NEWMONT MINING CORP /DE/
Form 10-Q
July 24, 2008
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

Form 10-Q

(Mark One)

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the Quarterly Period Ended June 30, 2008

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)

Delaware	**84-1611629**
(State or Other Jurisdiction of	**(I.R.S. Employer**
Incorporation or Organization)	**Identification No.)**
1700 Lincoln Street	
Denver, Colorado	**80203**
(Address of Principal Executive Offices)	**(Zip Code)**

Registrant s telephone number, including area code (303) 863-7414

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. x 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 12b-2 of the Exchange Act.

(Check one):

Large accelerated filer x Accelerated filer ¨ Non-accelerated filer ¨ Smaller reporting company ¨
(Do not check if a smaller reporting company)
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ¨ Yes x No

There were 439,229,312 shares of common stock outstanding on July 18, 2008 (and 14,854,461 exchangeable shares).

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PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

NEWMONT MINING CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS)

(unaudited, in millions except per share)

	Three Months Ended June 30, 2008	Three Months Ended June 30, 2007	Six Months Ended June 30, 2008	Six Months Ended June 30, 2007
Revenues				
Sales gold, net	$ 1,339	$ 936	$ 2,850	$ 1,947
Sales copper, net	183	340	615	553
	1,522	1,276	3,465	2,500
Costs and expenses				
Costs applicable to sales gold[(1)]	655	586	1,296	1,216
Costs applicable to sales copper[(1)]	104	128	254	251
Loss on settlement of price-capped forward sales contracts (Note 3)		531		531
Amortization	184	186	366	365
Accretion (Note 20)	8	8	16	15
Exploration	59	46	98	85
Advanced projects, research and development	39	13	69	29
General and administrative	37	34	66	67
Write-down of investments	34		56	
Other expense, net (Note 4)	118	78	181	128
	1,238	1,610	2,402	2,687
Other income (expense)				
Other income, net (Note 5)	53	37	90	54
Interest expense, net of capitalized interest	(27)	(25)	(47)	(49)
	26	12	43	5
Income (loss) from continuing operations before income tax, minority interest and equity loss of affiliates	310	(322)	1,106	(182)
Income tax benefit (expense) (Note 8)	37	19	(198)	(25)
Minority interest in income of consolidated subsidiaries (Note 9)	(68)	(98)	(260)	(154)
Equity loss of affiliates			(5)	
Income (loss) from continuing operations	279	(401)	643	(361)
(Loss) income from discontinued operations (Note 10)	(2)	(1,661)	4	(1,633)
Net income (loss)	$ 277	$ (2,062)	$ 647	$ (1,994)
Income (loss) per common share (Note 12)				
Basic:				
Income (loss) from continuing operations	$ 0.61	$ (0.89)	$ 1.42	$ (0.80)

Income (loss) from discontinued operations		(3.68)	0.01	(3.62)
Net income (loss)	$ 0.61	$ (4.57)	$ 1.43	$ (4.42)
Diluted:				
Income (loss) from continuing operations	$ 0.61	$ (0.89)	$ 1.41	$ (0.80)
Income (loss) from discontinued operations		(3.68)	0.01	(3.62)
Net income (loss)	$ 0.61	$ (4.57)	$ 1.42	$ (4.42)
Basic weighted-average common shares outstanding	454	451	454	451
Diluted weighted-average common shares outstanding	456	451	457	451
Cash dividends declared per common share	$ 0.10	$ 0.10	$ 0.20	$ 0.20

(1) Exclusive of Loss on settlement of price-capped forward sales contracts, Amortization and Accretion.

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 June 30, 2008	At December 31, 2007
ASSETS		
Cash and cash equivalents	$ 1,036	$ 1,231
Marketable securities and other short-term investments (Note 15)	72	61
Trade receivables	251	177
Accounts receivable	159	168
Inventories (Note 16)	454	463
Stockpiles and ore on leach pads (Note 17)	367	373
Deferred income tax assets	102	112
Other current assets	406	87
Current assets	2,847	2,672
Property, plant and mine development, net	10,032	9,140
Investments (Note 15)	1,933	1,527
Long-term stockpiles and ore on leach pads (Note 17)	901	788
Deferred income tax assets	1,070	1,027
Other long-term assets	271	234
Goodwill	186	186
Assets of operations held for sale (Note 10)	3	24
Total assets	$ 17,243	$ 15,598
LIABILITIES		
Current portion of long-term debt (Note 18)	$ 261	$ 255
Accounts payable	321	339
Employee-related benefits	147	153
Income and mining taxes	152	88
Other current liabilities (Note 19)	735	665
Current liabilities	1,616	1,500
Long-term debt (Note 18)	3,085	2,683
Reclamation and remediation liabilities (Note 20)	664	623
Deferred income tax liabilities	1,277	1,025
Employee-related benefits	212	226
Other long-term liabilities (Note 19)	153	150
Liabilities of operations held for sale (Note 10)	94	394
Total liabilities	7,101	6,601
Commitments and contingencies (Note 24)		
Minority interest in subsidiaries	1,547	1,449
STOCKHOLDERS EQUITY		
Common stock	703	696
Additional paid-in capital	6,651	6,696
Accumulated other comprehensive income	1,395	957
Retained deficit	(154)	(801)

Total stockholders equity	8,595	7,548
Total liabilities and stockholders equity	$ 17,243	$ 15,598

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

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NEWMONT MINING CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited, in millions)

	Six Months Ended June 30, 2008	2007
Operating activities:		
Net income (loss)	$ 647	$ (1,994)
Adjustments to reconcile net income (loss) to net cash from continuing operations:		
Amortization	366	365
(Income) loss from discontinued operations	(4)	1,633
Accretion of accumulated reclamation obligations (Note 20)	21	19
Deferred income taxes	(203)	(143)
Write-down of investments	56	
Stock based compensation and other benefits	24	25
Minority interest in income of consolidated subsidiaries	260	154
Gain on asset sales, net	(13)	(4)
Other operating adjustments and write-downs	86	47
Net change in operating assets and liabilities (Note 21)	(264)	(726)
Net cash provided from (used in) continuing operations	976	(624)
Net cash (used in) provided from discontinued operations (Note 10)	(112)	61
Net cash provided from (used in) operations	864	(563)
Investing activities:		
Additions to property, plant and mine development	(897)	(710)
Investments in marketable debt and equity securities	(17)	(158)
Proceeds from sale of marketable debt and equity securities	17	134
Acquisitions, net (Note 14)	(325)	
Cash received on repayment of Batu Hijau carried interest (Note 9)		161
Other	(16)	5
Net cash used in investing activities of continuing operations	(1,238)	(568)
Net cash (used in) provided from investing activities of discontinued operations (Note 10)	(6)	74
Net cash used in investing activities	(1,244)	(494)
Financing activities:		
Proceeds from debt, net	1,023	1,161
Repayment of debt	(627)	(418)
Dividends paid to common stockholders	(91)	(90)
Dividends paid to minority interests	(147)	(115)
Proceeds from stock issuance	24	14
Change in restricted cash and other	7	2
Net cash provided from financing activities	189	554
Effect of exchange rate changes on cash	(4)	5

Net change in cash and cash equivalents	(195)	(498)
Cash and cash equivalents at beginning of period	1,231	1,166
Cash and cash equivalents at end of period	$ 1,036	$ 668

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 included in its Annual Report on Form 10-K for the year ended December 31, 2007, filed February 21, 2008. The year-end balance sheet data was derived from audited financial statements, but does not include all disclosures required by U.S. generally accepted accounting principles (GAAP).

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

Certain amounts for the three and six months ended June 30, 2007 have been reclassified to conform to the 2008 presentation. The Company reclassified the World Gold Council dues from *General and administrative* to *Other expense, net*, reclassified Accretion from *Costs applicable to sales* to a separate *Accretion* line item, reclassified regional administrative and community development from *Costs applicable to sales* to *Other expense, net* and reclassified marketing costs from *Costs applicable to sales* to *General and administrative*. The Consolidated Statements of Income (Loss) and the Consolidated Statements of Cash Flows have also been reclassified for discontinued operations. These changes were reflected for all periods presented.

NOTE 2 ACCOUNTING DEVELOPMENTS

Recently Adopted Pronouncements

Fair Value Accounting

In September 2006, the Financial Accounting Standards Board (FASB) issued FASB Statement No. 157, Fair Value Measurements (FAS 157). FAS 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. The provisions of FAS 157 were adopted January 1, 2008. In February 2008, the FASB staff issued Staff Position No. 157-2 Effective Date of FASB Statement No. 157 (FSP FAS 157-2). FSP FAS 157-2 delayed the effective date of FAS 157 for nonfinancial assets and nonfinancial liabilities, except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). The provisions of FSP FAS 157-2 are effective for the Company s fiscal year beginning January 1, 2009.

FAS 157 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 under FAS 157 are described below:

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

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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)

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;

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).

The following table sets forth the Company s financial assets and liabilities measured at fair value by level within the fair value hierarchy. As required by FAS 157, 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 June 30, 2008			
	Total	Level 1	Level 2	Level 3
Assets:				
Cash equivalents	$ 55	$ 55	$	$
Marketable equity securities	1,955	1,955		
Marketable debt securities	34		4	30
Trade receivable from provisional copper and gold concentrate sales	125	125		
Derivative instruments, net	59		59	
	$ 2,228	$ 2,135	$ 63	$ 30
Liabilities:				
8 5/8% debentures	$ 93	$	$ 93	$

The Company s cash instruments are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices. The cash 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 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 reviews fair value for auction rate securities and asset backed commercial paper on at least a quarterly basis. The auction rate securities are valued based on quoted prices in markets that are not active. The Company determined the fair value based on indicative pricing from the underwriting bank. Such instruments are generally classified within Level 2 of the fair value hierarchy. The asset backed commercial paper falls within Level 3 of the fair value hierarchy because it trades infrequently and has little price transparency. The Company allocated an estimated impairment percentage to the various underlying asset classes within the asset backed commercial paper using unobservable inputs. The impairment value was applied sequentially to the various tranches within the asset backed commercial paper, resulting in an estimated fair value for each investment class. This value was supported by an indicative value obtained from a third party, which was facilitated by the Pan-Canadian Investors Committee for Third-Party Structured Asset Backed Commercial Paper.

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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)

The Company s trade receivable from provisional copper and gold concentrate sales is valued using quoted market prices based on the forward London Metal Exchange and as such is classified within Level 1 of the fair value hierarchy.

