77 %	64 %	46 %	29 %	14 %	4 %	
<b>A\$ Capital Fixed Forward Contracts:</b>							
A\$ notional (millions)	42	51	22				115
Average rate (\$/A\$)	1.00	0.98	0.96				0.98
Expected hedge ratio	41 %	24 %	48 %				
<b>NZ\$ Operating Fixed Forward Contracts:</b>							
NZ\$ notional (millions)	48	29	2				79
Average rate (\$/NZ\$)	0.76	0.78	0.77				0.77
Expected hedge ratio	48 %	23 %	5 %				
<i>Diesel Fixed Forward Contracts</i>							

Newmont hedges a portion of its operating cost exposure related to diesel consumed at its Nevada operations to reduce the variability in realized diesel prices. The hedging instruments consist of a series of financially settled fixed forward contracts with expiration dates ranging up to three years from the date of issue.

Newmont had the following diesel derivative contracts outstanding at March 31, 2012:

	Expected Maturity Date				Total/ Average
	2012	2013	2014	2015	
<b>Diesel Fixed Forward Contracts:</b>					
Diesel gallons (millions)	20	14	6	1	41
Average rate (\$/gallon)	2.89	2.94	2.91	2.90	2.90
Expected hedge ratio	60 %	32 %	14 %	5 %	
<i>Forward Starting Swap Contracts</i>					

During 2011, Newmont entered into forward starting interest rate swap contracts with a total notional value of \$2,000. These contracts hedged movements in treasury rates related to a debt issuance that occurred in the first quarter of 2012. On March 8, 2012, Newmont closed its sale of

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\$2,500 senior notes consisting of 3.5% senior notes due 2022 in the principal amount of \$1,500 (10-year notes), and 4.875% senior notes due 2042 in the principal amount of \$1,000 (30-year notes). As a result of the debt issued, the forward-starting interest rate swaps were settled. The total settlement amount of these swaps was \$362, of which \$349 represents the effective portion of the hedging instrument included in *Accumulated other comprehensive income*. The net proceeds from the debt issuance were adjusted by the settlement amount of the swap contracts and included as a financing activity in the Condensed Consolidated Statements of Cash Flow.

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***Fair Value Hedges******Interest Rate Swap Contracts***

Newmont had \$222 fixed to floating swap contracts designated as a hedge against 8 5/8% debentures which matured in May 2011.

***Derivative Instrument Fair Values***

Newmont had the following derivative instruments designated as hedges at March 31, 2012 and December 31, 2011:

	Fair Value At March 31, 2012			
	Other Current Assets	Other Long- Term Assets	Other Current Liabilities	Other Long- Term Liabilities
Foreign currency exchange contracts:				
A\$ operating fixed forwards	\$ 119	\$ 113	\$ 2	\$ 4
A\$ capital fixed forwards	1	1		
NZ\$ operating fixed forwards	3			
Diesel fixed forwards	9	2		
Total derivative instruments (Note 19 and 21)	\$ 132	\$ 116	\$ 2	\$ 4

	Fair Value At December 31, 2011			
	Other Current Assets	Other Long- Term Assets	Other Current Liabilities	Other Long- Term Liabilities
Foreign currency exchange contracts:				
A\$ operating fixed forwards	\$ 121	112	6	4
A\$ capital fixed forwards				1
NZ\$ operating fixed forwards	2		1	
Diesel fixed forwards	4		2	1
Forward starting interest rate swaps			399	
Total derivative instruments (Note 19 and 21)	\$ 127	\$ 112	\$ 408	\$ 6



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The following tables show the location and amount of gains (losses) reported in the Company's Condensed Consolidated Financial Statements related to the Company's cash flow and fair value hedges and the gains (losses) recorded for the hedged item related to the fair value hedges.

	Foreign Currency Exchange Contracts		Diesel Forward Contracts		Forward Starting Swaps	
	2012	2011	2012	2011	2012	2011
<b>For the three months ended March 31,</b>						
Cash flow hedging relationships:						
Gain recognized in other comprehensive income (effective portion)	\$ 62	\$ 67	\$ 12	\$ 15	\$ 36	\$
Gain(loss) reclassified from Accumulated other comprehensive income into income (effective portion) (1)	47	42	3	4	(1)	
Gain reclassified from Accumulated other comprehensive loss into income (ineffective portion) (2)					2	

(1) The gain for the effective portion of foreign exchange and diesel cash flow hedges reclassified from *Accumulated other comprehensive income* is included in *Costs applicable to sales*. The loss for the effective portion of forward starting swaps reclassified from *Accumulated other comprehensive income* is included in *Interest Expense*.

(2) The ineffective portion recognized for cash flow hedges is included in Other Income, net.

	Interest Rate Swap Contracts		8 5/8% Debentures (Hedged Portion)	
	2012	2011	2012	2011
<b>For the three months ended March 31,</b>				
Fair value hedging relationships:				
Gain(loss) recognized in income (effective portion) <sup>(1)</sup>	\$	\$ 2	\$	\$ (5)
Loss recognized in income (ineffective portion) <sup>(2)</sup>		(1)		

(1) The gain(loss) recognized for the effective portion of fair value hedges and the underlying hedged debt is included in *Interest expense, net*.

(2) The ineffective portion recognized for fair value hedges and the underlying hedged debt is included in *Other income, net*.

The amount to be reclassified from *Accumulated other comprehensive income*, net of tax to income for derivative instruments during the next 12 months is a gain of approximately \$70.

**Provisional Copper and Gold Sales**

The Company's provisional copper and gold sales contain an embedded derivative that is required to be separated from the host contract for accounting purposes. The host contract is the receivable from the sale of the gold and copper concentrates at the prevailing indices prices at the time of sale. The embedded derivative, which does not qualify for hedge accounting, is marked to market through earnings each period prior to final settlement.

LME copper prices averaged \$3.77 per pound during the first quarter of 2012, compared with the Company's recorded average provisional price of \$3.75 per pound before mark-to-market gains and treatment and refining charges. During the first quarter of 2012, changes in copper prices resulted in a provisional pricing mark-to-market gain of \$31 (\$0.53 per pound). At March 31, 2012, Newmont had copper sales of 58 million

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pounds priced at an average of \$3.83 per pound, subject to final pricing over the next several months.

The average London P.M. fix for gold was \$1,691 per ounce during the first quarter of 2012, consistent with the Company's recorded average provisional price before mark-to-market gains and treatment and refining charges. During the first quarter of 2012, changes in gold prices resulted in a provisional pricing mark-to-market gain of \$6 (\$4 per ounce). At March 31, 2012, Newmont had gold sales of 95,000 ounces priced at an average of \$1,663 per ounce, subject to final pricing over the next several months.

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**NOTE 16 INVESTMENTS**

	Cost/Equity Basis	At March 31, 2012 Unrealized		Fair/Equity Basis
		Gain	Loss	
<b>Current:</b>				
<b>Marketable Equity Securities:</b>				
Paladin Energy Ltd.	\$ 60	\$ 40	\$	\$ 100
Other	15	10	(1)	24
	75	50	(1)	124
<b>Marketable Debt Securities:</b>				
Corporate	55			55
	\$ 130	\$ 50	\$ (1)	\$ 179
<b>Long-term:</b>				
<b>Marketable Debt Securities:</b>				
Asset backed commercial paper	\$ 25	\$	\$ (6)	\$ 19
Auction rate securities	8		(3)	5
Corporate	87	2		89
	120	2	(9)	113
<b>Marketable Equity Securities:</b>				
Canadian Oil Sands Ltd.	309	342		651
Gabriel Resources Ltd.	78	161		239
Regis Resources Ltd.	36	278		314
Other	80	18	(2)	96
	503	799	(2)	1,300
<b>Other investments, at cost</b>	11			11
<b>Investment in Affiliates:</b>				
La Zanja	55			55
	\$ 689	\$ 801	\$ (11)	\$ 1,479

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	Cost/Equity Basis	At December 31, 2011 Unrealized		Fair/Equity Basis
		Gain	Loss	
<b>Current:</b>				
<b>Marketable Equity Securities:</b>				
Paladin Energy Ltd.	\$ 60	\$ 13	\$	\$ 73
Other	15	7	(1)	21
	\$ 75	\$ 20	\$ (1)	\$ 94
<b>Long-term:</b>				
<b>Marketable Debt Securities:</b>				
Asset backed commercial paper	\$ 25	\$	\$ (6)	\$ 19
Auction rate securities	7		(2)	5
Corporate	10	1		11
	42	1	(8)	35
<b>Marketable Equity Securities:</b>				
Canadian Oil Sands Trust	302	401		703
Gabriel Resources Ltd.	76	236		312
Regis Resources Ltd.	36	218		254
Other	92	16	(17)	91
	506	871	(17)	1,360
Other investments, at cost	11			11
<b>Investment in Affiliates:</b>				
La Zanja	66			66
	\$ 625	\$ 872	\$ (25)	\$ 1,472

Included in *Investments* at March 31, 2012 and December 31, 2011 are \$1 and \$11, respectively, of long-term marketable debt securities and \$15 and \$4 of long-term marketable equity securities, respectively, that are legally pledged for purposes of settling asset retirement obligations related to the San Jose Reservoir at Yanacocha.

