

NEWMONT MINING CORP /DE/  
Form 10-Q  
July 26, 2013  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D. C. 20549

**Form 10-Q**

(Mark One)

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

For the Quarterly Period Ended June 30, 2013

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**

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(Exact name of registrant as specified in its charter)

**Delaware**  
(State or Other Jurisdiction of

**84-1611629**  
(I.R.S. Employer

**Incorporation or Organization)**

**Identification No.)**

**6363 South Fiddler s Green Circle**  
**Greenwood Village, Colorado**  
(Address of Principal Executive Offices)

**80111**  
(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.  Yes  No

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

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

(Check one): Large accelerated filer  Accelerated filer   
Non-accelerated filer  (Do not check if a smaller reporting company.) Smaller reporting company

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

There were 492,822,946 shares of common stock outstanding on July 18, 2013 (and 4,841,193 exchangeable shares).

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

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
Sales (Note 3)	\$ 1,993	\$ 2,229	\$ 4,170	\$ 4,912
Costs and expenses				
Costs applicable to sales <sup>(1)</sup> (Note 3)	1,653	1,002	2,697	2,019
Amortization	415	248	682	479
Reclamation and remediation (Note 4)	18	16	36	32
Exploration	76	106	135	194
Advanced projects, research and development	46	82	98	184
General and administrative	54	57	110	111
Write-downs (Note 5)	2,261		2,262	
Other expense, net (Note 6)	77	126	176	246
	4,600	1,637	6,196	3,265
Other income (expense)				
Other income, net (Note 7)	50	36	76	69
Interest expense, net	(70)	(71)	(135)	(123)
	(20)	(35)	(59)	(54)
Income (loss) before income and mining tax and other items	(2,627)	557	(2,085)	1,593
Income and mining tax benefit (expense) (Note 8)	325	(175)	144	(518)
Equity loss of affiliates	(3)	(11)	(7)	(30)
Income (loss) from continuing operations	(2,305)	371	(1,948)	1,045
Income (loss) from discontinued operations (Note 9)	74		74	(71)
Net income (loss)	(2,231)	371	(1,874)	974
Net loss (income) attributable to noncontrolling interests (Note 10)	212	(92)	170	(205)
Net income (loss) attributable to Newmont stockholders	\$ (2,019)	\$ 279	\$ (1,704)	\$ 769
Net income (loss) attributable to Newmont stockholders:				
Continuing operations	\$ (2,093)	\$ 279	\$ (1,778)	\$ 840
Discontinued operations	74		74	(71)
	\$ (2,019)	\$ 279	\$ (1,704)	\$ 769
Income (loss) per common share (Note 11)				

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<b>Basic:</b>				
Continuing operations	\$ (4.21)	\$ 0.56	\$ (3.58)	\$ 1.69
Discontinued operations	0.15		0.15	(0.14)
	\$ (4.06)	\$ 0.56	\$ (3.43)	\$ 1.55
<b>Diluted:</b>				
Continuing operations	\$ (4.21)	\$ 0.56	\$ (3.58)	\$ 1.67
Discontinued operations	0.15		0.15	(0.14)
	\$ (4.06)	\$ 0.56	\$ (3.43)	\$ 1.53
Cash dividends declared per common share	\$ 0.35	\$ 0.35	\$ 0.775	\$ 0.70

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

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

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

	Three Months Ended June 30, 2013	2012	Six Months Ended June 30, 2013	2012
Net income (loss)	\$ (2,231)	\$ 371	\$ (1,874)	\$ 974
Other comprehensive income (loss):				
Unrealized gain (loss) on marketable securities, net of \$(77), \$18, \$(115) and \$(5) tax benefit and (expense), respectively	(227)	(273)	(279)	(313)
Foreign currency translation adjustments	(10)	(10)	(22)	
Change in pension and other post-retirement benefits, net of \$3, \$2, \$8 and \$4 tax benefit, respectively	6	4	11	8
Change in fair value of cash flow hedge instruments, net of \$(130), \$8, \$(145) and \$(18) tax benefit and (expense), respectively				
Net change from periodic revaluations	(258)	4	(237)	73
Net amount reclassified to income	(11)	(24)	(35)	(59)
Net unrecognized gain (loss) on derivatives	(269)	(20)	(272)	14
Other comprehensive income (loss)	(500)	(299)	(562)	(291)
Comprehensive income (loss)	\$ (2,731)	\$ 72	\$ (2,436)	\$ 683
Comprehensive income (loss) attributable to:				
Newmont stockholders	\$ (2,519)	\$ (18)	\$ (2,265)	\$ 478
Noncontrolling interests	(212)	90	(171)	205
	\$ (2,731)	\$ 72	\$ (2,436)	\$ 683