The Company s derivative instruments are valued using pricing models and the Company generally uses similar models to value similar instruments. Where possible, the Company verifies the values produced by its pricing models to market prices. 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 typically classified within Level 2 of the fair value hierarchy.

The Company has fixed to floating swap contracts to hedge the interest rate risk exposure on $100 of its 8 $^{5}/8$% uncollateralized debentures due May 2011. The hedged portion of the Company s 8 $^{5}/8$% debentures are valued using pricing models which require inputs, including risk-free interest rates and credit spreads. Because the inputs are derived from observable market data, the hedged portion of the 8 $^{5}/8$% debentures is classified within Level 2 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 (asset backed commercial paper) for the six months ended June 30, 2008.

Balance at beginning of period	$ 31
Unrealized losses	(1)
Balance at end of period	$ 30

The total amount of unrealized losses for the period was included in *Accumulated other comprehensive income* as a result of changes in foreign exchange rates from December 31, 2007.

In February 2007, the FASB issued FASB Statement No. 159, The Fair Value Option for Financial Assets and Financial Liabilities (FAS 159). FAS 159 permits entities to choose to measure many financial instruments and certain other items at fair value, with the objective of improving financial reporting by mitigating volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. The provisions of FAS 159 were adopted January 1, 2008. The Company did not elect the Fair Value Option for any of its financial assets or liabilities, and therefore, the adoption of FAS 159 had no impact on the Company s consolidated financial position, results of operations or cash flows.

Accounting for Income Tax Benefits of Dividends on Share-Based Payment Awards

In June 2007, the EITF reached consensus on Issue No. 06-11, Accounting for Income Tax Benefits of Dividends on Share-Based Payment Awards (EITF 06-11). EITF 06-11 requires that the tax benefit related to dividend and dividend equivalents paid on equity-classified nonvested shares and nonvested share units, which are expected to vest, be recorded as an increase to additional paid-in capital. EITF 06-11 was to be applied prospectively for tax benefits on dividends declared in the Company s fiscal year beginning January 1, 2008. The adoption of EITF 06-11 had an insignificant impact on the Company s consolidated financial position, results of operations or cash flows.

NEWMONT MINING CORPORATION

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

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

Recently Issued Accounting Pronouncements

Hierarchy of Generally Accepted Accounting Principles

In May 2008, the FASB issued FASB Statement No. 162, The Hierarchy of Generally Accepted Accounting Principles (FAS 162) which identifies the sources of accounting principles and the framework for selecting the principles to be used in the preparation of financial statements of nongovernmental entities that are presented in conformity with U.S. generally accepted accounting principles (GAAP). FAS 162 is effective 60 days following the SEC s approval of the Public Company Accounting Oversight Board amendments to AU Section 411, *The Meaning of* Present Fairly in Conformity with GAAP. The Company does do not expect the adoption of FAS 162 to have an impact on the Company s consolidated financial position, results of operations or cash flows.

Accounting for Convertible Debt Instruments

In May 2008, the FASB issued FSP No. APB 14-1, Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement) (FSP APB 14-1). FSP APB 14-1 applies to convertible debt instruments that, by their stated terms, may be settled in cash (or other assets) upon conversion, including partial cash settlement, unless the embedded conversion option is required to be separately accounted for as a derivative under FASB Statement No. 133, Accounting for Derivative Instruments and Hedging Activities (FAS 133). Convertible debt instruments within the scope of FSP APB 14-1 are not addressed by the existing APB 14. FSP APB 14-1 requires that the liability and equity components of convertible debt instruments within the scope of FSP APB 14-1 be separately accounted for in a manner that reflects the entity s nonconvertible debt borrowing rate. This requires an allocation of the convertible debt proceeds between the liability component and the embedded conversion option (i.e., the equity component). The difference between the principal amount of the debt and the amount of the proceeds allocated to the liability component will be reported as a debt discount and subsequently amortized to earnings over the instrument s expected life using the effective interest method. FSP APB 14-1 is effective for the Company s fiscal year beginning January 1, 2009 and will be applied retrospectively to all periods presented. The Company estimates that approximately $350 of debt discount will be recorded and the effective interest rate on the Company s 2014 and 2017 convertible senior notes (see Note 18 to the Consolidated Financial Statements) will increase by approximately 5 percentage points to 6.0% and 6.25%, respectively, for the non-cash amortization of the debt discount.

Accounting for the Useful Life of Intangible Assets

In April 2008, the FASB issued FSP No. FAS 142-3, Determination of the Useful Life of Intangible Assets (FSP 142-3) which amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under FASB Statement No. 142, Goodwill and Other Intangible Assets (FAS 142). The intent of this FSP is to improve the consistency between the useful life of a recognized intangible asset under FAS 142 and the period of expected cash flows used to measure the fair value of the asset under FASB Statement No. 141, Business Combinations (FAS 141). FSP 142-3 is effective for the Company s fiscal year beginning January 1, 2009 and will be applied prospectively to intangible assets acquired after the effective date. The Company does do not expect the adoption of FSP 142-3 to have an impact on the Company s consolidated financial position, results of operations or cash flows.

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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)

Derivative Instruments

In March 2008, the FASB issued FASB Statement No. 161, Disclosure about Derivative Instruments and Hedging Activities an amendment of FASB Statement No. 133 (FAS 161) which provides revised guidance for enhanced disclosures about how and why an entity uses derivative instruments, how derivative instruments and the related hedged items are accounted for under FAS 133, and how derivative instruments and the related hedged items affect an entity s financial position, financial performance and cash flows. FAS 161 is effective for the Company s fiscal year beginning January 1, 2009. The Company is currently evaluating the potential impact of adopting this statement on the Company s derivative instrument disclosures.

Business Combinations

In December 2007, the FASB issued FASB Statement No. 141(R), Business Combinations (FAS 141(R)) which amends FAS 141, and provides revised guidance for recognizing and measuring identifiable assets and goodwill acquired, liabilities assumed, and any noncontrolling interest in the acquiree. It also provides disclosure requirements to enable users of the financial statements to evaluate the nature and financial effects of the business combination. FAS 141(R) is effective for the Company s fiscal year beginning January 1, 2009 and is to be applied prospectively. The Company is currently evaluating the potential impact of adopting this statement on the Company s consolidated financial position, results of operations or cash flows.

Noncontrolling Interests in Consolidated Financial Statements

In December 2007, the FASB issued FASB Statement No. 160, Noncontrolling Interests in Consolidated Financial Statements an amendment of ARB No. 51 (FAS 160) which establishes accounting and reporting standards pertaining to (i) ownership interests in subsidiaries held by parties other than the parent, (ii) the amount of net income attributable to the parent and to the noncontrolling interest, (iii) changes in a parent s ownership interest, and (iv) the valuation of any retained noncontrolling equity investment when a subsidiary is deconsolidated. FAS 160 also requires that the reporting company clearly identify and distinguish between the interests of the parent and the interests of the noncontrolling owners. FAS 160 is effective for the Company s fiscal year beginning January 1, 2009. The Company is currently evaluating the potential impact of adopting this statement on the Company s consolidated financial position, results of operations or cash flows.

NOTE 3 PRICE-CAPPED FORWARD SALES CONTRACTS

In 2001, the Company entered into transactions that closed out certain call options. The options were replaced with a series of forward sales contracts requiring physical delivery of the same quantity of gold over slightly extended future periods. Under the terms of the contracts, the Company would realize the lower of the spot price on the delivery date or the capped price, ranging from $381 to $392 per ounce. The forward sales contracts were accounted for as normal sales contracts under FAS 133 Accounting for Derivative Instruments and Hedging Activities , as amended. The initial fair value of the forward sales contracts was recorded as deferred revenue, and the fair value of these contracts was not included on the Condensed Consolidated Balance Sheets.

In June 2007, the Company paid $578 to eliminate its entire 1.85 million ounce price-capped forward sales contracts. The Company reported a pre-tax loss of $531 ($460 after-tax) on the early settlement of the contracts, after a $47 reversal of previously recognized deferred revenue.

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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 4 OTHER EXPENSE, NET

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Reclamation estimate revisions (Note 20)	$ 59	$ 17	$ 61	$ 17
Community development	18	13	32	27
Regional administration	12	10	21	21
Western Australia power plant	8	2	13	7
Peruvian royalty	4	1	11	4
Pension settlement loss (Note 6)		13	11	13
World Gold Council dues	2	3	5	6
Accretion non-operating (Note 20)	3	2	5	4
Other	12	17	22	29
	$ 118	$ 78	$ 181	$ 128

NOTE 5 OTHER INCOME, NET

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Canadian Oil Sands Trust income	$ 31	$ 11	$ 55	$ 19
Interest income	7	10	17	23
Gain on sale of investments, net	10		10	
Income from development projects, net	9		9	
Foreign currency exchange (losses) gains, net	(7)	8	(13)	3
Other	3	8	12	9
	$ 53	$ 37	$ 90	$ 54

NOTE 6 EMPLOYEE PENSION AND OTHER BENEFIT PLANS

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Pension benefit costs, net				
Service cost	$ 4	$ 5	$ 8	$ 10
Interest cost	8	6	15	12
Expected return on plan assets	(7)	(6)	(14)	(11)
Amortization of prior service cost		1		1

Amortization of loss	1	14	2	16
	$ 6	$ 20	$ 11	$ 28

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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)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Other benefit costs, net				
Service cost	$ 1	$ 2	$ 1	$ 3
Interest cost	1	2	2	3
Amortization of gain	(1)		(1)	
	$ 1	$ 4	$ 2	$ 6

For the three months ended June 30, 2008 and 2007, the Company recognized pension settlement losses of $nil and $13, respectively, related to senior management retirements. For the six months ended June 30, 2008 and 2007, the Company recognized pension settlement losses of $11 and $13, respectively, related to senior management retirements. These costs were recorded in *Other expense, net* (see Note 4).

NOTE 7 STOCK BASED COMPENSATION

The Company recognized stock options and other stock based compensation as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Stock options	$ 5	$ 6	$ 8	$ 10
Restricted stock	1	1	3	3
Restricted stock units				1
Deferred stock awards	3	2	5	4
	$ 9	$ 9	$ 16	$ 18

For the three and six months ended June 30, 2008 and 2007, 1,112,463 and 1,066,500 stock options, respectively, were granted at the weighted-average exercise price of $44 and $42, respectively. At June 30, 2008, there was $24 of unrecognized compensation cost related to unvested stock options. This cost is expected to be recognized over a weighted-average period of approximately 2 years. The total intrinsic value of options exercised in the second quarter of 2008 and 2007 was $14 and $2, respectively. The total intrinsic value of options exercised in the first half of 2008 and 2007 was $25 and $7, respectively. During the six months ended June 30, 2008 and 2007, 616,914 and 1,112,947 stock options vested, respectively, at the weighted-average fair market value of $48 for both years.