During the first quarter of 2012, the Company recognized impairments for other-than-temporary declines in value of \$24 for marketable equity securities.

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The following tables present the gross unrealized losses and fair value of the Company's investments with unrealized losses that are not deemed to be other-than-temporarily impaired, aggregated by length of time that the individual securities have been in a continuous unrealized loss position:

	Less than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
<b>At March 31, 2012</b>						
Marketable equity securities	\$ 24	\$ 3	\$	\$	\$ 24	\$ 3
Asset backed commercial paper			19	6	19	6
Auction rate securities			5	3	5	3
	\$ 24	\$ 3	\$ 24	\$ 9	\$ 48	\$ 12

	Less than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
<b>At December 31, 2011</b>						
Asset backed commercial paper	\$	\$	\$ 19	\$ 6	\$ 19	\$ 6
Auction rate securities			5	2	5	2
Marketable equity securities	42	18			42	18
	\$ 42	\$ 18	\$ 24	\$ 8	\$ 66	\$ 26

While the fair values of the Company's investments in asset backed commercial paper and auction rate securities are below their respective cost, the Company views these declines as temporary. The Company intends to hold its investment in auction rate securities and asset backed commercial paper until maturity or such time that the market recovers and therefore considers these losses temporary.

**NOTE 17 INVENTORIES**

	At March 31, 2012	At December 31, 2011
In-process	\$ 112	\$ 159
Concentrate	123	116
Precious metals	35	12
Materials, supplies and other	429	427
	\$ 699	\$ 714

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**NOTE 18 STOCKPILES AND ORE ON LEACH PADS**

	At March 31, 2012	At December 31, 2011
Current:		
Stockpiles	\$ 527	\$ 506
Ore on leach pads	217	165
	\$ 744	\$ 671
Long-term:		
Stockpiles	\$ 2,091	\$ 1,904
Ore on leach pads	379	367
	\$ 2,470	\$ 2,271
	At March 31, 2012	At December 31, 2011
Stockpiles and ore on leach pads:		
Nevada	\$ 563	\$ 536
La Herradura	9	6
Yanacocha	600	512
Boddington	482	435
Batu Hijau	1,220	1,119
Other Australia/New Zealand	157	161
Ahafo	183	173
	\$ 3,214	\$ 2,942

**NOTE 19 OTHER ASSETS**

	At March 31, 2012	At December 31, 2011
Other current assets:		
Refinery metal inventory and receivable	\$ 500	\$ 796
Derivative instruments	132	127
Prepaid assets	126	93
Note receivable	33	12
Restricted cash	2	20
Other	91	85

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	\$	884	\$	1,133
<b>Other long-term assets:</b>				
Goodwill	\$	188	\$	188
Intangible assets		144		147
Income tax receivable		142		142
Derivative instruments		116		112
Debt issuance costs		79		59
Restricted cash		49		48
Other receivables		19		17
Other		167		144
	\$	904	\$	857

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**NOTE 20 DEBT**

	At March 31, 2012		At December 31, 2011	
	Current	Non-Current	Current	Non-Current
Sale-leaseback of refractory ore treatment plant	\$ 59	\$	\$ 165	\$
Corporate revolving credit facility (due 2016)				33
2012 Convertible Senior Notes, net of discount			514	
2014 Convertible Senior Notes, net of discount		517		512
2017 Convertible Senior Notes, net of discount		457		452
2019 Senior Notes, net of discount		896		896
2022 Senior Notes, net of discount		1,489		
2035 Senior Notes, net of discount		598		598
2039 Senior Notes, net of discount		1,087		1,087
2042 Senior Notes, net of discount		991		
Ahafo project facility	10	45	10	45
Other capital leases		1		1
	\$ 69	\$ 6,081	\$ 689	\$ 3,624

Scheduled minimum debt repayments are \$69 for the remainder of 2012, \$10 in 2013, \$527 in 2014, \$10 in 2015, \$10 in 2016 and \$5,524 thereafter.

**2012 Convertible Senior Notes**

In February 2012, the Company's 2012 Convertible Senior Notes matured, resulting in a principal payment of \$517. The Company elected to pay the conversion premium of \$172 in cash, in lieu of issuing common shares.

**2022 and 2042 Senior Notes**

In March 2012, the Company completed a two part public offering of \$1,500 and \$1,000 uncollateralized Senior Notes maturing on March 15, 2022 and March 15, 2042, respectively. Net proceeds from the 2022 and 2042 Senior Notes were \$1,479 and \$983, respectively. The 2022 Senior Notes pay interest semi-annually at a rate of 3.50% per annum and the 2042 Senior Notes pay semi-annual interest of 4.875% per annum.

Consistent with the Company's other Notes included in the table above, the 2022 and 2042 Senior Notes contain various covenants and default provisions including payment defaults, limitation on liens, limitation on sales and leaseback agreements and merger restrictions.



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**NOTE 21 OTHER LIABILITIES**

	At March 31, 2012	At December 31, 2011
<b>Other current liabilities:</b>		
Refinery metal payable	\$ 500	\$ 796
Accrued capital expenditures	267	248
Accrued operating costs	256	231
Taxes other than income and mining	86	93
Reclamation and remediation liabilities	70	71
Deferred income tax	57	50
Royalties	43	53
Boddington contingent consideration	39	24
Holt property royalty	21	17
Interest	12	55
Derivative instruments	2	408
Other	64	87
	\$ 1,417	\$ 2,133
<b>Other long-term liabilities:</b>		
Holt property royalty	\$ 226	\$ 159
Income and mining taxes	86	88
Power supply agreements	46	45
Derivative instruments	4	6
Boddington contingent consideration	4	30
Other	31	36
	\$ 397	\$ 364

**NOTE 22 NET CHANGE IN OPERATING ASSETS AND LIABILITIES***Net cash provided from operations* attributable to the net change in operating assets and liabilities is composed of the following:

	Three Months Ended March 31, 2012	2011
<b>Decrease (increase) in operating assets:</b>		
Trade and accounts receivable	\$ (21)	\$ 119
Inventories, stockpiles and ore on leach pads	(201)	(56)
EGR refinery assets	319	(175)
Other assets	(74)	(38)
<b>Increase (decrease) in operating liabilities:</b>		
Accounts payable and other accrued liabilities	(32)	4

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EGR refinery liabilities	(319)	175
Reclamation liabilities	(28)	(8)
	\$ (356)	\$ 21

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**NOTE 23 SUPPLEMENTAL CASH FLOW INFORMATION**

	<b>Three Months Ended March 31,</b>	
	<b>2012</b>	<b>2011</b>
Income and mining taxes, net of refunds	\$ 296	\$ 278
Interest, net of amounts capitalized	\$ 23	\$ 20

**NOTE 24 CONDENSED CONSOLIDATING FINANCIAL STATEMENTS**

Newmont USA, a 100% owned subsidiary of Newmont Mining Corporation, has fully and unconditionally guaranteed the 2019, 2022, 2035, 2039 and 2042 Senior Notes, the 2014 and 2017 Convertible Senior Notes and the corporate revolving credit facility. The following consolidating financial statements are provided for Newmont USA, as guarantor, and for Newmont Mining Corporation, as issuer, as an alternative to providing separate financial statements for the guarantor. The accounts of Newmont Mining Corporation are presented using the equity method of accounting for investments in subsidiaries.