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

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

	<b>Six Months Ended June 30,</b>	
	<b>2013</b>	<b>2012</b>
<b>Operating activities:</b>		
Net income (loss)	\$ (1,874)	\$ 974
<b>Adjustments:</b>		
Amortization	682	479
Stock based compensation and other non-cash benefits	38	36
Reclamation and remediation	36	32
Loss (income) from discontinued operations	(74)	71
Write-downs	2,262	
Impairment of marketable securities	11	32
Deferred income taxes	(519)	12
Gain on asset sales, net	(1)	(10)
Other operating adjustments and write-downs	632	106
Net change in operating assets and liabilities (Note 24)	(461)	(768)
Net cash provided from continuing operations	732	964
Net cash used in discontinued operations	(11)	(8)
Net cash provided from operations	721	956
<b>Investing activities:</b>		
Additions to property, plant and mine development	(1,120)	(1,578)
Acquisitions, net	(13)	(22)
Sale of marketable securities	1	106
Purchases of marketable securities	(1)	(196)
Proceeds from sale of other assets	49	13
Other	(21)	(37)
Net cash used in investing activities	(1,105)	(1,714)
<b>Financing activities:</b>		
Proceeds from debt, net	987	3,343
Repayment of debt	(534)	(1,941)
Payment of conversion premium on debt		(172)
Proceeds from stock issuance, net	2	15
Sale of noncontrolling interests	32	
Acquisition of noncontrolling interests	(10)	
Dividends paid to noncontrolling interests	(2)	(3)
Dividends paid to common stockholders	(385)	(347)
Other	(3)	(1)
Net cash provided from financing activities	87	894
Effect of exchange rate changes on cash	(16)	1
Net change in cash and cash equivalents	(313)	137

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Cash and cash equivalents at beginning of period	1,561	1,760
Cash and cash equivalents at end of period	\$ 1,248	\$ 1,897

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, 2013	At December 31, 2012
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,248	\$ 1,561
Trade receivables	257	283
Accounts receivable	289	577
Investments (Note 16)	628	86
Inventories (Note 17)	803	796
Stockpiles and ore on leach pads (Note 18)	738	786
Deferred income tax assets	215	195
Other current assets (Note 19)	844	1,661
Current assets	5,022	5,945
Property, plant and mine development, net	16,244	18,010
Investments (Note 16)	485	1,446
Stockpiles and ore on leach pads (Note 18)	2,729	2,896
Deferred income tax assets	1,188	481
Other long-term assets (Note 19)	808	872
Total assets	\$ 26,476	\$ 29,650
<b>LIABILITIES</b>		
Debt (Note 20)	\$ 48	\$ 10
Accounts payable	551	657
Employee-related benefits	261	339
Income and mining taxes	60	51
Other current liabilities (Note 21)	1,278	2,084
Current liabilities	2,198	3,141
Debt (Note 20)	6,726	6,288
Reclamation and remediation liabilities (Note 4)	1,471	1,457
Deferred income tax liabilities	806	858
Employee-related benefits	598	586
Other long-term liabilities (Note 21)	439	372
Total liabilities	12,238	12,702
Commitments and contingencies (Note 26)		
<b>EQUITY</b>		
Common stock	789	787
Additional paid-in capital	8,431	8,330
Accumulated other comprehensive income (loss)	(71)	490
Retained earnings	2,077	4,166
Newmont stockholders' equity	11,226	13,773
Noncontrolling interests	3,012	3,175
Total equity	14,238	16,948

Total liabilities and equity	\$ 26,476	\$ 29,650
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The accompanying notes are an integral part of the condensed consolidated financial statements.

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

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

**NOTE 1 BASIS OF PRESENTATION**

The interim Condensed Consolidated Financial Statements ( interim statements ) of Newmont Mining Corporation and its subsidiaries (collectively, Newmont or the Company ) are unaudited. In the opinion of management, all adjustments and disclosures necessary for a fair presentation of these interim statements have been included. The results reported in these interim statements are not necessarily indicative of the results that may be reported for the entire year. These interim statements should be read in conjunction with Newmont's Consolidated Financial Statements for the year ended December 31, 2012 filed February 22, 2013 on Form 10-K. The year-end balance sheet data was derived from the audited financial statements and, in accordance with the instructions to Form 10-Q, certain information and footnote disclosures required by United States generally accepted accounting principles ( GAAP ) have been condensed or omitted. References to A\$ refer to Australian currency, C\$ to Canadian currency and NZ\$ to New Zealand currency.