For the three months ended June 30, 2008 and 2007, 6,743 and 33,286 shares of restricted stock, respectively, were granted and issued, at the weighted-average fair market value of $44 and $42, respectively. For the six months ended June 30, 2008 and 2007, 114,663 and 175,114 shares of restricted stock, respectively, were granted and issued, at the weighted-average fair market value of $48 and $45, respectively.

For the three months ended June 30, 2008 and 2007, 3,855 and nil shares of restricted stock units, respectively, were granted at the weighted average fair market value of $49 and $nil, respectively. For the six months ended June 30, 2008 and 2007, 8,927 and 20,212 shares of restricted

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stock units, respectively, were granted, at the weighted-average fair market value of $49 and $45, respectively, per underlying share of the Company s common stock.

For the three and six months ended June 30, 2008 and 2007, 393,533 and 365,776 deferred stock awards, respectively, were granted.

NOTE 8 INCOME TAXES

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 paid the 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 June 30, 2008, the Company s total unrecognized tax benefit was $163 for uncertain tax positions taken or expected to be taken on tax returns. Of this, $100 represents the amount of unrecognized tax benefits that, if recognized, would affect the Company s effective income tax rate. Also included in the balance at June 30, 2008 is $15 of tax positions that, due to the impact of deferred tax accounting, the disallowance of which would not affect the annual effective tax rate.

On June 25, 2008, the United States Tax Court issued an opinion for Santa Fe Pacific Gold Company and Subsidiaries (Santa Fe), by and through its successor in interest, Newmont USA Limited, a member of the Newmont Mining Corporation affiliated group. The Tax Court issued the ruling for the tax years 1994 1997, which were years prior to Newmont s acquisition of Santa Fe. The Tax Court ruled unfavorably on certain issues relating to the method in which Santa Fe was calculating adjustments related to percentage depletion in its Alternative Minimum Tax calculation. As a direct result of that decision, the Company increased its liability for uncertain income tax positions under FIN 48 by $27. Since the increase in the Company s FIN 48 liability is attributable to additional alternative minimum tax amounts owed, these amounts can be used in the future by the Company as a credit against its regular US corporate tax liability. Management is currently exploring its legal options in order to decide how to proceed in response to the Tax Court opinion. As a result of the unfavorable Tax Court ruling, the Company increased its amount of accrued interest and penalties by $12 at June 30, 2008.

As a result of (i) statute of limitations that will begin to expire within the next 12 months in various jurisdictions, (ii) a possible payment to the United States taxing authority in connection with the recent Tax Court decision concerning the calculation of the Company s alternative minimum taxes and (iii) 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 unrecognized income tax benefits will decrease between $45 to $55.

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NOTE 9 MINORITY INTEREST IN INCOME OF CONSOLIDATED SUBSIDIARIES

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Yanacocha	$ 48	$ 7	$ 139	$ 41
Batu Hijau	19	91	120	112
Other	1		1	1
	$ 68	$ 98	$ 260	$ 154

Newmont has a 45% ownership interest in the Batu Hijau mine, held through the Nusa Tenggara partnership (NTP) with an affiliate of Sumitomo Corporation of Japan (Sumitomo). Newmont has a 56.25% interest in NTP and the Sumitomo affiliate holds the remaining 43.75%. NTP in turn owns 80% of P.T. Newmont Nusa Tenggara (PTNNT), the Indonesian subsidiary that operates the Batu Hijau mine. Newmont identified NTP as a Variable Interest Entity as a result of certain capital structures and contractual relationships. As a result, Newmont fully consolidates Batu Hijau in its consolidated financial statements. The remaining 20% interest in PTNNT is owned by P.T. Pukuafu Indah (PTPI), an unrelated Indonesian company. Because PTPI had been advanced a loan by NTP and was not obligated to absorb the expected losses of PTNNT, PTPI s interest was considered a carried interest and Newmont reported a 52.875% economic interest in Batu Hijau, which reflected Newmont s actual economic interest in the mine until such time as the loan was fully repaid (including accrued interest). On May 25, 2007, PTPI fully repaid the loan (including accrued interest) from NTP. As a result of the loan repayment, Newmont s economic interest in Batu Hijau was reduced from 52.875% to 45% and the Company recorded a net charge of $25 (after-tax) against *Minority interest expense* in the second quarter of 2007. During the second quarter of 2008, PTNNT advanced PTPI $20, which is included in *Other current assets*.

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

In April 2008, the Company purchased 15,960 additional shares of European Gold Refineries SA joint venture (EGR) for $11 in cash increasing its ownership interest to 56.67% from 46.72%. Swiss residents and Mitsubishi International Corporation hold the remaining 43.33%. The additional interest in EGR resulted in the consolidation of EGR and the remaining 43.33% is included in Other above as of May 1, 2008. Prior to consolidation, the Company accounted for EGR using the equity method of accounting.

NOTE 10 DISCONTINUED OPERATIONS

Discontinued operations include the Company s royalty portfolio and Pajingo operation, both sold in December 2007.

For the six months ended June 30, 2008, the Company recognized a $5 gain primarily related to additional royalty portfolio revenue in excess of the 2007 estimate and a $1 gain related to Pajingo asset sales. Additionally, the Company received $5 in cash and $5 in marketable securities related to the Pajingo asset sales.

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For the three and six months ended June 30, 2007, the Company recorded a $1,665 non-cash charge to impair the goodwill associated with the royalty portfolio reclassification to discontinued operations in the second quarter of 2007.

The Company has reclassified the balance sheet amounts and the income statement results from the historical presentation to *Assets* and *Liabilities of operations held for sale* on the Condensed Consolidated Balance Sheets and to *(Loss) income from discontinued operations* in the Condensed Consolidated Statements of Income (Loss) for all periods presented. The Condensed Consolidated Statements of Cash Flows have been reclassified for assets held for sale and discontinued operations for all periods presented.

The following table details selected financial information included in *(Loss) income from discontinued operations* in the Condensed Consolidated Statements of Income (Loss):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Sales gold, net	$	$ 26	$	$ 58
Income from operations:				
Royalty portfolio	$	$ 21	$	$ 63
Pajingo		2		6
		23		69
Loss on impairment of goodwill		(1,665)		(1,665)
Additional (loss) gain from royalty portfolio	(2)		5	
(Loss) gain on sale of Pajingo assets	(1)		1	
Pre-tax (loss) income	(3)	(1,642)	6	(1,596)
Income tax benefit (expense)	1	(19)	(2)	(37)
(Loss) income from discontinued operations	$ (2)	$ (1,661)	$ 4	$ (1,633)

The major classes of *Assets* and *Liabilities of operations held for sale* in the Condensed Consolidated Balance Sheets are as follows:

	At June 30, 2008	At December 31, 2007
Assets:		
Accounts receivable	$ 3	$ 20
Property, plant and mine development		3
Deferred income tax assets		1
Total assets of operations held for sale	$ 3	$ 24

Liabilities:		
Income and mining taxes	$ 87	$ 378
Other liabilities	7	16
Total liabilities of operations held for sale	$ 94	$ 394

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

The following table details selected financial information included in *Net cash (used in) provided from discontinued operations* and *Net cash (used in) provided from investing activities of discontinued operations*:

	Six Months Ended June 30,	
	2008	**2007**
Net cash (used in) provided from discontinued operations:		
Income (loss) from discontinued operations	$ 4	$ (1,633)
Amortization		24
Deferred income taxes		8
Gain on sale of investments, net		(40)
Loss on impairment of goodwill		1,665
Other operating adjustments and write-downs		11
(Decrease) increase in net operating liabilities	(116)	26
	$ (112)	$ 61
Net cash (used in) provided from investing activities of discontinued operations:		
Investments in marketable securities	$	$ (2)
Proceeds from sale of marketable securities		79
Proceeds from asset sales, net	5	
Royalty portfolio sale expenses	(11)	
Additions to property, plant and mine development		(3)
	$ (6)	$ 74

NOTE 11 DERIVATIVE INSTRUMENTS

For the three months ended June 30, 2008 and 2007, losses of $1 and gains of $2, respectively, were included in *Other income, net* for the ineffective portion of derivative instruments designated as cash flow hedges. For the six months ended June 30, 2008 and 2007, gains of $2 and $nil, respectively, were included in *Other income, net* for the ineffective portion of derivative instruments designated as cash flow hedges. 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 $23. The maximum period over which hedged forecasted transactions are expected to occur is 3 years.

Foreign Currency Contracts

Newmont has entered into a series of foreign currency contracts to hedge the variability of the US dollar amount of forecasted foreign currency expenditures caused by changes in currency rates. Newmont entered into $/IDR forward purchase contracts with expiration dates ranging up to one year which reduced Batu Hijau *Costs applicable to sales* by $nil and $2 for the three months ended June 30, 2008 and 2007, respectively. For the six months ended June 30, 2008 and 2007, the $/IDR forward purchase contracts reduced Batu Hijau *Costs applicable to sales* by $1 and $3, respectively. During the third quarter of 2007, Newmont began a layered fixed forward contract program to hedge a portion of its A$ denominated operating expenditures and during the first quarter of 2008 began a layered fixed forward contract program to hedge a portion of its NZ$ denominated operating expenditures. The

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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)

programs include a series of fixed forward contracts with expiration dates of up to three years from the date of issue. For the three months ended June 30, 2008, the A$ and NZ$ operating hedge programs reduced Australia/New Zealand *Costs applicable to sales* by $4 and $nil, respectively. For the six months ended June 30, 2008, the A$ and NZ$ operating hedge programs reduced Australia/New Zealand *Costs applicable to sales* by $5 and $nil, respectively. All of the currency contracts were designated as cash flow hedges, and as such, unrealized changes in market value have been recorded in *Accumulated other comprehensive income.*

During the fourth quarter of 2007, Newmont began a program to hedge a portion of its A$ denominated capital expenditures related to the construction of Boddington. The program consists of a series of fixed forward contracts and bought call option contracts with expiration dates of up to one year from the date of issue. The A$ denominated contracts have been designated as cash flow hedges of future Boddington capital expenditures, and as such, changes in the market value have been recorded in *Accumulated other comprehensive income*. The realized gains and losses associated with the capital expenditure hedge program will impact *Amortization* during future periods in which Boddington assets are placed into service and affect earnings.