**Table of Contents****NEWMONT MINING CORPORATION****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)**

(dollars in millions, except per share, per ounce and per pound amounts)

Condensed Consolidating Statement of Income	Three Months Ended March 31, 2012				Newmont Mining Corporation Consolidated
	Newmont Mining Corporation	Newmont USA	Other Subsidiaries	Eliminations	
Sales	\$	\$ 1,617	\$ 1,066	\$	\$ 2,683
Costs and expenses					
Costs applicable to sales <sup>(1)</sup>		563	465	(11)	1,017
Amortization		130	101		231
Reclamation and remediation		11	5		16
Exploration		53	35		88
Advanced projects, research and development		88	14		102
General and administrative		42	1	11	54
Other expense, net		47	73		120
		934	694		1,628
Other income (expense)					
Other income, net	(3)	13	23		33
Interest income intercompany	40	2	5	(47)	
Interest expense intercompany	(5)		(42)	47	
Interest expense, net	(46)	(5)	(1)		(52)
	(14)	10	(15)		(19)
Income before income and mining tax and other items	(14)	693	357		1,036
Income and mining tax expense	5	(146)	(202)		(343)
Equity income (loss) of affiliates	499	(11)	67	(574)	(19)
Income (loss) from continuing operations	490	536	222	(574)	674
Income (loss) from discontinued operations		4	(75)		(71)
Net income	490	540	147	(574)	603
Net income attributable to noncontrolling interests		(116)	(32)	35	(113)
Net income attributable to Newmont stockholders	\$ 490	\$ 424	\$ 115	\$ (539)	\$ 490
Comprehensive income	\$ 496	\$ 541	\$ 139	\$ (565)	\$ 611
Comprehensive income attributable to noncontrolling interests		(116)	(34)	35	(115)
Comprehensive income attributable to Newmont stockholders	\$ 496	\$ 425	\$ 105	\$ (530)	\$ 496

<sup>(1)</sup> Excludes *Amortization* and *Reclamation and remediation*.



**Table of Contents****NEWMONT MINING CORPORATION****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)**

(dollars in millions, except per share, per ounce and per pound amounts)

Condensed Consolidating Statement of Income	Three Months Ended March 31, 2011				Newmont Mining Corporation Consolidated
	Newmont Mining Corporation	Newmont USA	Other Subsidiaries	Eliminations	
Sales	\$	\$ 1,518	\$ 947	\$	\$ 2,465
Costs and expenses					
Costs applicable to sales <sup>(1)</sup>		566	384	(10)	940
Amortization		159	97		256
Reclamation and remediation	1	10	3		14
Exploration		34	28		62
Advanced projects, research and development		27	41		68
General and administrative		34	1	10	45
Other expense, net		54	19		73
	1	884	573		1,458
Other income (expense)					
Other income, net	(5)	25	11		31
Interest income - intercompany	36	2	2	(40)	
Interest expense - intercompany	(3)		(37)	40	
Interest expense, net	(54)	(9)	(2)		(65)
	(26)	18	(26)		(34)
Income before income and mining tax and other items	(27)	652	348		973
Income and mining tax expense	10	(208)	(107)		(305)
Equity income (loss) of affiliates	531	1	89	(619)	2
Net income	514	445	330	(619)	670
Net income attributable to noncontrolling interests		(192)	(20)	56	(156)
Net income attributable to Newmont stockholders	\$ 514	\$ 253	\$ 310	\$ (563)	\$ 514
Comprehensive income	\$ 795	\$ 462	\$ 595	\$ (899)	\$ 953
Comprehensive income attributable to noncontrolling interests		(192)	(22)	56	(158)
Comprehensive income attributable to Newmont stockholders	\$ 795	\$ 270	\$ 573	\$ (843)	\$ 795

<sup>(1)</sup> Excludes *Amortization* and *Reclamation and remediation*.

**Table of Contents****NEWMONT MINING CORPORATION****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)**

(dollars in millions, except per share, per ounce and per pound amounts)

Condensed Consolidating Statement of Cash Flows	Three Months Ended March 31, 2012				Newmont Mining Corporation Consolidated
	Newmont Mining Corporation	Newmont USA	Other Subsidiaries	Eliminations	
<b>Operating activities:</b>					
Net income (loss)	\$ 490	\$ 540	\$ 147	\$ (574)	\$ 603
Adjustments	13	60	(281)	574	366
Net change in operating assets and liabilities	(45)	(298)	(13)		(356)
Net cash provided from (used in) continuing operations	458	302	(147)		613
Net cash used in discontinued operations			(4)		(4)
Net cash provided from (used in) operations	458	302	(151)		609
<b>Investing activities:</b>					
Additions to property, plant and mine development		(479)	(217)		(696)
Purchases of marketable securities		(143)			(143)
Acquisitions, net			(11)		(11)
Proceeds from sale of other assets		8	4		12
Other			(17)		(17)
Net cash used in investing activities		(614)	(241)		(855)
<b>Financing activities:</b>					
Net borrowings (repayments)	1,547	(106)	(2)		1,439
Payment of conversion premium on debt	(172)				(172)
Net intercompany borrowings (repayments)	(1,662)	1,164	498		
Dividends paid to common stockholders	(173)				(173)
Proceeds from stock issuance, net	2				2
Other			(2)		(2)
Net cash provided from (used in) financing activities	(458)	1,058	494		1,094
Effect of exchange rate changes on cash		(2)	6		4
Net change in cash and cash equivalents		744	108		852
Cash and cash equivalents at beginning of period		1,526	234		1,760
Cash and cash equivalents at end of period	\$	\$ 2,270	\$ 342	\$	\$ 2,612

**Table of Contents****NEWMONT MINING CORPORATION****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)**

(dollars in millions, except per share, per ounce and per pound amounts)

Condensed Consolidating Statement of Cash Flows	Three Months Ended March 31, 2011				Newmont Mining Corporation Consolidated
	Newmont Mining Corporation	Newmont USA	Other Subsidiaries	Eliminations	
<b>Operating activities:</b>					
Net income (loss)	\$ 514	\$ 445	\$ 330	\$ (619)	\$ 670
Adjustments	21	174	(516)	619	298
Net change in operating assets and liabilities	8	(54)	67		21
<b>Net cash provided from (used in) operations</b>	<b>543</b>	<b>565</b>	<b>(119)</b>		<b>989</b>
<b>Investing activities:</b>					
Additions to property, plant and mine development		(238)	(164)		(402)
Purchases of marketable securities		(1)	(11)		(12)
Acquisitions, net			(7)		(7)
Proceeds from sale of other assets		6			6
Other			(3)		(3)
<b>Net cash used in investing activities</b>		<b>(233)</b>	<b>(185)</b>		<b>(418)</b>
<b>Financing activities:</b>					
Net borrowings (repayments)		(31)			(31)
Net intercompany borrowings (repayments)	(472)	(1,948)	2,420		
Dividends paid to common stockholders	(74)				(74)
Dividends paid to noncontrolling interests		(15)			(15)
Proceeds from stock issuance, net	3				3
<b>Net cash provided from (used in) financing activities</b>	<b>(543)</b>	<b>(1,994)</b>	<b>2,420</b>		<b>(117)</b>
Effect of exchange rate changes on cash		(1)	24		23
<b>Net change in cash and cash equivalents</b>		<b>(1,663)</b>	<b>2,140</b>		<b>477</b>
Cash and cash equivalents at beginning of period		3,877	179		4,056
<b>Cash and cash equivalents at end of period</b>	<b>\$</b>	<b>\$ 2,214</b>	<b>\$ 2,319</b>	<b>\$</b>	<b>\$ 4,533</b>



**Table of Contents****NEWMONT MINING CORPORATION****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)**

(dollars in millions, except per share, per ounce and per pound amounts)