On March 12, 2013, Newmont completed the sale of the Hope Bay Project to TMAC Resources Inc. ( TMAC ). At June 30, 2013, Newmont held a 49.9% voting interest in TMAC and an economic interest of 70.4%. The Company has made available a \$15 credit facility due June 2014. Newmont has identified TMAC as a Variable Interest Entity ( VIE ) under FASB Accounting Standards Codification ( ASC ) Consolidation guidance. Based upon the ASC guidance for VIEs, and the ownership structure, Newmont has determined that it has a controlling financial interest in TMAC and is therefore the primary beneficiary. As such, Newmont consolidated TMAC in its consolidated financial statements. TMAC has indicated that they anticipate raising funds at an undetermined date through an initial public offering ( IPO ). Should such an IPO occur, which there can be no assurance of such offering occurring, it is expected that Newmont's ownership will be reduced and Newmont would reevaluate whether or not it is still required to consolidate under the applicable ASC guidance.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****Recently Adopted Accounting Pronouncements***Reporting of Amounts reclassified out of Accumulated Other Comprehensive Income*

In February 2013, ASC guidance was issued related to items reclassified from *Accumulated Other Comprehensive Income(Loss)*. The new standard requires either in a single note or parenthetically on the face of the financial statements: (i) the effect of significant amounts reclassified from each component of accumulated other comprehensive income based on its source and (ii) the income statement line items affected by the reclassification. Adoption of the new guidance, effective for the fiscal year beginning January 1, 2013, had no impact on the consolidated financial position, results of operations or cash flows.

*Disclosures about Offsetting Assets and Liabilities*

In November 2011, ASC guidance was issued related to disclosures about offsetting assets and liabilities. The new standard requires disclosures to allow investors to better compare financial statements prepared under U.S. GAAP with financial statements prepared under IFRS. In January 2013, an update was issued to further clarify that the disclosure requirements are limited to derivatives, repurchase agreements, and securities lending transactions to the extent that they are (i) offset in the financial statements or (ii) subject to an enforceable master netting arrangement or similar agreement. Adoption of the new guidance, effective for the fiscal year beginning January 1, 2013, had no impact on the consolidated financial position, results of operations or cash flows.

**Recently Issued Accounting Pronouncements***Foreign Currency Matters*

In March 2013, ASC guidance was issued related to Foreign Currency Matters to clarify the treatment of cumulative translation adjustments when a parent sells a part or all of its investment in a foreign entity or no longer holds a controlling financial interest in a subsidiary or group of assets that is a business within a foreign entity. The updated guidance also resolves the diversity in practice for the treatment of business combinations achieved in stages in a foreign entity. The update is effective prospectively for the Company's fiscal year beginning January 1,

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2014. The Company does not expect the updated guidance to have an impact on the consolidated financial position, results of operations or cash flows.

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

**NOTE 3 SEGMENT INFORMATION**

The Company's reportable segments are based upon the Company's management structure that is focused on the geographic region for the Company's operations. Segment results for 2012 have been retrospectively revised to reflect organizational changes that moved the Indonesia operations to a separately managed region and moved the Hope Bay segment to Corporate and Other. Geographic regions now include North America, South America, Australia/New Zealand, Indonesia, Africa and Corporate and Other. The financial information relating to the Company's segments is as follows:

	Sales	Costs Applicable to Sales	Amortization	Advanced Projects and Exploration	Pre-Tax Income (Loss)
<b>Three Months Ended June 30, 2013</b>					
Nevada	\$ 558	\$ 276	\$ 60	\$ 28	\$ 181
La Herradura	71	42	7	15	8
Other North America					(2)
<b>North America</b>	<b>629</b>	<b>318</b>	<b>67</b>	<b>43</b>	<b>187</b>
Yanacocha	420	197	97	10	87
Conga					(1)
Other South America				5	(6)
<b>South America</b>	<b>420</b>	<b>197</b>	<b>97</b>	<b>15</b>	<b>80</b>
Boddington:					
Gold	249	252	59		
Copper	49	62	14		
<b>Total</b>	<b>298</b>	<b>314</b>	<b>73</b>		<b>(2,161)</b>
Other Australia/New Zealand	332	263	58	12	(175)
<b>Australia/New Zealand</b>	<b>630</b>	<b>577</b>	<b>131</b>	<b>12</b>	<b>(2,336)</b>
Batu Hijau:					
Gold	15	63	13		
Copper	99	413	81		
<b>Total</b>	<b>114</b>	<b>476</b>	<b>94</b>	<b>5</b>	<b>(477)</b>
Other Indonesia					(1)
<b>Indonesia</b>	<b>114</b>	<b>476</b>	<b>94</b>	<b>5</b>	<b>(478)</b>
Ahafo	200	85	20	11	79
Akyem				2	(2)
Other Africa				5	(8)