Newmont had the following foreign currency derivative contracts outstanding at June 30, 2008:

	Expected Maturity Date					Fair Value	
	2008	2009	2010	2011	Total/ Average	At June 30, 2008 (1)	At December 31, 2007 (2)
IDR Forward Purchase Contracts:							
$ (millions)	$ 59	$ 15	$	$	$ 74	$ 1	$ (1)
Average rate (IDR/$)	9,484	9,652			9,518		
A$ Operating Forward Purchase Contracts:							
$ (millions)	$ 127	$ 224	$ 168	$ 24	$ 543	$ 38	$
Average rate ($/A$)	0.88	0.85	0.83	0.83	0.85		
NZ$ Operating Forward Purchase Contracts:							
$ (millions)	$ 14	$ 22	$ 4	$	$ 40	$ (1)	$
Average rate ($/NZ$)	0.77	0.74	0.71		0.75		
A$ Capital Forward Purchase Contracts:							
$ (millions)	$ 141	$ 116	$	$	$ 257	$ 14	$ (1)
Average rate ($/A$)	0.87	0.91			0.89		
A$ Capital Call Option Contracts:							
$ (millions)	$ 56	$	$	$	$ 56	$ 1	$ 1
Average rate ($/A$)	0.95				0.95		

(1) At June 30, 2008, the fair value of the IDR operating forward purchase contracts includes $1 in *Other current assets,* the fair value of the A$ operating forward purchase contracts includes $20 in *Other current assets* and $18 in *Other long-term assets,* the fair value of the NZ$ operating forward purchase contracts includes $(1) in *Other current liabilities,* and the fair value of the capital hedge program related to Boddington includes $14 in *Other current assets* for A$ forward purchase contracts and $1 in *Other current assets* for A$ bought call option contracts.

(2) At December 31, 2007, the fair value of the IDR operating forward purchase contracts includes $(1) in *Other current liabilities,* the fair value of the A$ operating forward purchase contracts

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includes $2 in *Other current assets,* $2 in *Other Long-term assets*, $(1) in *Other current liabilities*, and $(3) in *Other long-term liabilities,* and the fair value of the capital hedge program related to Boddington includes $(1) in *Other current liabilities* for A$ forward purchase contracts and $1 in *Other current assets* for A$ bought call option contracts.

Diesel Fixed Forward Contracts

During the first quarter of 2008, Newmont implemented a program to hedge a portion of its operating cost exposure related to diesel prices of fuel consumed at its Nevada operations. The program consists of a series of financially settled fixed forward contracts with expiration dates of up to one year from the date of issue. The contracts have been designated as cash flow hedges of future diesel purchases, and as such changes in the market value have been recorded in *Accumulated other comprehensive income.*

Newmont had the following diesel derivative contracts outstanding at June 30, 2008:

	Expected Maturity Date			Fair Value	
	2008	2009	Total/ Average	At June 30, 2008	At December 31, 2007
Diesel Forward Purchase Contracts:					
$ (millions)	$ 11	$ 7	$ 18	$ 2	$
Average rate ($/gallon)	3.42	3.50	3.45		

Interest Rate Swap Contracts

At June 30, 2008, Newmont had $100 fixed to floating swap contracts designated as a hedge against a portion of its $223 8 5/8% debentures expiring in 2011. Under the hedge contract terms, the Company receives fixed-rate interest payments at 8.625% and pays floating-rate interest amounts based on periodic London Interbank Offered Rate (LIBOR) settings plus a spread, ranging from 2.60% to 3.49%. For the three and six months ended June 30, 2008 and 2007, the hedge contracts decreased *Interest expense, net of capitalized interest* by $1 and $nil, respectively. The fair value of the interest rate swaps was $4 at June 30, 2008 and December 31, 2007.

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 copper and gold concentrates at the forward London Metal Exchange price 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.

At June 30, 2008 and 2007, Batu Hijau had the following gross revenues before treatment and refining charges subject to final price adjustments:

	At June 30,	
	2008	2007
Gross revenue subject to final price adjustments		
Copper	$ 251	$ 402
Gold	$ 13	$ 28

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The average final price adjustments realized were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	**2007**	**2008**	**2007**
Average final price adjustments				
Copper	20%	26%	12%	4%
Gold	(3)%	2%	3%	2%

NOTE 12 INCOME (LOSS) PER COMMON SHARE

Basic income (loss) per common share is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding for the period. Diluted income (loss) per common share is computed similarly to basic income (loss) per common share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potentially dilutive common shares had been issued.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	**2007**	**2008**	**2007**
Numerator:				
Income (loss) from continuing operations	$ 279	$ (401)	$ 643	$ (361)
Income (loss) from discontinued operations	(2)	(1,661)	4	(1,633)
Net income (loss)	$ 277	$ (2,062)	$ 647	$ (1,994)
Denominator:				
Basic	454	451	454	451
Effect of employee stock-based awards	2		3	
Diluted	456	451	457	451
Income (loss) per common share				
Basic:				
Income (loss) from continuing operations	$ 0.61	$ (0.89)	$ 1.42	$ (0.80)
Income (loss) from discontinued operations		(3.68)	0.01	(3.62)
Net income (loss)	$ 0.61	$ (4.57)	$ 1.43	$ (4.42)
Diluted:				
Income (loss) from continuing operations	$ 0.61	$ (0.89)	$ 1.41	$ (0.80)
Income (loss) from discontinued operations		(3.68)	0.01	(3.62)
Net income (loss)	$ 0.61	$ (4.57)	$ 1.42	$ (4.42)

Options to purchase 1.1 million and 2.2 million shares of common stock at average exercise prices of $54.87 and $51.43 were outstanding at June 30, 2008 and 2007, respectively, but were not included in the computation of diluted weighted average common shares because the strike price of the options exceeded the price of the common stock and their effect would have been anti-dilutive.

Other outstanding options to purchase 2.8 million and 2.1 million shares of common stock were not included in the computation of diluted weighted average common shares for the three and six months ended June 30, 2007, respectively, because their effect would have been anti-dilutive.

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NOTE 13 COMPREHENSIVE INCOME (LOSS)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	**2007**	**2008**	**2007**
Net income (loss)	$ 277	$ (2,062)	$ 647	$ (1,994)
Other comprehensive income (loss), net of tax:				
Unrealized gain on marketable equity securities (Note 15)	369	135	404	31
Foreign currency translation adjustments	59	59	(17)	65
Pension and other benefit liability adjustments	1	15	8	17
Change in fair value of cash flow hedge instruments:				
Net change from periodic revaluations	34		51	4
Net amount reclassified to income	(5)	(2)	(8)	(1)
Net unrecognized gain (loss) on derivatives	29	(2)	43	3
	458	207	438	116
Comprehensive income (loss)	$ 735	$ (1,855)	$ 1,085	$ (1,878)

NOTE 14 ACQUISITIONS

On December 27, 2007, pursuant to a tender offer dated October 9, 2007, the Company purchased 155 million common shares of Miramar Mining Corporation (Miramar). The 155 million shares represented approximately 70% of the common shares of Miramar which, in addition to the 18.5 million shares previously owned by the Company, brought the Company s interest in Miramar to approximately 78%. During the first quarter of 2008, the Company completed the acquisition by purchasing the remaining 50 million shares, bringing the Company s interest in Miramar to 100%. All shares were purchased for C$6.25 per share in cash.

With the completion of the Miramar acquisition, the Company controls the Hope Bay project, a large undeveloped gold project in Nunavut, Canada. The Hope Bay Project is consistent with the Company s strategic focus on exploration and project development and was acquired with the intention of adding higher grade ore reserves and developing a new core gold mining district in a AAA-rated country.

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In accordance with the purchase method of accounting, the purchase price paid has been allocated to the assets acquired and liabilities assumed based upon their estimated fair values on the respective closing dates. The Company is continuing to evaluate the assets acquired and liabilities assumed, and there may be adjustments to the estimated purchase date fair values. The Company will finalize the purchase price allocation in 2008. The preliminary purchase price allocation based on the estimated fair values of assets acquired and liabilities assumed is as follows:

Assets:	
Cash and cash equivalents	$ 38
Property, plant and mine development, net	1,865
Investments	40
Deferred income tax assets	94
Other assets	36
	2,073
Liabilities:	
Accrued liabilities	41
Deferred income tax liabilities	679
	720
Net assets acquired	$ 1,353

The results of operations for Miramar have been included in the Company s Condensed Consolidated Statement of Income (Loss). For the three and six months ended June 30, 2008, the Hope Bay project incurred a pre-tax loss of $10 and $13, respectively, primarily related to advanced projects, salaries and general and administrative costs. See Note 22 for more information on the Hope Bay segment.

In April 2008, the Company purchased 15,960 additional shares of EGR for $11 in cash bringing its ownership interest to 56.67% from 46.72%. Swiss residents and Mitsubishi International Corporation hold the remaining 43.33%. EGR owns 100% of Valcambi SA (Valcambi), a gold refinery business, and 100% of Finorafa SA (Finorafa), a gold distribution business. Valcambi is a London Gold Delivery precious metals refiner and manufacturer of semi-finished products for the Swiss luxury watch industry, and Finorafa is a distributor and financier of gold products in the Italian market, which is currently inactive. The additional interest in EGR resulted in the consolidation of EGR as of May 1, 2008 and increased *Other current assets* and *Other current liabilities* by $229 and $206, respectively. EGR s revenue and expenses are included in *Other income, net* reflecting the service fee and secondary nature of EGR s business to the Company s central operations. Prior to consolidation, the Company accounted for EGR using the equity method of accounting.

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NOTE 15 INVESTMENTS

	At June 30, 2008				At December 31, 2007			
		Unrealized				Unrealized		
	Cost/Equity Basis	Gain	Loss	Fair/Equity Value	Cost/Equity Basis	Gain	Loss	Fair/Equity Value
Current:								
Marketable Equity Securities	$ 31	$ 43	$ (2)	$ 72	$ 19	$ 39	$	$ 58
Other investments, at cost					3			3
	$ 31	$ 43	$ (2)	$ 72	$ 22	$ 39	$	$ 61
Long-term:								
Marketable Debt Securities								
Auction rate securities	$ 7	$	$ (3)	$ 4	$ 7	$	$ (2)	$ 5
Asset backed securities	30			30	31			31
	37		(3)	34	38		(2)	36
Marketable Equity Securities								
Canadian Oil Sands Trust	306	1,377		1,683	316	907		1,223
Gabriel Resources Ltd.	89	49		138	94			94
Shore Gold Inc.	45			45	80			80
Other	17	1	(1)	17	37	15	(7)	45
	457	1,427	(1)	1,883	527	922	(7)	1,442
Other investments, at cost	1			1				
Investment in Affiliates:								
European Gold Refineries					29			29
AGR Matthey Joint Venture	14			14	17			17
Regis Resources NL	1			1	3			3
	15			15	49			49
	$ 510	$ 1,427	$ (4)	$ 1,933	$ 614	$ 922	$ (9)	$ 1,527

During the second quarter of 2008, the Company recognized impairments in its investments for other-than-temporary declines in value of $23 in Shore Gold Inc.and $11 in other marketable securities, resulting in total impairments in the first half of 2008 of $32 in Shore Gold Inc., $13 in Gabriel Resources Ltd. and $11 in other marketable securities.