Condensed Consolidating Balance Sheet	At March 31, 2012				Newmont Mining Corporation Consolidated
	Newmont Mining Corporation	Newmont USA	Other Subsidiaries	Eliminations	
<b>Assets</b>					
Cash and cash equivalents	\$	\$ 2,270	\$ 342	\$	\$ 2,612
Trade receivables		228	121		349
Accounts receivable	1,199	2,268	293	(3,398)	362
Investments	100	55	24		179
Inventories		330	369		699
Stockpiles and ore on leach pads		631	113		744
Deferred income tax assets	6	252	5		263
Other current assets		124	760		884
Current assets	1,305	6,158	2,027	(3,398)	6,092
Property, plant and mine development, net		7,266	9,127	(29)	16,364
Investments		118	1,361		1,479
Investments in subsidiaries	15,165	24	2,915	(18,104)	
Stockpiles and ore on leach pads		1,761	709		2,470
Deferred income tax assets	792	808	52		1,652
Other long-term assets	3,607	664	913	(4,280)	904
<b>Total assets</b>	<b>\$ 20,869</b>	<b>\$ 16,799</b>	<b>\$ 17,104</b>	<b>\$ (25,811)</b>	<b>\$ 28,961</b>
<b>Liabilities</b>					
Debt	\$	\$ 59	\$ 10	\$	\$ 69
Accounts payable	1,472	1,174	1,254	(3,403)	497
Employee-related benefits		171	74		245
Income and mining taxes		94	249		343
Other current liabilities	11	468	2,895	(1,957)	1,417
Current liabilities	1,483	1,966	4,482	(5,360)	2,571
Debt	6,035	1	45		6,081
Reclamation and remediation liabilities		901	362		1,263
Deferred income tax liabilities		641	1,459		2,100
Employee-related benefits	5	369	110		484
Other long-term liabilities	548	54	4,103	(4,308)	397
<b>Total liabilities</b>	<b>8,071</b>	<b>3,932</b>	<b>10,561</b>	<b>(9,668)</b>	<b>12,896</b>
<b>Equity</b>					
Preferred stock			61	(61)	
Common stock	785				785
Additional paid-in capital	7,986	3,050	5,697	(8,470)	8,263
Accumulated other comprehensive income	658	(188)	1,158	(970)	658
Retained earnings	3,369	6,481	(1,627)	(4,854)	3,369

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Newmont stockholders' equity	12,798	9,343	5,289	(14,355)	13,075
Noncontrolling interests		3,524	1,254	(1,788)	2,990
<b>Total equity</b>	<b>12,798</b>	<b>12,867</b>	<b>6,543</b>	<b>(16,143)</b>	<b>16,065</b>
Total liabilities and equity	\$ 20,869	\$ 16,799	\$ 17,104	\$ (25,811)	\$ 28,961

**Table of Contents****NEWMONT MINING CORPORATION****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)**

(dollars in millions, except per share, per ounce and per pound amounts)

Condensed Consolidating Balance Sheet	At December 31, 2011				Newmont Mining Corporation Consolidated
	Newmont Mining Corporation	Newmont USA	Other Subsidiaries	Eliminations	
<b>Assets</b>					
Cash and cash equivalents	\$	\$ 1,526	\$ 234	\$	\$ 1,760
Trade receivables		205	95		300
Accounts receivable	1,415	3,447	264	(4,806)	320
Investments	72		22		94
Inventories		333	381		714
Stockpiles and ore on leach pads		532	139		671
Deferred income tax assets	134	257	5		396
Other current assets		91	1,042		1,133
Current assets	1,621	6,391	2,182	(4,806)	5,388
Property, plant and mine development, net		6,917	8,990	(26)	15,881
Investments		29	1,443		1,472
Investments in subsidiaries	14,675	43	2,825	(17,543)	
Stockpiles and ore on leach pads		1,641	630		2,271
Deferred income tax assets	708	838	59		1,605
Other long-term assets	3,423	641	927	(4,134)	857
<b>Total assets</b>	<b>\$ 20,427</b>	<b>\$ 16,500</b>	<b>\$ 17,056</b>	<b>\$ (26,509)</b>	<b>\$ 27,474</b>
<b>Liabilities</b>					
Debt	\$ 514	\$ 165	\$ 10	\$	\$ 689
Accounts payable	2,698	1,327	1,343	(4,807)	561
Employee-related benefits		222	85		307
Income and mining taxes		45	205		250
Other current liabilities	450	459	3,186	(1,962)	2,133
Current liabilities	3,662	2,218	4,829	(6,769)	3,940
Debt	3,578	1	45		3,624
Reclamation and remediation liabilities		809	360		1,169
Deferred income tax liabilities		732	1,415		2,147
Employee-related benefits	5	355	99		459
Other long-term liabilities	567	61	3,895	(4,159)	364
<b>Total liabilities</b>	<b>7,812</b>	<b>4,176</b>	<b>10,643</b>	<b>(10,928)</b>	<b>11,703</b>
<b>Equity</b>					
Preferred stock			61	(61)	
Common stock	784				784
Additional paid-in capital	8,127	3,050	5,702	(8,471)	8,408
Accumulated other comprehensive income	652	(189)	1,168	(979)	652
Retained earnings	3,052	6,055	(1,744)	(4,311)	3,052

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Newmont stockholders' equity	12,615	8,916	5,187	(13,822)	12,896
Noncontrolling interests		3,408	1,226	(1,759)	2,875
<b>Total equity</b>	<b>12,615</b>	<b>12,324</b>	<b>6,413</b>	<b>(15,581)</b>	<b>15,771</b>
Total liabilities and equity	\$ 20,427	\$ 16,500	\$ 17,056	\$ (26,509)	\$ 27,474

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**NEWMONT MINING CORPORATION**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)**

(dollars in millions, except per share, per ounce and per pound amounts)

**NOTE 25 COMMITMENTS AND CONTINGENCIES**

**General**

The Company follows ASC guidance in accounting for loss contingencies. Accordingly, estimated losses from contingencies are accrued by a charge to income when information available prior to issuance of the financial statements indicates that it is probable (greater than a 75% probability) that a liability could be incurred and the amount of the loss can be reasonably estimated. Legal expenses associated with the contingency are expensed as incurred. If a loss contingency is not probable or reasonably estimable, disclosure of the contingency and estimated range of loss, if determinable is made in the financial statements when it is at least reasonably possible that a material loss could be incurred.

**Operating Segments**

The Company's operating segments are identified in Note 3. Except as noted in this paragraph, all of the Company's commitments and contingencies specifically described in this Note 25 relate to the Corporate and Other reportable segment. The PT Newmont Minahasa Raya and PTNNT matters relate to the Asia Pacific reportable segment. The Yanacocha matters relate to the South America reportable segment.

**Environmental Matters**

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Company conducts its operations so as to protect the public health and environment and believes its operations are in compliance with applicable laws and regulations in all material respects. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations, but cannot predict the full amount of such future expenditures.

Estimated future reclamation costs are based principally on legal and regulatory requirements. At March 31, 2012 and December 31, 2011, \$1,136 and \$1,070, respectively, were accrued for reclamation costs relating to currently or recently producing mineral properties in accordance with asset retirement obligation guidance. The current portions of \$47 and \$47 at March 31, 2012 and December 31, 2011, respectively, are included in *Other current liabilities*.

The Company is involved in several matters concerning environmental obligations associated with former mining activities. Generally, these matters concern developing and implementing remediation plans at the various sites involved. The Company believes that the related environmental obligations associated with these sites are similar in nature with respect to the development of remediation plans, their risk profile and the compliance required to meet general environmental standards. Based upon the Company's best estimate of its liability for these matters, \$197 and \$170 were accrued for such obligations at March 31, 2012 and December 31, 2011, respectively. These amounts are included in *Other current liabilities* and *Reclamation and remediation liabilities*. Depending upon the ultimate resolution of these matters, the Company believes that it is reasonably possible that the liability for these matters could be as much as 106% greater or 7% lower than the amount accrued at March 31, 2012. The amounts accrued are reviewed periodically based upon facts and circumstances available at the time. Changes in estimates are recorded in *Reclamation and remediation* in the period estimates are revised.

Details about certain of the more significant matters involved are discussed below.

***Newmont USA Limited 100% Newmont Owned***

*Grey Eagle Mine Site.* By letter dated September 3, 2002, the EPA notified Newmont that the EPA had expended \$3 in response costs to address environmental conditions associated with a historic tailings pile located at the Grey Eagle Mine site near Happy Camp, California, and requested that Newmont pay those costs. The EPA has identified four potentially responsible parties, including Newmont. Newmont does not believe it has any liability for environmental conditions at the Grey Eagle Mine site, and intends to vigorously defend any formal claims by the EPA.

Newmont cannot reasonably predict the likelihood or outcome of any future action against it arising from this matter.