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Africa	200	85	20	18	69
Corporate and Other			6	29	(149)
Consolidated	\$ 1,993	\$ 1,653	\$ 415	\$ 122	\$ (2,627)

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

	Sales	Costs Applicable to Sales	Amortization	Advanced Projects and Exploration	Pre-Tax Income (Loss)
<b>Three Months Ended June 30, 2012</b>					
Nevada	\$ 571	\$ 258	\$ 47	\$ 43	\$ 217
La Herradura	93	33	6	11	46
Other North America				1	(2)
North America	664	291	53	55	261
Yanacocha	614	177	62	18	333
Conga				12	(12)
Other South America				19	(19)
South America	614	177	62	49	302
Boddington:					
Gold	264	157	49		
Copper	42	38	12		
Total	306	195	61	2	37
Other Australia/New Zealand	331	182	35	22	88
Australia/New Zealand	637	377	96	24	125
Batu Hijau:					
Gold	18	11	3		
Copper	88	70	14		
Total	106	81	17	7	(16)
Other Indonesia					4
Indonesia	106	81	17	7	(12)
Ahafo	208	76	16	11	100
Akyem				5	(5)
Other Africa				3	(2)
Africa	208	76	16	19	93
Corporate and Other			4	34	(212)
Consolidated	\$ 2,229	\$ 1,002	\$ 248	\$ 188	\$ 557

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

	Sales	Costs Applicable to Sales	Amortization	Advanced Projects and Exploration	Pre-Tax Income (Loss)	Total Assets	Capital Expenditures <sup>(1)</sup>
<b>Six Months Ended June 30, 2013</b>							
Nevada	\$ 1,128	\$ 548	\$ 119	\$ 53	\$ 390	\$ 7,822	\$ 243
La Herradura	161	82	13	21	45	479	64
Other North America				1	(5)	68	
North America	1,289	630	132	75	430	8,369	307
Yanacocha	875	355	167	23	282	2,977	89
Conga				1		1,700	161
Other South America				10	(12)	122	37
South America	875	355	167	34	270	4,799	287
Boddington:							
Gold	578	426	101				
Copper	114	110	24				
Total	692	536	125		(2,047)	2,334	54
Other Australia/New Zealand	724	495	104	24	(82)	1,639	83
Australia/New Zealand	1,416	1,031	229	24	(2,129)	3,973	137
Batu Hijau:							
Gold	26	70	15				
Copper	169	460	90				
Total	195	530	105	11	(481)	3,388	56
Other Indonesia					2	4	
Indonesia	195	530	105	11	(479)	3,392	56
Ahafo	395	151	37	24	175	1,545	116
Akyem				5	(7)	1,159	159
Other Africa				8	(11)	1	
Africa	395	151	37	37	157	2,705	275
Corporate and Other			12	52	(334)	3,238	7
Consolidated	\$ 4,170	\$ 2,697	\$ 682	\$ 233	\$ (2,085)	\$ 26,476	\$ 1,069



<sup>(1)</sup> Includes a decrease in accrued capital expenditures of \$51; consolidated capital expenditures on a cash basis were \$1,120.

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

	Sales	Costs Applicable to Sales	Amortization	Advanced Projects and Exploration	Pre-Tax Income (Loss)	Total Assets	Capital Expenditures <sup>(1)</sup>
<b>Six Months Ended June 30, 2012</b>							
Nevada	\$ 1,294	\$ 525	\$ 100	\$ 77	\$ 586	\$ 7,280	\$ 370
La Herradura	186	65	11	17	91	353	29
Other North America				1	(4)	95	
North America	1,480	590	111	95	673	7,728	399
Yanacocha	1,208	338	112	35	682	2,775	243
Conga				39	(39)	1,462	342
Other South America				44	(44)	24	20
South America	1,208	338	112	118	599	4,261	605
Boddington:							
Gold	562	294	81				
Copper	103	68	18				
Total	665	362	99	5	180	4,640	52
Other Australia/New Zealand	758	372	72	43	273	1,949	137
Australia/New Zealand	1,423	734	171	48	453	6,589	189
Batu Hijau:							
Gold	52	30	6				
Copper	260	155	30				
Total	312	185	36	14	32	3,651	61
Other Indonesia					3	5	8
Indonesia	312	185	36	14	35	3,656	69
Ahafo	489	172	40	22	250	1,328	108
Akyem				9	(10)	750	189
Other Africa				5	(4)	9	
Africa	489	172	40	36	236	2,087	297
Corporate and Other			9	67	(403)	4,339	17
Consolidated	\$ 4,912	\$ 2,019	\$ 479	\$ 378	\$ 1,593	\$ 28,660	\$ 1,576