During the second quarter of 2008, the Company sold shares of marketable equity securities recognizing a gain of $10. During the first six month period of 2008, the unrealized value of the

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Company s investments in marketable equity securities increased by $513, primarily related to appreciation in the value of Canadian Oil Sands Trust.

During the first half of 2008, the Company purchased marketable equity securities of Gabriel Resources for $11 and other marketable securities for $6.

In April 2008, the Company purchased 15,960 shares of EGR for $11 in cash bringing its ownership interest to 56.67% from 46.72%, resulting in the consolidation of EGR. Prior to consolidation, the Company accounted for EGR using the equity method of accounting. The net investment was included in investments in affiliates until the purchase of the additional shares.

NOTE 16 INVENTORIES

	At June 30, 2008	At December 31, 2007
In-process	$ 78	$ 64
Concentrate	17	69
Precious metals	19	27
Materials, supplies and other	340	303
	$ 454	$ 463

NOTE 17 STOCKPILES AND ORE ON LEACH PADS

	At June 30, 2008	At December 31, 2007
Current:		
Stockpiles	$ 141	$ 204
Ore on leach pads	226	169
	$ 367	$ 373
Long-term:		
Stockpiles	$ 668	$ 528
Ore on leach pads	233	260
	$ 901	$ 788

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

NOTE 18 DEBT

	At June 30, 2008		At December 31, 2007	
	Current	Non-Current	Current	Non-Current
Sale-leaseback of refractory ore treatment plant	$ 24	$ 188	$ 22	$ 212
Corporate revolving credit facility		475		
5 7/8% notes, net of discount		597		597
8 5/8% debentures, net of discount		216		218
2014 convertible senior notes		575		575
2017 convertible senior notes		575		575
Newmont Australia 7 5/8% guaranteed notes, net of premium	119		119	
PTNNT project financing facility	87	263	87	306
Yanacocha credit facility	14	69	14	76
Yanacocha bonds		100		100
Project financings, capital leases and other	17	27	13	24
	$ 261	$ 3,085	$ 255	$ 2,683

During the first half of 2008, Newmont borrowed net proceeds of $475 under its $2,000 senior revolving credit facility. Scheduled minimum debt repayments at June 30, 2008 are $178 for the remainder of 2008, $142 in 2009, $147 in 2010, $323 in 2011, $610 in 2012 and $1,946 thereafter.

NOTE 19 OTHER LIABILITIES

	At June 30, 2008	At December 31, 2007
Other current liabilities:		
Refinery metal accounts payable	$ 223	$
Accrued operating costs	161	147
Accrued capital expenditures	118	172
Reclamation and remediation (Note 20)	78	71
Interest	38	40
Royalties	31	34
Taxes other than income and mining	28	23
Deferred revenue	7	3
Deferred income tax	5	131
Derivative instruments	1	3
Other	45	41
	$ 735	$ 665
Other long-term liabilities:		
Income taxes	$ 119	$ 113

Derivative instruments		3
Other	34	34
	$ 153	$ 150

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

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NOTE 20 RECLAMATION AND REMEDIATION LIABILITIES (ASSET RETIREMENT OBLIGATIONS)

At June 30, 2008 and December 31, 2007, $563 and $569, respectively, were accrued for reclamation obligations relating to mineral properties in accordance with SFAS No. 143, Accounting for Asset Retirement Obligations. 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 June 30, 2008 and December 31, 2007, $179 and $125, respectively, were accrued for such obligations. These amounts are also included in *Reclamation and remediation liabilities*.

The following is a reconciliation of the liability for asset retirement obligations:

	Six Months Ended June 30,	
	2008	2007
Balance at beginning of period	$ 694	$ 598
Additions, changes in estimates and other	59	35
Liabilities settled	(32)	(24)
Accretion expense	21	19
Balance at end of period	$ 742	$ 628

The current portions of *Reclamation and remediation liabilities* of $78 and $71 at June 30, 2008 and December 31, 2007, respectively, are included in *Other current liabilities*.

The Company s reclamation and remediation expenses consisted of:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Accretion operating	$ 8	$ 8	$ 16	$ 15
Accretion non-operating (Note 4)	3	2	5	4
Reclamation estimate revisions non-operating (Note 4)	59	17	61	17
	$ 70	$ 27	$ 82	$ 36

Reclamation estimate revisions for the first half of 2008 primarily relate to an increase in the reclamation liability at the former Mt. Leyshon and Midnite mine sites. The Mt. Leyshon reclamation revision was for site characterization, stabilization and long-term surface water management due to overflow discharge from heavy rain. The Midnite mine reclamation increased in light of the recent decisions made in the U.S. District Court for the Eastern District of Washington. Reclamation estimate revisions for the first half of 2007 relate to the former Resurrection and Empire mines.

NEWMONT MINING CORPORATION

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

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

NOTE 21 NET CHANGE IN OPERATING ASSETS AND LIABILITIES

Net cash provided from (used in) operating activities attributable to the net change in operating assets and liabilities is composed of the following:

	Six Months Ended June 30, 2008	Six Months Ended June 30, 2007
Increase in operating assets:		
Trade and accounts receivable	$ (31)	$ (16)
Inventories, stockpiles and ore on leach pads	(102)	(10)
Other assets	(29)	(39)
Decrease in operating liabilities:		
Accounts payable and other accrued liabilities	(70)	(637)
Reclamation liabilities	(32)	(24)
	$ (264)	$ (726)

The decrease in accounts payable and other accrued liabilities in 2007 includes $276 from the settlement of pre-acquisition Australian income taxes of Normandy and $174 from the final settlement of copper collar contracts.

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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 22 SEGMENT INFORMATION

Financial information relating to Newmont s segments is as follows:

Three Months Ended June 30, 2008

	Nevada	Yanacocha	Australia/ New Zealand	Batu Hijau	Africa	Other Operations
Sales, net:						
Gold	$ 495	$ 388	$ 272	$ 35	$ 107	$ 41
Copper	$	$	$	$ 183	$	$
Cost applicable to sales:						
Gold	$ 238	$ 161	$ 170	$ 19	$ 46	$ 21
Copper	$	$	$	$ 104	$	$
Amortization:						
Gold	$ 60	$ 44	$ 31	$ 3	$ 18	$ 5
Copper	$	$	$	$ 20	$	$
Other	$	$	$ 1	$	$	$
Accretion	$ 1	$ 3	$ 2	$ 2	$	$
Exploration	$	$	$	$	$	$
Advanced projects, research and development	$ 2	$ 1	$ 2	$	$ 3	$ 2
Write-down of investments	$	$	$	$	$	$
Other expense	$ 8	$ 20	$ 13	$ 9	$ 4	$ 1
Other income, net	$ 3	$ 3	$ 12	$ (1)	$ 9	$
Interest expense, net of capitalized interest	$	$ 3	$	$ 6	$	$ 1
Pre-tax income (loss) before minority interest and equity loss of affiliates	$ 189	$ 157	$ 65	$ 55	$ 45	$ 13
Equity loss of affiliates	$	$	$	$	$	$
Capital expenditures	$ 80	$ 38	$ 236	$ 32	$ 35	$ 3

	Total Operations	Hope Bay	Exploration	Corporate and Other	Consolidated
Sales, net:					
Gold	$ 1,338	$	$	$ 1	$ 1,339
Copper	$ 183	$	$	$	$ 183
Cost applicable to sales:					
Gold	$ 655	$	$	$	$ 655
Copper	$ 104	$	$	$	$ 104
Amortization:					
Gold	$ 161	$	$	$	$ 161
Copper	$ 20	$	$	$	$ 20
Other	$ 1	$	$	$ 2	$ 3
Accretion	$ 8	$	$	$	$ 8

Exploration	$		$		$	59	$		$	59
Advanced projects, research and development	$	10	$	9	$	1	$	19	$	39
Write-down of investments	$		$		$		$	34	$	34
Other expense	$	55	$		$		$	63	$	118
Other income, net	$	26	$		$	1	$	26	$	53
Interest expense, net of capitalized interest	$	10	$		$		$	17	$	27
Pre-tax income (loss) before minority interest and equity loss of affiliates	$	524	$	(10)	$	(59)	$	(145)	$	310
Equity loss of affiliates	$		$		$		$		$	
Capital expenditures	$	424	$	21	$		$	3	$	448

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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)

Three Months Ended June 30, 2007

	Nevada	Yanacocha	Australia/ New Zealand	Batu Hijau	Africa	Other Operations
Sales, net:						
Gold	$ 349	$ 208	$ 201	$ 59	$ 82	$ 36
Copper	$	$	$	$ 340	$	$
Cost applicable to sales:						
Gold	$ 254	$ 122	$ 131	$ 19	$ 45	$ 15
Copper	$	$	$	$ 128	$	$
Loss on settlement of price-capped forward sales contracts	$	$	$	$	$	$
Amortization:						
Gold	$ 66	$ 40	$ 27	$ 5	$ 13	$ 3
Copper	$	$	$	$ 26	$	$
Other	$	$	$ 1	$	$	$
Accretion	$ 2	$ 2	$ 2	$ 2	$	$
Exploration	$	$	$	$	$	$
Advanced projects, research and development	$ 2	$ 2	$ 1	$	$ 3	$
Other expense, net	$ 10	$ 11	$ 10	$ 7	$ 2	$ 4
Other income, net	$ 2	$ 5	$ 1	$ 1	$	$ 1
Interest expense, net of capitalized interest	$	$ 1	$ 2	$ 10	$	$
Pre-tax income (loss) before minority interest and equity income (loss) of affiliates	$ 17	$ 35	$ 29	$ 205	$ 18	$ 13
Equity income (loss) of affiliates	$	$	$ (1)	$	$	$
Capital expenditures	$ 119	$ 58	$ 128	$ 17	$ 19	$ 5