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(dollars in millions, except per share, per ounce and per pound amounts)

*Ross-Adams Mine Site.* By letter dated June 5, 2007, the U.S. Forest Service notified Newmont that it had expended approximately \$0.3 in response costs to address environmental conditions at the Ross-Adams mine in Prince of Wales, Alaska, and requested Newmont USA Limited pay those costs and perform an Engineering Evaluation/Cost Analysis ( EE/CA ) to assess what future response activities might need to be completed at the site. Newmont intends to vigorously defend any formal claims by the EPA. Newmont has agreed to perform the EE/CA. Newmont cannot reasonably predict the likelihood or outcome of any future action against it arising from this matter.

***PT Newmont Minahasa Raya ( PTNMR ) 80% Newmont Owned***

On March 22, 2007, an Indonesian non-governmental organization named Wahana Lingkungan Hidup Indonesia ( WALHI ) filed a civil suit against PTNMR, the Newmont subsidiary that operated the Minahasa mine in Indonesia, and Indonesia's Ministry of Energy & Mineral Resources and Ministry of Environment, alleging pollution from the government-approved and permitted disposal of mill tailings into Buyat Bay, and seeking a court order requiring PTNMR to fund a 25-year monitoring program in relation to Buyat Bay. In December 2007, the court ruled in PTNMR's favor and found that WALHI's allegations of pollution in Buyat Bay were without merit. In March 2008, WALHI appealed this decision to the Indonesian High Court. On January 27, 2010, the Indonesian High Court upheld the December 2007 ruling in favor of PTNMR. On May 17, 2010, WALHI filed an appeal of the January 27, 2010 Indonesian High Court ruling seeking review from the Indonesian Supreme Court. Independent sampling and testing of Buyat Bay water and fish, as well as area residents, conducted by the World Health Organization and the Australian Commonwealth Scientific and Industrial Research Organization confirm that PTNMR has not polluted the Buyat Bay environment, and, therefore, has not adversely affected the fish in Buyat Bay or the health of nearby residents. Ongoing monitoring of seawater quality by an Independent Scientific Panel continues to confirm that PTNMR's operations have not adversely affected the environment. The Company remains steadfast that it has not caused pollution or health problems.

**Other Legal Matters*****Minera Yanacocha S.R.L. ( Yanacocha ) 51.35% Newmont Owned***

*Choropampa.* In June 2000, a transport contractor of Yanacocha spilled approximately 151 kilograms of elemental mercury near the town of Choropampa, Peru, which is located 53 miles (85 kilometers) southwest of the Yanacocha mine. Elemental mercury is not used in Yanacocha's operations but is a by-product of gold mining and was sold to a Lima firm for use in medical instruments and industrial applications. A comprehensive health and environmental remediation program was undertaken by Yanacocha in response to the incident. In August 2000, Yanacocha paid under protest a fine of 1,740,000 Peruvian soles (approximately \$0.5) to the Peruvian government. Yanacocha has entered into settlement agreements with a number of individuals impacted by the incident. As compensation for the disruption and inconvenience caused by the incident, Yanacocha entered into agreements with and provided a variety of public works in the three communities impacted by this incident. Yanacocha cannot predict the likelihood of additional expenditures related to this matter.

Additional lawsuits relating to the Choropampa incident were filed against Yanacocha in the local courts of Cajamarca, Peru, in May 2002 by over 900 Peruvian citizens. A significant number of the plaintiffs in these lawsuits entered into settlement agreements with Yanacocha prior to filing such claims. In April 2008, the Peruvian Supreme Court upheld the validity of these settlement agreements, which the Company expects to result in the dismissal of all claims brought by previously settled plaintiffs. Yanacocha has also entered into settlement agreements with approximately 350 additional plaintiffs. The claims asserted by approximately 200 plaintiffs remain. In 2011, Yanacocha was served with 22 complaints alleging grounds to nullify the settlements entered between Yanacocha and the plaintiffs. Yanacocha has answered the complaints and the court has dismissed several of the matters and the plaintiffs have filed appeals. Yanacocha will continue to vigorously defend its position. Neither the Company nor Yanacocha can reasonably estimate the ultimate loss relating to such claims.

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**NEWMONT MINING CORPORATION**

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(dollars in millions, except per share, per ounce and per pound amounts)

***PT Newmont Nusa Tenggara ( PTNNT ) 31.5% Newmont Owned***

Under the Batu Hijau Contract of Work, beginning in 2006 and continuing through 2010, a portion of PTNNT's shares were required to be offered for sale, first, to the Indonesian government or, second, to Indonesian nationals, equal to the difference between the following percentages and the percentage of shares already owned by the Indonesian government or Indonesian nationals (if such number is positive): 23% by March 31, 2006; 30% by March 31, 2007; 37% by March 31, 2008; 44% by March 31, 2009; and 51% by March 31, 2010. As PT Pukuafu Indah ( PTPI ), an Indonesian national, owned a 20% interest in PTNNT at all relevant times, in 2006, a 3% interest was required to be offered for sale and, in each of 2007 through 2010, an additional 7% interest was required to be offered (for an aggregate 31% interest). The price at which such interests were offered for sale to the Indonesian parties was the fair market value of such interest considering PTNNT as a going concern, as agreed with the Indonesian government.

In accordance with the Contract of Work, an offer to sell a 3% interest was made to the Indonesian government in 2006 and an offer for an additional 7% interest was made in each of 2007, 2008, 2009 and 2010. While the central government declined to participate in the 2006 and 2007 offers, local governments in the area in which the Batu Hijau mine is located expressed interest in acquiring shares, as did various Indonesian nationals. After disagreement with the government over whether the government's first right to purchase had expired and receipt of Notices of Default from the government claiming breach and threatening termination of the Contract of Work, on March 3, 2008, the Indonesian government filed for international arbitration as provided under the Contract of Work, as did PTNNT.

An international arbitration panel (the Panel ) was appointed to resolve these claims and other claims that had arisen in relation to divestment and on March 31, 2009, the Panel issued its final award and decision on the matter. In its decision, the Panel determined that PTNNT's foreign shareholders had not complied with the divestiture procedure required by the Contract of Work in 2006 and 2007, but the Panel ruled that the Indonesian government was not entitled to immediately terminate the Contract of Work and rejected the Indonesian government's claim for damages. In November and December 2009, sale agreements were concluded pursuant to which the 2006, 2007 and 2008 shares were transferred to PT Multi Daerah Bersaing ( PTMDB ), the nominee of the local governments, and the 2009 shares were transferred to PTMDB in February 2010, resulting in PTMDB owning a 24% interest in PTNNT.

On December 17, 2010, the Ministry of Energy & Mineral Resources, acting on behalf of the Indonesian government, accepted the offer to acquire the final 7% interest in PTNNT. Subsequently, the Indonesian government designated Pusat Investasi Pemerintah ( PIP ), an agency of the Ministry of Finance, as the entity that will buy the final stake. On May 6, 2011, PIP and the foreign shareholders entered into a definitive agreement for the sale and purchase of the final 7% divestiture stake. Closing of the transaction is pending receipt of approvals from certain Indonesian government ministries. Subsequent to signing the agreement, a disagreement arose between the Ministry of Finance and the Indonesian parliament in regard to whether parliamentary approval was needed to allow PIP to make the share purchase. In October 2011, press reports stated that Indonesia's Supreme Audit Agency had determined that parliamentary approval is required. The Ministry of Finance continues to dispute the need for parliamentary approval and has filed a case with Indonesia's Constitutional Court to have the issue finally resolved. Further disputes may arise in regard to the divestiture of the 2010 shares.

As part of the negotiation of the sale agreements with PTMDB, the parties executed an operating agreement (the Operating Agreement ) under which each recognizes the rights of the Company and Sumitomo to apply their operating standards to the management of PTNNT's operations, including standards for safety, environmental stewardship and community responsibility. The Operating Agreement became effective upon the completion of the sale of the 2009 shares in February 2010 and will continue for so long as the Company and Sumitomo own more shares of PTNNT than PTMDB. If the Operating Agreement terminates, then the Company may lose control over the applicable operating standards for Batu Hijau and will be at risk for operations conducted in a manner that either detracts from value or results in safety, environmental or social standards below those adhered to by the Company and Sumitomo.

In the event of any future disputes under the Contract of Work or Operating Agreement, there can be no assurance that the Company would prevail in any such dispute and any termination of such contracts could result in substantial diminution in the value of the Company's interests in PTNNT.