<sup>(1)</sup> Includes a decrease in accrued capital expenditures of \$2; consolidated capital expenditures on a cash basis were \$1,578.

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

**NOTE 4 RECLAMATION AND REMEDIATION**The Company's *Reclamation and remediation* expense consisted of:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Accretion - operating	15	13	30	27
Accretion - non-operating	3	3	6	5
	\$ 18	\$ 16	\$ 36	\$ 32

At June 30, 2013 and December 31, 2012, \$1,360 and \$1,341, respectively, were accrued for reclamation obligations relating to operating properties. In addition, the Company is involved in several matters concerning environmental obligations associated with former, primarily historic, mining activities. Generally, these matters concern developing and implementing remediation plans at the various sites involved. At June 30, 2013 and December 31, 2012, \$188 and \$198, respectively, were accrued for such obligations. These amounts are also included in *Reclamation and remediation liabilities*.

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

	Six Months Ended June 30,	
	2013	2012
Balance at beginning of period	\$ 1,539	\$ 1,240
Additions, changes in estimates and other	(3)	105
Liabilities settled	(24)	(41)
Accretion expense	36	32
Balance at end of period	\$ 1,548	\$ 1,336

The current portion of *Reclamation and remediation liabilities* of \$77 and \$82 at June 30, 2013 and December 31, 2012, respectively, are included in *Other current liabilities* (see Note 21).

**NOTE 5 WRITE-DOWNS**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
<b>Property, plant and mine development</b>				
Yanacocha	\$	\$	\$ 1	\$
Boddington	2,107		2,107	
Other Australia/New Zealand	66		66	
Batu Hijau	1		1	

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	2,174		2,175
<b>Other long-term assets</b>			
Boddington	31		31
Other Australia/New Zealand	56		56
	87		87
	\$ 2,261	\$	\$ 2,262
		\$	

*Write-downs* totaled \$2,261 and \$2,262 for the three and six months ended June 30, 2013, respectively. The 2013 write-down was primarily due to a decrease in the Company's long-term gold and copper price assumptions to \$1,400 per ounce and \$3.00 per pound, respectively, combined with rising operating costs. These factors represented significant changes in the business, requiring the Company to evaluate for impairment. For purposes of this evaluation, estimates of future cash flows of the individual reporting units were used to determine fair value. The estimated cash flows were derived from life-of-mine plans, developed using long-term pricing reflective of the current price environment and management's projections for operating costs. Refer to Note 14 for additional information.

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Due to the above conditions, Goodwill was included in the Company's impairment analysis. After-tax discounted future cash flows of reporting units with Goodwill were analyzed. Goodwill at Other Australia / New Zealand had a carrying value of \$188 at December 31, 2012. As a result of this evaluation, the Company recorded an impairment of \$56, resulting in a carrying value of \$132 at June 30, 2013.

**NOTE 6 OTHER EXPENSE, NET**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Transaction costs	\$	\$ 12	\$ 45	\$ 12
Regional administration	18	29	36	50
Restructuring and other	21		30	
Community development	17	20	30	51
Western Australia power plant	7	4	11	8
Hope Bay care and maintenance		52	(2)	102
Other	14	9	26	23
	\$ 77	\$ 126	\$ 176	\$ 246

**NOTE 7 OTHER INCOME, NET**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Foreign currency exchange, net	\$ 40	\$ 12	\$ 37	\$ (3)
Canadian Oil Sands	11	11	21	20
Development projects, net	7	19	8	33
Refinery income, net	4	2	7	7
Interest	2	2	6	7
Gain on asset sales, net			1	10
Reduction of allowance for loan receivable				21
Impairment of marketable securities	(7)	(8)	(11)	(32)
Derivative ineffectiveness, net	(3)	(2)		
Other	(4)		7	6
	\$ 50	\$ 36	\$ 76	\$ 69

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**NOTE 8 INCOME AND MINING TAXES**

During the second quarter of 2013, the Company recorded an estimated income and mining tax benefit of \$325, resulting in an effective tax rate of 12%. Estimated income and mining tax expense during the second quarter of 2012 was \$175 for an effective tax rate of 32%. The lower effective tax rate on the loss in the second quarter of 2013 is a result of the significant decrease in pretax income resulting in a dilution to the impact of percentage depletion and an increase in the Company's valuation allowance on certain deferred tax assets.