	Total Operations	Exploration	Corporate and Other	Consolidated
Sales, net:				
Gold	$ 935	$	$ 1	$ 936
Copper	$ 340	$	$	$ 340
Cost applicable to sales:				
Gold	$ 586	$	$	$ 586
Copper	$ 128	$	$	$ 128
Loss on settlement of price-capped forward sales contracts	$	$	$ 531	$ 531
Amortization:				
Gold	$ 154	$	$	$ 154
Copper	$ 26	$	$	$ 26
Other	$ 1	$	$ 5	$ 6
Accretion	$ 8	$	$	$ 8
Exploration	$	$ 46	$	$ 46
Advanced projects, research and development	$ 8	$	$ 5	$ 13
Other expense, net	$ 44	$	$ 34	$ 78
Other income, net	$ 10	$ 1	$ 26	$ 37
Interest expense, net of capitalized interest	$ 13	$	$ 12	$ 25
	$ 317	$ (45)	$ (594)	$ (322)

Pre-tax income (loss) before minority interest and equity income of affiliates								
Equity income (loss) of affiliates	$	(1)	$		$	1	$	
Capital expenditures	$	346	$		$	4	$	350

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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)

Six Months Ended June 30, 2008

	Nevada	Yanacocha	Australia/ New Zealand	Batu Hijau	Africa	Other Operations
Sales, net:						
Gold	$ 986	$ 887	$ 542	$ 147	$ 204	$ 83
Copper	$	$	$	$ 615	$	$
Cost applicable to sales:						
Gold	$ 453	$ 329	$ 326	$ 56	$ 95	$ 37
Copper	$	$	$	$ 254	$	$
Amortization:						
Gold	$ 110	$ 88	$ 56	$ 11	$ 31	$ 9
Copper	$	$	$	$ 51	$	$
Other	$	$	$ 2	$	$	$
Accretion	$ 3	$ 5	$ 3	$ 4	$	$ 1
Exploration	$	$	$	$	$	$
Advanced projects, research and development	$ 3	$ 3	$ 4	$	$ 5	$ 3
Write-down of investments	$	$	$	$	$	$
Other expense	$ 15	$ 41	$ 23	$ 16	$ 6	$ 1
Other income, net	$ 4	$ 7	$ 22	$ 2	$ 9	$
Interest expense, net of capitalized interest	$	$ 3	$	$ 13	$	$ 1
Pre-tax income (loss) before minority interest and equity loss of affiliates	$ 406	$ 424	$ 149	$ 359	$ 75	$ 33
Equity loss of affiliates	$	$	$ (5)	$	$	$
Capital expenditures	$ 172	$ 77	$ 468	$ 61	$ 68	$ 16

	Total Operations	Hope Bay	Exploration	Corporate and Other	Consolidated
Sales, net:					
Gold	$ 2,849	$	$	$ 1	$ 2,850
Copper	$ 615	$	$	$	$ 615
Cost applicable to sales:					
Gold	$ 1,296	$	$	$	$ 1,296
Copper	$ 254	$	$	$	$ 254
Amortization:					
Gold	$ 305	$	$	$	$ 305
Copper	$ 51	$	$	$	$ 51
Other	$ 2	$	$	$ 8	$ 10
Accretion	$ 16	$	$	$	$ 16
Exploration	$	$	$ 98	$	$ 98
Advanced projects, research and development	$ 18	$ 13	$ 1	$ 37	$ 69
Write-down of investments	$	$	$	$ 56	$ 56
Other expense	$ 102	$	$	$ 79	$ 181
Other income, net	$ 44	$	$ 1	$ 45	$ 90
Interest expense, net of capitalized interest	$ 17	$	$	$ 30	$ 47
	$ 1,446	$ (13)	$ (98)	$ (229)	$ 1,106

Pre-tax income (loss) before minority interest and equity loss of affiliates					
Equity loss of affiliates	$ (5)	$	$	$	$ (5)
Capital expenditures	$ 862	$ 30	$	$ 5	$ 897

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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)

Six Months Ended June 30, 2007

	Nevada	Yanacocha	Australia/ New Zealand	Batu Hijau	Africa	Other Operations
Sales, net:						
Gold	$ 710	$ 505	$ 385	$ 115	$ 163	$ 68
Copper	$	$	$	$ 553	$	$
Cost applicable to sales:						
Gold	$ 525	$ 250	$ 279	$ 46	$ 86	$ 30
Copper	$	$	$	$ 251	$	$
Loss on settlement of price-capped forward sales contracts	$	$	$	$	$	$
Amortization:						
Gold	$ 121	$ 82	$ 53	$ 11	$ 23	$ 8
Copper	$	$	$	$ 54	$	$
Other	$	$	$ 2	$	$	$
Accretion	$ 3	$ 4	$ 4	$ 3	$	$ 1
Exploration	$	$	$	$	$	$
Advanced projects, research and development	$ 2	$ 4	$ 2	$	$ 9	$
Other expense, net	$ 18	$ 28	$ 22	$ 11	$ 5	$ (9)
Other income, net	$ 3	$ 11	$ 8	$ 5	$ 1	$ 1
Interest expense, net of capitalized interest	$	$ 2	$ 2	$ 20	$ 1	$
Pre-tax income (loss) before minority interest and equity income (loss) of affiliates	$ 44	$ 147	$ 31	$ 277	$ 40	$ 37
Equity income (loss) of affiliates	$	$	$ (2)	$	$	$
Capital expenditures	$ 277	$ 114	$ 224	$ 24	$ 56	$ 8

	Total Operations	Exploration	Corporate and Other	Consolidated
Sales, net:				
Gold	$ 1,946	$	$ 1	$ 1,947
Copper	$ 553	$	$	$ 553
Cost applicable to sales:				
Gold	$ 1,216	$	$	$ 1,216
Copper	$ 251	$	$	$ 251
Loss on settlement of price-capped forward sales contracts	$	$	$ 531	$ 531
Amortization:				
Gold	$ 298	$	$	$ 298
Copper	$ 54	$	$	$ 54
Other	$ 2	$	$ 11	$ 13
Accretion	$ 15	$	$	$ 15
Exploration	$	$ 85	$	$ 85
Advanced projects, research and development	$ 17	$	$ 12	$ 29
Other expense, net	$ 75	$	$ 53	$ 128
Other income, net	$ 29	$ 1	$ 24	$ 54
Interest expense, net of capitalized interest	$ 25	$	$ 24	$ 49
	$ 576	$ (85)	$ (673)	$ (182)

Pre-tax income (loss) before minority interest and equity income (loss) of affiliates								
Equity income (loss) of affiliates	$	(2)	$		$	2	$	
Capital expenditures	$	703	$		$	7	$	710

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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)

	At June 30, 2008	At December 31, 2007
Goodwill:		
Australia/New Zealand	$ 186	$ 186
Total assets:		
Nevada	$ 3,220	$ 3,104
Yanacocha	2,132	1,908
Australia/New Zealand	2,383	1,876
Batu Hijau	2,337	2,471
Africa	1,146	1,082
Other operations	189	157
Hope Bay	1,877	1,566
Exploration	27	24
Corporate and other	3,929	3,386
Total assets from continuing operations	17,240	15,574
Assets held for sale	3	24
	$ 17,243	$ 15,598

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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 23 CONDENSED CONSOLIDATING FINANCIAL STATEMENTS

Newmont USA, a 100% owned subsidiary of Newmont Mining Corporation, has fully and unconditionally guaranteed certain publicly traded notes. The following condensed 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.

	Three Months Ended June 30, 2008				
Condensed Consolidating Statement of Income	Newmont Mining Corporation	Newmont USA	Other Subsidiaries	Eliminations	Newmont Mining Corporation Consolidated
Revenues					
Sales gold, net	$	$ 960	$ 379	$	$ 1,339
Sales copper, net		183			183
		1,143	379		1,522
Costs and expenses					
Costs applicable to sales gold[(1)]		439	222	(6)	655
Costs applicable to sales copper[(1)]		104			104
Amortization		136	49	(1)	184
Accretion		6	2		8
Exploration		34	25		59
Advanced projects, research and development		13	26		39
General and administrative		30	1	6	37
Write-down of investments			34		34
Other expense, net		63	54	1	118
		825	413		1,238
Other income (expense)					
Other income, net	4	5	44		53
Interest income intercompany	76	3		(79)	
Interest expense intercompany	(2)		(77)	79	
Interest expense, net of capitalized interest	(10)	(15)	(2)		(27)
	68	(7)	(35)		26
Income (loss) from continuing operations before taxes, minority interest and equity income (loss) of affiliates	68	311	(69)		310
Income tax (expense) benefit	(48)	67	18		37
Minority interest in income of subsidiaries		(75)	7		(68)
Equity income (loss) of affiliates	259		33	(292)	

Income (loss) from continuing operations	279	303	(11)	(292)	279
Income (loss) from discontinued operations	(2)		(1)	1	(2)
Net income (loss)	$ 277	$ 303	$ (12)	$ (291)	$ 277

(1) Exclusive of Amortization and Accretion.

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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)

	Three Months Ended June 30, 2007				
Condensed Consolidating Statement of Income	**Newmont Mining Corporation**	**Newmont USA**	**Other Subsidiaries**	**Eliminations**	**Newmont Mining Corporation Consolidated**
Revenues					
Sales gold, net	$	$ 647	$ 289	$	$ 936
Sales copper, net		340			340
		987	289		1,276
Costs and expenses					
Costs applicable to sales gold[1]		410	179	(3)	586
Costs applicable to sales copper[1]		128			128
Loss on settlement of price-capped forward sales contracts		531			531
Amortization		146	40		186
Accretion		5	3		8
Exploration		32	14		46
Advanced projects, research and development		8	5		13
General and administrative		32		2	34
Other expense, net		59	18	1	78
		1,351	259		1,610
Other income (expense)					
Other income, net	15	30	(8)		37
Interest income intercompany	35	26	(1)	(60)	
Interest expense intercompany	(1)		(59)	60	
Interest expense, net of capitalized interest	(9)	(12)	(4)		(25)
	40	44	(72)		12
Income (loss) from continuing operations before taxes, minority interest and equity income of affiliates	40	(320)	(42)		(322)
Income tax (expense) benefit	(15)	(12)	46		19
Minority interest in income of subsidiaries		(99)	(4)	5	(98)
Equity (loss) income of affiliates	(426)		(47)	473	
(Loss) income from continuing operations	(401)	(431)	(47)	478	(401)
(Loss) income from discontinued operations	(1,661)	21	(1,672)	1,651	(1,661)
Net (loss) income	$ (2,062)	$ (410)	$ (1,719)	$ 2,129	$ (2,062)

(1) Exclusive of Loss on settlement of price-capped forward sales contracts, Amortization and Accretion.