**Table of Contents****NEWMONT MINING CORPORATION****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)**

(dollars in millions, except per share, per ounce and per pound amounts)

Effective January 1, 2011, the local government in the region where the Batu Hijau mine is located commenced the enforcement of local regulations that purport to require PTNNT to pay additional taxes based on revenue and the value of PTNNT's contracts. In addition, the regulations purport to require PTNNT to obtain certain export-related documents from the regional government for purposes of shipping copper concentrate. PTNNT is required to and has obtained all export related-documents in compliance with the laws and regulations of the central government. PTNNT believes that the new regional regulations are not enforceable as they expressly contradict higher level Indonesian laws that set out the permissible taxes that can be imposed by a regional government and all effective export requirements. PTNNT's position is supported by Indonesia's Ministry of Energy & Mineral Resources, Ministry of Trade, and the provincial government. To date, PTNNT has not been forced to comply with these new contradictory regional regulations. On February 4, 2011, PTNNT filed legal proceedings seeking to have the regulations declared null and void because they conflict with the laws of Indonesia. Subsequently, the Ministry of Home Affairs issued a decree declaring these local regulations to be contrary to Indonesian law and thus unenforceable. Further disputes with the local government could arise in relation to these regulations. PTNNT intends to vigorously defend its position in this dispute.

Additionally, in September 2011, WALHI brought an administrative law claim against Indonesia's Ministry of Environment to challenge the May 2011 renewal of PTNNT's submarine tailings permit. PTNNT and the regional government of KSB ( KSB ) filed separate applications for intervention into the proceedings, both of which were accepted by the Administrative Court. KSB intervened on the side of WALHI, and PTNNT joined on the side of the Ministry of Environment. On April 3, 2012, the Administrative Court ruled in favor of the Ministry of Environment and PTNNT, finding that the Ministry of Environment properly renewed the permit in accordance with Indonesian law and regulations. WALHI has announced that it has appealed the verdict. PTNNT will continue to defend its submarine tailings permit and is confident that the Ministry of Environment acted properly in renewing PTNNT's permit.

***Claim against Newmont Mining Corporation relating to PTNNT divestiture***

The Company is aware of a lawsuit apparently filed by Indonesian citizens living in the province of Nusa Tenggara Barat against Indonesia's Ministry of Finance and other government officials (as defendants) and against PTNNT and the Company (as co-defendants). Plaintiffs claim that the purchase by the central government of the final 7% divestiture stake in PTNNT violates, or would violate, their human rights. PTNNT's alleged liability appears supposedly to arise from being a party involved in the process of divestiture, and the Company's from being a holding company of PTNNT. The allegations regarding alleged liability are vague and unclear. Plaintiffs seek various relief, including an order requiring the defendants and co-defendants to transfer the final 7% stake to the regional government of Nusa Tenggara Barat and a payment of approximately \$247 in damages. The Company considers that there has been no proper service of process, that there is lack of jurisdiction, and that the claims, including those pertaining to it and PTNNT, are entirely without merit.

***PT Pukuafu Indah Litigation***

In October 2009, PTPI filed a lawsuit in the Central Jakarta District Court against PTNNT and the Indonesian government seeking to cancel the March 2009 arbitration award pertaining to the manner in which divestiture of shares in PTNNT should proceed (refer to the discussion of PTNNT above for the arbitration results). On October 11, 2010, the District Court ruled in favor of PTNNT and the Indonesian government finding, among other things, that PTPI lacks standing to contest the validity of the arbitration award. PTPI filed an appeal to the High Court, which was rejected by the High Court on January 4, 2012. PTPI has not yet further appealed the case.

Subsequent to its initial claim, PTPI filed numerous additional lawsuits, three of which have been withdrawn, against Newmont Indonesia Limited ( NIL ) and Nusa Tenggara Mining Corporation ( NTMC ), a subsidiary of Sumitomo, in the South Jakarta District Court. Fundamentally, the cases all relate to PTPI's contention that it owns, or has rights to own, the shares in PTNNT that have been or will be divested to fulfill the requirements of the PTNNT Contract of Work and the March 2009 arbitration award. PTPI also makes various other allegations, including alleged rights in or to the Company's or NTMC's non-divestiture shares in PTNNT, and PTPI asserts claims for significant damages allegedly arising from NIL's and NTMC's unlawful acts in transferring the divestiture shares to a third party. On November 30, 2010, the South Jakarta District Court rendered a decision in favor of PTPI in one of the cases that included an order that NIL/NTMC transfer 31% of PTNNT shares to PTPI and pay PTPI \$26 in damages and certain monetary penalties. The order is not final and binding until the appeal process is completed. NIL and NTMC appealed the decision. On June 28, 2011, the South Jakarta District Court ruled in favor of NIL and NTMC in one of PTPI's lawsuits

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contending that PTPI has rights in or to NIL's and NTMC's non-divestiture shares. In the Company's view, this ruling further conflicts with the November 30, 2010 ruling finding that PTPI has rights in the divestiture shares. PTPI has filed a notice of appeal. In March 2012, the District Court dismissed PTPI's final two cases that were pending at the trial court level, and PTPI has to date appealed one of these lawsuits.

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**NEWMONT MINING CORPORATION**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)**

(dollars in millions, except per share, per ounce and per pound amounts)

In January 2010, PTPI also filed a lawsuit against PTNNT's President Director, Mr. Martiono Hadiano, alleging wrongful acts associated with the arbitration, including failure to properly share certain information. The South Jakarta District Court issued a decision partially in favor of PTPI against the PTNNT President Director, requiring the production of arbitration documents. The PTNNT President Director has appealed the decision, which is nonbinding until the appeal process is completed.

Newmont, Sumitomo and PTNNT's management believe that all of PTPI's claims in these matters are without merit and constitute a material breach of a written release agreement executed by PTPI in 2009, in which it and its shareholders committed to cease prosecution of all then-pending lawsuits and not to initiate new proceedings, in conjunction with Newmont's provision of financing to PTPI in late 2009.

In August 2010, NIL and NVL USA Limited (NVL) commenced an arbitration against PTPI in the Singapore International Arbitration Centre, as provided in relevant financing agreements, seeking declarations that PTPI has violated the release agreement by failing to dismiss its Indonesian lawsuits, that PTPI is in breach of the November 2009 loan facility and related agreements, and that NIL and NVL are entitled to damages arising from PTPI's and its shareholders' conduct.

On October 1, 2010, NIL and NVL requested, based upon the release agreement, that the arbitral tribunal issue an interim order requiring PTPI and its shareholders to discontinue the various Indonesian court proceedings and refrain from bringing additional lawsuits. On October 15, 2010, the tribunal issued an order granting NIL and NVL's request. The order of the tribunal restrains PTPI and its agents from proceeding with or continuing with or assisting or participating in the prosecution of the Indonesian [s]uits and from commencing additional proceedings relating to the same subject matter as the Indonesian lawsuits. NIL and NVL obtained an enforcement order in Singapore courts but it is not known whether PTPI and its shareholders will abide by the court order. PTPI and its shareholders' proceedings in Singapore court to contest enforcement of the interim award were rejected by the court.

On April 7, 2011, the arbitral tribunal issued a final award, while keeping the proceedings open to allow NIL and NVL to seek further relief as necessary, finding PTPI and its shareholders in breach of various provisions of the financing agreements, including the release agreement. The tribunal, for the second time, ordered PTPI and its agents to restrain from proceeding with the Indonesian lawsuits or filing new lawsuits relating to the same subject matter. In addition, the tribunal ordered PTPI and other shareholder defendants, collectively, to pay more than \$11 in damages, costs and expenses. NIL and NVL obtained an enforcement order in Singapore courts but it is not known whether PTPI and its shareholders will comply with the court order. NIL and NVL have also registered the final award in the Central Jakarta District Court to seek enforcement in Indonesia.

The Company intends to continue vigorously defending the PTPI lawsuits and pursuing its claims against PTPI.

***NWG Investments Inc. v. Fronteer Gold Inc.***

In April 2011, Newmont acquired Fronteer Gold Inc. (Fronteer). Fronteer has been named as a defendant in a lawsuit filed in New York State Supreme Court by NWG Investments Inc. (NWG).

Fronteer acquired NewWest Gold Corporation (NewWest Gold) in September 2007. At the time of that acquisition, NWG owned approximately 86% of NewWest Gold and an individual named Jacob Safra owned or controlled 100% of NWG. Prior to its acquisition of NewWest Gold, Fronteer entered into a June 2007 lock-up agreement with NWG providing that, among other things, NWG would support Fronteer's acquisition of NewWest Gold. At that time, Fronteer owned approximately 42% of Aurora Energy Resources Inc. (Aurora), which, among other things, had a uranium exploration project in Labrador, Canada.

NWG contends that, during the negotiations leading up to the lock-up agreement, Fronteer represented to NWG that Aurora would commence uranium mining in Labrador by 2013, that this was a firm date, that Fronteer was not aware of any obstacle to doing so, that Aurora faced no serious environmental issues in Labrador and that Aurora's competitors faced greater delays in commencing uranium mining. NWG further contends that it entered into the lock-up agreement and agreed to support Fronteer's acquisition of NewWest Gold in reliance upon these purported representations. On October 11, 2007, less than three weeks after the Fronteer-NewWest Gold transaction closed, a member of the

Nunatsiavut Assembly introduced a motion calling for the adoption of a moratorium on uranium mining in Labrador. On April 8, 2008, the Nunatsiavut Assembly adopted a three-year moratorium on uranium mining in Labrador. NWG contends that Fronteer was aware during the negotiations of the NWG/Fronteer lock-up agreement that the Nunatsiavut Assembly planned on adopting this moratorium and that its adoption would preclude Aurora from commencing uranium mining by 2013, but Fronteer nonetheless fraudulently induced NWG to enter into the lock-up agreement.

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**NEWMONT MINING CORPORATION**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)**

(dollars in millions, except per share, per ounce and per pound amounts)

NWG has not yet filed or served a complaint upon Fronteer or Newmont. Newmont intends to defend this matter, but cannot reasonably predict the outcome.

**Other Commitments and Contingencies**

Tax contingencies are provided for in accordance with ASC income tax guidance (see Note 9).

The Company has minimum royalty obligations on one of its producing mines in Nevada for the life of the mine. Amounts paid as a minimum royalty (where production royalties are less than the minimum obligation) in any year are recoverable in future years when the minimum royalty obligation is exceeded. Although the minimum royalty requirement may not be met in a particular year, the Company expects that over the mine life, gold production will be sufficient to meet the minimum royalty requirements. Minimum royalty payments payable are \$28 in 2012 through 2016 and \$223 thereafter.

As part of its ongoing business and operations, the Company and its affiliates are required to provide surety bonds, bank letters of credit and bank guarantees as financial support for various purposes, including environmental reclamation, exploration permitting, workers compensation programs and other general corporate purposes. At March 31, 2012 and December 31, 2011, there were \$1,482 and \$1,354, respectively, of outstanding letters of credit, surety bonds and bank guarantees. The surety bonds, letters of credit and bank guarantees reflect fair value as a condition of their underlying purpose and are subject to fees competitively determined in the market place. The obligations associated with these instruments are generally related to performance requirements that the Company addresses through its ongoing operations. As the specific requirements are met, the beneficiary of the associated instrument cancels and/or returns the instrument to the issuing entity. Certain of these instruments are associated with operating sites with long-lived assets and will remain outstanding until closure. Generally, bonding requirements associated with environmental regulation are becoming more restrictive. However, the Company believes it is in compliance with all applicable bonding obligations and will be able to satisfy future bonding requirements, through existing or alternative means, as they arise.

Newmont is from time to time involved in various legal proceedings related to its business. Except in the above-described proceedings, management does not believe that adverse decisions in any pending or threatened proceeding or that amounts that may be required to be paid by reason thereof will have a material adverse effect on the Company's financial condition or results of operations.

**NOTE 26 SUPPLEMENTARY DATA**

**Ratio of Earnings to Fixed Charges**

The ratio of earnings to fixed charges for the three months ended March 31, 2012 was 13.5. The ratio of earnings to fixed charges represents income before income and mining tax expense, equity income (loss) of affiliates, loss from discontinued operations and net income attributable to noncontrolling interests, divided by interest expense. Interest expense includes amortization of capitalized interest and the portion of rent expense representative of interest. Interest expense does not include interest on income tax liabilities. The computation of the ratio of earnings to fixed charges can be found in Exhibit 12.1.

**Table of Contents****ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION**

(dollars in millions, except per share, per ounce and per pound amounts)

The following discussion provides information that management believes is relevant to an assessment and understanding of the consolidated financial condition and results of operations of Newmont Mining Corporation and its subsidiaries (collectively, Newmont, the Company, our and we). We use certain non-GAAP financial performance measures in our MD&A. For a detailed description of each of the non-GAAP financial measures used in this MD&A, please see the discussion under Non-GAAP Financial Performance Measures beginning on page 53. References to A\$ refer to Australian currency, C\$ to Canadian currency, NZ\$ to New Zealand currency and \$ to United States currency.

This item should be read in conjunction with our interim unaudited Condensed Consolidated Financial Statements and the notes thereto included in this quarterly report. Additionally, the following discussion and analysis should be read in conjunction with *Management's Discussion and Analysis of Consolidated Financial Condition and Results of Operations* and the consolidated financial statements included in Part II of our Annual Report on Form 10-K for the year ended December 31, 2011 filed February 24, 2012.

**Overview**

Newmont is one of the world's largest gold producers and is the only gold company included in the S&P 500 Index and Fortune 500, and has been included in the Dow Jones Sustainability Index-World for five consecutive years. We are also engaged in the exploration for and acquisition of gold and gold/copper properties. We have significant operations and/or assets in the United States, Australia, Peru, Indonesia, Ghana, Mexico and New Zealand.

Our vision is to be the most valued and respected mining company through industry leading performance. We remain focused on progressing the development of our next generation of mining projects. Approximately 60% of our 2012 capital expenditures will be invested in these projects and the development of our pipeline, funded primarily from *Net cash from continuing operations*, as we continue to deliver solid leverage to the gold price. First quarter 2012 highlights are included below and discussed further in *Results of Consolidated Operations*.

**Operating highlights**

Consolidated revenue of \$2,683, an increase of 9% from the prior year quarter;

Average realized gold and copper price of \$1,684 per ounce and \$ 4.01 per pound, up 22% and no change, respectively, from the prior year quarter

Attributable gold and copper production of 1.3 million ounces and 35 million pounds, down 2% and 35%, respectively, from the prior year quarter;

Cash flow from continuing operations of \$613, down 38% from the prior year quarter;

Second quarter gold price-linked dividend of \$0.35 per share, an increase of 75% over the prior year quarter;

Gold and copper *Costs applicable to sales* of \$620 per ounce and \$1.98 per pound, up 11% and up 78%, respectively, from the prior year quarter; and

Maintaining 2012 Company-wide outlook for production, *Costs applicable to sales* and capital expenditures.

***Advancing our project pipeline***

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We manage our wider project portfolio to maintain flexibility to address the development risks associated with our projects, including permitting, local community and government support, engineering and procurement availability, technical issues, escalating costs and other associated risks that could adversely impact the timing and costs of certain opportunities.

Our opportunities in the Execution phase of development comprise a significant part of the Company's growth strategy and include Akyem in Ghana, Conga in Peru, Tanami Shaft in Australia and the Phoenix Copper Leach and Emigrant in Nevada, as described further below.



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*Akyem, Ghana.* Construction activities at the Akyem project continue to progress according to plan. First production is expected in late 2013 to early 2014 with approximately three to six months expected for ramp-up to commercial production. Gold production is expected to be approximately 350,000 to 450,000 ounces per year at *Costs applicable to sales* of \$450 to \$550 per ounce for the first five years of the mine's operating life of approximately 16 years (based on current gold reserves). Capital costs are estimated at \$850 to \$1,100, of which approximately \$538 have been incurred at March 31, 2012. At December 31, 2011, we reported 7.4 million ounces of gold reserves at Akyem.