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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)

	Six Months Ended June 30, 2008				
Condensed Consolidating Statement of Income	**Newmont Mining Corporation**	**Newmont USA**	**Other Subsidiaries**	**Eliminations**	**Newmont Mining Corporation Consolidated**
Revenues					
Sales gold, net	$	$ 2,104	$ 746	$	$ 2,850
Sales copper, net		615			615
		2,719	746		3,465
Costs and expenses					
Costs applicable to sales gold[(1)]		876	430	(10)	1,296
Costs applicable to sales copper[(1)]		254			254
Amortization		278	89	(1)	366
Accretion		12	4		16
Exploration		60	38		98
Advanced projects, research and development		24	45		69
General and administrative		53	2	11	66
Write-down of investments			56		56
Other expense, net		115	66		181
		1,672	730		2,402
Other income (expense)					
Other income, net	(9)	53	46		90
Interest income intercompany	145	20		(165)	
Interest expense intercompany	(4)		(161)	165	
Interest expense, net of capitalized interest	(20)	(22)	(5)		(47)
	112	51	(120)		43
Income (loss) from continuing operations before taxes, minority interest and equity income of affiliates	112	1,098	(104)		1,106
Income tax (expense) benefit	(69)	(163)	34		(198)
Minority interest in income of subsidiaries		(271)	8	3	(260)
Equity (loss) income of affiliates	600	1	72	(678)	(5)
Income (loss) from continuing operations	643	665	10	(675)	643
Income (loss) from discontinued operations	4	1	3	(4)	4
Net income (loss)	$ 647	$ 666	$ 13	$ (679)	$ 647

(1) Exclusive of Amortization and Accretion.

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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)

	Six Months Ended June 30, 2007				
Condensed Consolidating Statement of Income	**Newmont Mining Corporation**	**Newmont USA**	**Other Subsidiaries**	**Eliminations**	**Newmont Mining Corporation Consolidated**
Revenues					
Sales gold, net	$	$ 1,390	$ 557	$	$ 1,947
Sales copper, net		553			553
		1,943	557		2,500
Costs and expenses					
Costs applicable to sales gold[1]		850	373	(7)	1,216
Costs applicable to sales copper[1]		251			251
Loss on settlement of price-capped forward sales contracts		531			531
Amortization		287	78		365
Accretion		10	5		15
Exploration		58	27		85
Advanced projects, research and development		16	13		29
General and administrative		60		7	67
Other expense, net		108	20		128
		2,171	516		2,687
Other income (expense)					
Other income, net	17	48	(11)		54
Interest income intercompany	66	51		(117)	
Interest expense intercompany	(3)		(114)	117	
Interest expense, net of capitalized interest	(18)	(24)	(7)		(49)
	62	75	(132)		5
Income (loss) from continuing operations before taxes, minority interest and equity income of affiliates	62	(153)	(91)		(182)
Income tax (expense) benefit	(21)	(50)	46		(25)
Minority interest in income of subsidiaries		(154)	(8)	8	(154)
Equity (loss) income of affiliates	(402)		(30)	432	
(Loss) income from continuing operations	(361)	(357)	(83)	440	(361)
(Loss) income from discontinued operations	(1,633)	17	(1,641)	1,624	(1,633)
Net (loss) income	$ (1,994)	$ (340)	$ (1,724)	$ 2,064	$ (1,994)

(1) Exclusive of Loss on settlement of price-capped forward sales contracts, Amortization and Accretion.

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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)

	At June 30, 2008				
Condensed Consolidating Balance Sheets	**Newmont Mining Corporation**	**Newmont USA**	**Other Subsidiaries**	**Eliminations**	**Newmont Mining Corporation Consolidated**
Assets					
Cash and cash equivalents	$	$ 763	$ 273	$	$ 1,036
Marketable securities and other short-term investments	1	3	68		72
Trade receivables		239	12		251
Accounts receivable	1,427	587	377	(2,232)	159
Inventories		351	103		454
Stockpiles and ore on leach pads		320	47		367
Deferred income tax assets		81	21		102
Other current assets	1	100	305		406
Current assets	1,429	2,444	1,206	(2,232)	2,847
Property, plant and mine development, net		5,226	4,825	(19)	10,032
Investments		5	1,928		1,933
Investments in subsidiaries	5,476	25	862	(6,363)	
Long-term stockpiles and ore on leach pads		832	69		901
Deferred income tax assets	29	862	179		1,070
Other long-term assets	4,154	352	158	(4,393)	271
Goodwill			186		186
Assets of operations held for sale			3		3
Total assets	$ 11,088	$ 9,746	$ 9,416	$ (13,007)	$ 17,243
Liabilities					
Current portion of long-term debt	$	$ 142	$ 119	$	$ 261
Accounts payable	228	449	1,873	(2,229)	321
Employee related benefits		114	33		147
Income and mining taxes	39	95	18		152
Other current liabilities	15	283	439	(2)	735
Current liabilities	282	1,083	2,482	(2,231)	1,616
Long-term debt	2,222	862	1		3,085
Reclamation and remediation liabilities		471	193		664
Deferred income tax liabilities		356	921		1,277
Employee-related benefits	2	173	37		212
Other long-term liabilities	267	118	4,180	(4,412)	153
Liabilities of operations held for sale	5		89		94
Total liabilities	2,778	3,063	7,903	(6,643)	7,101
Minority interest in subsidiaries		1,586	266	(305)	1,547
Stockholders equity					
Preferred stock			61	(61)	

Common stock	703				703
Additional paid-in capital	6,366	2,646	2,430	(4,791)	6,651
Accumulated other comprehensive income (loss)	1,395	(12)	1,028	(1,016)	1,395
Retained (deficit) earnings	(154)	2,463	(2,272)	(191)	(154)
Total stockholders equity	8,310	5,097	1,247	(6,059)	8,595
Total liabilities and stockholders equity	$ 11,088	$ 9,746	$ 9,416	$ (13,007)	$ 17,243

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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)

	At December 31, 2007				
Condensed Consolidating Balance Sheets	**Newmont Mining Corporation**	**Newmont USA**	**Other Subsidiaries**	**Eliminations**	**Newmont Mining Corporation Consolidated**
Assets					
Cash and cash equivalents	$	$ 790	$ 441	$	$ 1,231
Marketable securities and other short-term investments		3	58		61
Trade receivables		174	3		177
Accounts receivable	1,407	1,730	405	(3,374)	168
Inventories		378	85		463
Stockpiles and ore on leach pads		330	43		373
Deferred income tax assets		89	23		112
Other current assets	1	51	35		87
Current assets	1,408	3,545	1,093	(3,374)	2,672
Property, plant and mine development, net		5,189	3,971	(20)	9,140
Investments		7	1,520		1,527
Investments in subsidiaries	4,299	22	772	(5,093)	
Long-term stockpiles and ore on leach pads		718	70		788
Deferred income tax assets	119	680	228		1,027
Other long-term assets	4,037	329	131	(4,263)	234
Goodwill			186		186
Assets of operations held for sale		2	22		24
Total assets	$ 9,863	$ 10,492	$ 7,993	$ (12,750)	$ 15,598
Liabilities					
Current portion of long-term debt	$	$ 135	$ 120	$	$ 255
Accounts payable	456	1,795	1,459	(3,371)	339
Employee-related benefits		111	42		153
Income and mining taxes	66	(49)	71		88
Other current liabilities	20	302	349	(6)	665
Current liabilities	542	2,294	2,041	(3,377)	1,500
Long-term debt	1,747	935	1		2,683
Reclamation and remediation liabilities		456	167		623
Deferred income tax liabilities	66	357	602		1,025
Employee-related benefits	2	193	31		226
Other long-term liabilities	263	113	4,058	(4,284)	150
Liabilities of operations held for sale	41	262	91		394
Total liabilities	2,661	4,610	6,991	(7,661)	6,601
Minority interest in subsidiaries		1,467	273	(291)	1,449
Stockholders equity					
Preferred stock			61	(61)	

Common stock	696				696
Additional paid-in capital	6,350	2,647	2,434	(4,735)	6,696
Accumulated other comprehensive income (loss)	957	(28)	517	(489)	957
Retained (deficit) earnings	(801)	1,796	(2,283)	487	(801)
Total stockholders equity	7,202	4,415	729	(4,798)	7,548
Total liabilities and stockholders equity	$ 9,863	$ 10,492	$ 7,993	$ (12,750)	$ 15,598

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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)

	Six Months Ended June 30, 2008				
Condensed Consolidating Statement of Cash Flows	**Newmont Mining Corporation**	**Newmont USA**	**Other Subsidiaries**	**Eliminations**	**Newmont Mining Corporation Consolidated**
Operating activities:					
Net income	$ 647	$ 666	$ 13	$ (679)	$ 647
Adjustments to reconcile net income to net cash provided from operations	36	367	(489)	679	593
Net change in operating assets and liabilities	41	(294)	(11)		(264)
Net cash provided from (used in) continuing operations	724	739	(487)		976
Net cash (used in) provided from discontinued operations		(130)	18		(112)
Net cash provided from (used in) operations	724	609	(469)		864
Investing activities:					
Additions to property, plant and mine development		(330)	(567)		(897)
Investments in marketable debt and equity securities			(17)		(17)
Proceeds from sale of marketable debt and equity securities			17		17
Acquisitions, net		(7)	(318)		(325)
Other		(15)	(1)		(16)
Net cash used in investing activities of continued operations		(352)	(886)		(1,238)
Net cash (used in) provided from investing activities of discontinued operations		(10)	4		(6)
Net cash used in investing activities		(362)	(882)		(1,244)
Financing activities:					
Net borrowings (repayments)	(657)	(129)	1,182		396
Dividends paid to common stockholders	(91)	(1)	1		(91)
Dividends paid to minority interests		(147)			(147)
Proceeds from stock issuance	24				24
Change in restricted cash and other		3	4		7
Net cash (used in) provided from financing activities	(724)	(274)	1,187		189
Effect of exchange rate changes on cash			(4)		(4)
Net change in cash and cash equivalents		(27)	(168)		(195)
Cash and cash equivalents at beginning of period		790	441		1,231
Cash and cash equivalents at end of period	$	$ 763	$ 273	$	$ 1,036

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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)