*Conga, Peru.* Due to local political and community protests, construction and development activities at the Conga project were largely suspended in November 2011 and recommencement remains subject to certain risks and uncertainties, including those relating to the Environmental Impact Assessment (EIA) review. The Conga project's EIA, which was previously approved by the central government of Peru in October 2010 following an extensive public engagement process, was subject to a review by independent experts during the first quarter at the request of the central government. The results of the independent review were released on April 17, 2012 and confirmed that the EIA met Peruvian and international standards. The Company is currently in the process of evaluating the recommendations contained in the independent report, and additional recommendations from the central government related to the report, to assess the impact on the project economics. Should the Company be unable to continue with the development of Conga, the Company may reprioritize and reallocate capital to other development alternatives in Nevada, Australia, Ghana and Indonesia, which may result in an impairment of the Conga project. For additional information, see Newmont's most recent Form 10-K filed with the SEC, under the heading Risk Factors - Our operations at Yanacocha and the development of our Conga Project in Peru are subject to political and social unrest risks, which have resulted most recently in the suspension of construction activities in our Conga project.

*Tanami Shaft, Australia.* Development efforts at the Tanami Shaft continue to progress. The project supports underground expansion at the Callie and Auron ore bodies to: reduce cut-off grade, enhance productivity and facilitate possible additional mine expansion. The project is expected to add gold production of approximately 60,000 to 90,000 ounces per year during the first five years of production while lowering *Costs applicable to sales* for the first five years by approximately \$100 per ounce at Other Australia/New Zealand. Capital costs are expected to be approximately \$400 to \$450, of which approximately \$38 have been incurred at March 31, 2012.

*Phoenix Copper Leach, Nevada.* The Board of Directors recently authorized full funding for the Phoenix Copper Leach project in Nevada and advanced the project into the Execution phase of development. Delivering the Phoenix Copper Leach project on time and within budget generates positive economics and provides operational diversity to the site and the North American Region. The project also demonstrates the viability of permitting copper leaching in Nevada, thus generating a springboard for future opportunities in the region.

*Emigrant, Nevada.* Construction is in process and first production is anticipated in the second half of 2012. Emigrant provides a new source of gold production for the North America region, unconstrained by Carlin's fixed mill capacity over an 8.5 year mine life. Gold production is expected to be approximately 80,000 to 90,000 ounces per year at *Costs applicable to sales* of \$600 to \$700 per ounce for the first five years of the mine's operating life. Capital costs are estimated at approximately \$100, of which approximately \$74 have been incurred at March 31, 2012. At December 31, 2011, we reported 1.6 million ounces of gold reserves at Emigrant.

In addition to these projects in the Execution phase of development, as described above, we continue to advance earlier stage development assets through our project pipeline in our four operating regions. The exploration, construction and operation of these earlier stage development assets will require significant funding when they go into execution. Two of these projects are described further below:

*Merian, Suriname.* Feasibility study work for the Merian project began in the third quarter of 2011 and is expected to be completed in the fourth quarter of 2012. The Company continues negotiations for a mineral agreement with the government of Suriname. The development of the Merian project allows Newmont to pursue a new district with upside potential and the opportunity to grow and extend the operating life of the South American region. First production is targeted for 2015 with initial estimated attributable gold production of approximately 300,000 ounces per year.

*Long Canyon, Nevada.* We continue to further develop our understanding of what we expect could be another Carlin-type trend at Long Canyon. We continue to make progress on the drilling program and we anticipate an additional 65 kilometers to be drilled in 2012. Our intention is to bring the project into production in 2017 with initial estimated gold production of approximately 200,000 to 300,000 ounces per year.

**Table of Contents****Selected Financial and Operating Results**

	<b>Three Months Ended March 31,</b>	
	<b>2012</b>	<b>2011</b>
Sales	\$ 2,683	\$ 2,465
Income from continuing operations	\$ 674	\$ 670
Net income	\$ 603	\$ 670
Net income attributable to Newmont stockholders	\$ 490	\$ 514
Per common share, basic:		
Income from continuing operations attributable to Newmont stockholders	\$ 1.13	\$ 1.04
Net income attributable to Newmont stockholders	\$ 0.99	\$ 1.04
Adjusted net income <sup>(1)</sup>	\$ 578	\$ 513
Adjusted net income per share <sup>(1)</sup>	\$ 1.17	\$ 1.04
Consolidated gold ounces (thousands)		
Produced	1,479	1,512
Sold	1,455	1,478
Consolidated copper pounds (millions)		
Produced	57	98
Sold	58	105
Average price realized, net:		
Gold (per ounce)	\$ 1,684	\$ 1,382
Copper (per pound)	\$ 4.01	\$ 4.00
Consolidated costs applicable to sales: <sup>(2)</sup>		
Gold (per ounce)	\$ 620	\$ 557
Copper (per pound)	\$ 1.98	\$ 1.11
Attributable costs applicable to sales: <sup>(1)</sup>		
Gold (per ounce)	\$ 637	\$ 562
Copper (per pound)	\$ 1.97	\$ 1.23
Operating margin <sup>(1)</sup>		
Gold (per ounce)	\$ 1,064	\$ 825
Copper (per pound)	\$ 2.03	\$ 2.89

<sup>(1)</sup> See Non-GAAP Financial Measures on page 53.

<sup>(2)</sup> Excludes *Amortization* and *Reclamation and remediation*.

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**Consolidated Financial Results**

*Net income attributable to Newmont stockholders* for the first quarter of 2012 was \$490, or \$0.99 per share, compared to \$514, or \$1.04 per share, for the first quarter of 2011. Results for the first quarter of 2012 compared to the first quarter of 2011 were impacted by lower copper and gold production from Batu Hijau and a \$71 loss from discontinued operations, largely offset by a higher realized gold price and higher gold production from Yanacocha.

Gold *Sales* increased 20% in the first quarter of 2012 compared to the first quarter of 2011 due to higher realized prices. The following analysis summarizes the changes in consolidated gold sales:

	<b>Three Months Ended March 31,</b>	
	<b>2012</b>	<b>2011</b>
<b>Consolidated gold sales:</b>		
Gross before provisional pricing	\$ 2,459	\$ 2,050
Provisional pricing mark-to-market	6	8
Gross after provisional pricing	2,465	2,058
Treatment and refining charges	(15)	(15)
Net	\$ 2,450	\$ 2,043
<b>Consolidated gold ounces sold (thousands):</b>		
Average realized gold price (per ounce):		
Gross before provisional pricing	\$ 1,690	\$ 1,387
Provisional pricing mark-to-market	4	5
Gross after provisional pricing	1,694	1,392
Treatment and refining charges	(10)	(10)
Net	\$ 1,684	\$ 1,382

The change in consolidated gold sales is due to:

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2012 vs. 2011</b>	
Change in consolidated ounces sold	\$	(32)
Change in average realized gold price		439
	\$	407

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Copper Sales decreased 45% in the first quarter of 2012 compared to the first quarter of 2011 due to decreased sales volume. The following analysis summarizes the changes in consolidated copper sales:

	<b>Three Months Ended March 31,</b>	
	<b>2012</b>	<b>2011</b>
<b>Consolidated copper sales:</b>		
Gross before provisional pricing	\$ 219	\$ 461
Provisional pricing mark-to-market	31	(12)
Gross after provisional pricing	250	449
Treatment and refining charges	(17)	(27)
Net	\$ 233	\$ 422
<b>Consolidated copper pounds sold (millions):</b>		
	58	105
<b>Average realized copper price (per pound):</b>		
Gross before provisional pricing	\$ 3.77	\$ 4.37
Provisional pricing mark-to-market	0.53	(0.12)
Gross after provisional pricing	4.30	4.25
Treatment and refining charges	(0.29)	(0.25)
Net	\$ 4.01	\$ 4.00

The change in consolidated copper sales is due to:

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2012 vs. 2011</b>	
Change in consolidated pounds sold	\$	(200)
Change in average realized copper price		1
Change in treatment and refining charges		10
	\$	(189)

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The following is a summary of consolidated gold and copper sales, net:

	<b>Three Months Ended March 31,</b>	
	<b>2012</b>	<b>2011</b>
<b>Gold</b>		
North America:		
Nevada	\$ 723	\$ 582
La Herradura	93	65
	816	647
South America:		
Yanacocha	594	362
Asia Pacific:		
Boddington	298	232
Batu Hijau	34	140
Other Australia/New Zealand	427	415
	759	787
Africa:		
Ahafo	281	247
	2,450	2,043
<b>Copper</b>		
Asia Pacific:		
Batu Hijau	172	369
Boddington	61	