	Six Months Ended June 30, 2007				
Condensed Consolidating Statement of Cash Flows	**Newmont Mining Corporation**	**Newmont USA**	**Other Subsidiaries**	**Eliminations**	**Newmont Mining Corporation Consolidated**
Operating activities:					
Net (loss) income	$ (1,994)	$ (340)	$ (1,724)	$ 2,064	$ (1,994)
Adjustments to reconcile net (loss) income to net cash provided by operating activities	1,605	455	2,100	(2,064)	2,096
Net change in operating assets and liabilities	35	(434)	(327)		(726)
Net cash (used in) provided from continuing operations	(354)	(319)	49		(624)
Net cash provided from discontinued operations		1	60		61
Net cash (used in) provided from operations	(354)	(318)	109		(563)
Investing activities:					
Additions to property, plant and mine development		(431)	(279)		(710)
Investments in marketable debt and equity securities		(124)	(34)		(158)
Proceeds from sale of marketable debt and equity securities		134			134
Batu settlement		161			161
Other		5			5
Net cash used in investing activities of continued operations		(255)	(313)		(568)
Net cash provided from investing activities of discontinued operations	1	7	66		74
Net cash provided from (used in) investing activities	1	(248)	(247)		(494)
Financing activities:					
Net borrowings (repayments)	429	165	149		743
Dividends paid to common stockholders	(90)				(90)
Dividends paid to minority interests		(115)			(115)
Proceeds from stock issuance	14				14
Change in restricted cash and other		(3)	5		2
Net cash provided from financing activities of continuing operations	353	47	154		554
Effect of exchange rate changes on cash		1	4		5
Net change in cash and cash equivalents		(518)	20		(498)
Cash and cash equivalents at beginning of period		1,040	126		1,166
Cash and cash equivalents at end of period	$	$ 522	$ 146	$	$ 668

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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 24 COMMITMENTS AND CONTINGENCIES

General

The Company follows FAS No. 5, Accounting for Contingencies, in determining its accruals and disclosures with respect to loss contingencies other than tax contingencies provided for in accordance with FIN 48 (see Note 8). Accordingly, estimated losses from loss 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 loss contingency 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 22. Except as noted in this paragraph, all of the Company s commitments and contingencies specifically described in this Note 24 relate to the Corporate and Other reportable segment. The Nevada Operations matters under Newmont USA Limited relate to the Nevada reportable segment. The PT Newmont Minahasa Raya matters relate to the Other Operations reportable segment. The Yanacocha matters relate to the Yanacocha reportable segment. The Newmont Yandal Operations Pty Limited matter relates to the Australia/New Zealand reportable segment. The PTNNT matters relate to the Batu Hijau 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 June 30, 2008 and December 31, 2007, $563 and $569, respectively, were accrued for reclamation costs relating to mineral properties in accordance with FAS No. 143, Accounting for Asset Retirement Obligations. The current portions of $53 and $57 at June 30, 2008 and December 31, 2007, respectively, are included in *Other current liabilities*.

In addition, 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, $179 and $125 were accrued for such obligations at June 30, 2008 and December 31, 2007. 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

NEWMONT MINING CORPORATION

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

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

the liability for these matters could be as much as 112% greater or 3% lower than the amount accrued at June 30, 2008. The amounts accrued for these matters are reviewed periodically based upon facts and circumstances available at the time. Changes in estimates are recorded in *Other expense, net* in the period estimates are revised.

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

Dawn Mining Company LLC (Dawn) 51% Newmont Owned

Midnite Mine Site. Dawn previously leased an open pit uranium mine, currently inactive, on the Spokane Indian Reservation in the State of Washington. The mine site is subject to regulation by agencies of the U.S. Department of Interior (the Bureau of Indian Affairs and the Bureau of Land Management), as well as the United States Environmental Protection Agency (EPA).

In 1991, Dawn s mining lease at the mine was terminated. As a result, Dawn was required to file a formal mine closure and reclamation plan. The Department of Interior commenced an analysis of Dawn s proposed plan and alternate closure and reclamation plans for the mine. Work on this analysis has been suspended indefinitely. In mid-2000, the mine was included on the National Priorities List under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA). In March 2003, the EPA notified Dawn and Newmont that it had thus far expended $12 on the Remedial Investigation/Feasibility Study (RI/FS) under CERCLA. In October 2005, the EPA issued the RI/FS on this property in which it indicated a preferred remedy estimated to cost approximately $150. Newmont and Dawn filed comments on the RI/FS with the EPA in January 2006. On October 3, 2006, the EPA issued a final Record of Decision in which it formally selected the preferred remedy identified in the RI/FS.

On January 28, 2005, the EPA filed a lawsuit against Dawn and Newmont under CERCLA in the U.S. District Court for the Eastern District of Washington. The EPA has asserted that Dawn and Newmont are liable for reclamation or remediation work and costs at the mine. Dawn does not have sufficient funds to pay for the reclamation plan it proposed or for any alternate plan, or for any additional remediation work or costs at the mine. On July 14, 2008, after a bench trial, the Court held Newmont liable under CERCLA as an operator of the Midnite Mine. The Court previously ruled on summary judgment that both the U.S. Government and Dawn were liable under CERCLA. The Court has not yet ruled upon the allocation of liability among each of the U.S. Government, Dawn, and Newmont. In addition, the issue of whether the EPA s preferred remedy is consistent with the National Contingency Plan has not yet come before the Court.

Newmont intends to continue to vigorously defend this matter and cannot reasonably predict the outcome of this lawsuit or the likelihood of any other action against Dawn or Newmont arising from this matter.

Dawn Mill Site. Dawn also owns a uranium mill site facility, located on private land near Ford, Washington, which is subject to state and federal regulation. In late 1999, Dawn sought and later received state approval for a revised closure plan that expedites the reclamation process at the site. The currently approved plan for the site is guaranteed by Newmont.

NEWMONT MINING CORPORATION

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

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

Idarado Mining Company (Idarado) 80.1% Newmont Owned

In July 1992, Newmont and Idarado signed a consent decree with the State of Colorado (State), which was agreed to by the U.S. District Court of Colorado, to settle a lawsuit brought by the State under CERCLA.

Idarado agreed in the consent decree to undertake specified remediation work at its former mining site in the Telluride/Ouray area of Colorado. Remediation work at this property is substantially complete. If the remediation does not achieve specific performance objectives defined in the consent decree, the State may require Idarado to implement supplemental activities at the site, also as defined in the consent decree. Idarado and Newmont obtained a $6 reclamation bond to secure their potential obligations under the consent decree. In addition, Idarado settled natural resources damages and past and future response costs, and agreed to habitat enhancement work under the consent decree. All of this work is substantially complete.

Newmont Capital Limited 100% Newmont Owned

In February 1999, the EPA placed the Lava Cap mine site in Nevada County, California on the National Priorities List under CERCLA. The EPA then initiated a RI/FS under CERCLA to determine environmental conditions and remediation options at the site.

Newmont Capital, formerly known as Franco-Nevada Mining Corporation, Inc., owned the property for approximately three years from 1984 to 1986 but never mined or conducted exploration at the site. The EPA asserts that Newmont Capital is responsible for clean up costs incurred at the site. Newmont Capital and the EPA entered into a consent decree to settle all aspects of this matter except future potential Natural Resource Damage claims. The parties have entered into an agreement tolling the statute of limitations until December 31, 2008 to facilitate the finalization of the agreement. The consent decree will be subject to approval by the U.S. District Court for the District of Northern California.

Newmont USA Limited 100% Newmont Owned

Pinal Creek. Newmont is a defendant in a lawsuit brought on November 5, 1991 in U.S. District Court in Arizona by the Pinal Creek Group, alleging that the Company and others are responsible for some portion of costs incurred to address groundwater contamination emanating from copper mining operations located in the area of Globe and Miami, Arizona. Two former subsidiaries of Newmont, Pinto Valley Copper Corporation and Magma Copper Company (now known as BHP Copper Inc.), owned some of the mines in the area between 1983 and 1987. The court has dismissed plaintiffs claims seeking to hold Newmont liable for the acts or omissions of its former subsidiaries. Based on information presently available, Newmont believes it has strong defenses to plaintiffs remaining claims, including, without limitation, that Newmont s agents did not participate in any pollution causing activities; that Newmont s liabilities, if any, were contractually transferred to one of the plaintiffs; that portions of plaintiffs claimed damages are not recoverable; and that Newmont s equitable share of liability, if any, would be immaterial. While Newmont has denied liability and is vigorously defending these claims, the Company cannot reasonably predict the final outcome of this lawsuit.

Grass Valley. On February 3, 2004, the City of Grass Valley, California brought suit against Newmont under CERCLA in the U.S. District Court for the Northern District of California. This matter

NEWMONT MINING CORPORATION

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

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

involves an abandoned mine adit on property previously owned by a predecessor of Newmont and currently owned by the City of Grass Valley. The complaint alleges that the adit is discharging metals-bearing water into a stream on the property, in concentrations in excess of current EPA drinking water standards. Newmont cannot reasonably predict the likely outcome of this matter.

Gray 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.

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 Adams Ross 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 does not believe it has any liability for environmental conditions at the site, and 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

In July 2004, a criminal complaint was filed against PTNMR, the Newmont subsidiary that operated the Minahasa mine in Indonesia, alleging environmental pollution relating to submarine tailings placement into nearby Buyat Bay. The Indonesian police detained five PTNMR employees during September and October of 2004. The police investigation and the detention of PTNMR s employees was declared illegal by the South Jakarta District Court in December 2004, but in March 2005, the Indonesian Supreme Court upheld the legality of the police investigation, and the police turned their evidence over to the local prosecutor. In July 2005, the prosecutor filed an indictment against PTNMR and its President Director, alleging environmental pollution at Buyat Bay. After the court rejected motions to dismiss the proceeding, the trial proceeded and all evidence, including that of the defense, was presented in court in September 2006. In November 2006 the prosecution filed its charge, seeking a three-year jail sentence for PTNMR s President Director plus a nominal fine. In addition, the prosecution recommended a nominal fine against PTNMR. The defense filed responses in January 2007, and final briefing was completed in March 2007. On April 24, 2007, the court entered its verdict acquitting PTNMR and its President Director of all charges. In May 2007, the prosecution appealed the decision of the court to the Indonesian Supreme Court, despite Indonesian laws that prohibit the appeal of a verdict of acquittal.

In addition, on March 22, 2007, an Indonesian non-governmental organization named Wahana Lingkungan Hidup Indonesia (WALHI) filed a civil suit against PTNMR and Indonesia s Ministry of Energy and Mineral Resources and Ministry for the Environment, alleging pollution from the disposal of mine 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