During the first half of 2013, the estimated income and mining tax benefit was \$144, resulting in an effective tax rate of 7%. Estimated income and mining tax expense during the first half of 2012 was \$518 for an effective tax rate of 33%. The lower effective tax rate on the loss in the first six months of 2013 is primarily due to the result of the significant decrease in pretax income resulting in a dilution to the impact of percentage depletion and an increase in the Company's valuation allowance on certain deferred tax assets.

A valuation allowance is provided for those deferred tax assets for which it is more likely than not that the related benefits will not be realized. In determining the amount of the valuation allowance, each quarter the Company considers estimated future taxable income as well as feasible tax planning strategies in each jurisdiction to determine if the deferred tax assets are realizable. If it is determined that the Company will not realize all or a portion of its deferred tax assets, it will place or increase a valuation allowance. Conversely, if determined that it will ultimately be able to realize all or a portion of the related benefits for which a valuation allowance has been provided, all or a portion of the related valuation allowance will be reduced.

On the basis of available information at June 30, 2013, including the decrease in the Company's long-term commodity price assumptions, rising operating cost, and decrease in equity value, the Company concluded that it would not be able to realize the benefit from some of its deferred tax assets; as a result, the Company recorded a significant increase in its valuation allowance. This increase consists of \$535 related to U.S. foreign and alternative minimum tax credits and \$150 related to stockpile impairments.

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

	Three Months Ended June 30,		Three Months Ended June 30,		Six Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012	2013	2012	2013	2012
<i>Income (loss) before income and mining tax and other items</i>		\$ (2,627)		\$ 557		\$ (2,085)		\$ 1,593
Tax at statutory rate	35%	\$ (919)	35%	\$ 195	35%	\$ (730)	35%	\$ 558
Reconciling items:								
Percentage depletion	2%	(52)	(6)%	(34)	4%	(93)	(7)%	(108)
Change in valuation allowance on deferred tax assets	(26)%	685	2%	13	(33)%	691	3%	46
Other	1%	(39)	1%	1	1%	(12)	2%	22
<i>Income and mining tax expense (benefit)</i>	12%	\$ (325)	32%	\$ 175	7%	\$ (144)	33%	\$ 518

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

At June 30, 2013, the Company's total unrecognized tax benefit was \$391 for uncertain income tax positions taken or expected to be taken on income tax returns. Of this, \$44 represents the amount of unrecognized tax benefits that, if recognized, would affect the Company's effective income tax rate.

As a result of the statute of limitations that expire in the next 12 months in various jurisdictions, and possible settlements of audit-related issues with taxing authorities in various jurisdictions with respect to which none of the issues are individually significant, the Company believes that it is reasonably possible that the total amount of its net unrecognized income tax benefits will decrease by approximately \$5 to \$10 in the next 12 months.



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**NOTE 9 DISCONTINUED OPERATIONS**

Discontinued operations include Holloway Mining Company, which owned the Holt-McDermott property ( Holt property ) that was sold to St. Andrew Goldfields Ltd. ( St. Andrew ) in 2006. In 2009, the Superior Court issued a decision finding Newmont Canada Corporation ( Newmont Canada ) liable for a sliding scale royalty on production from the Holt property, which was upheld in 2011 by the Ontario Court of Appeal. During the first half of 2013, the Company recorded a benefit from discontinued operations of \$74, net of tax expense of \$34, related to a decline in the gold spot price and an increase in discount rates. During the first half of 2012, the Company recorded a \$71 charge, net of tax benefits of \$4, to reflect an increase in future expected production at the Holt property due to new reserve and resource estimates published by St. Andrew.

*Net operating cash used in discontinued operations* of \$11 and \$8 in the first half of 2013 and 2012 relates to payments on the Holt property royalty.

**NOTE 10 NET INCOME (LOSS) ATTRIBUTABLE TO NONCONTROLLING INTERESTS**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Minera Yanacocha	\$ 26	\$ 97	\$ 83	\$ 195
TMAC	(2)		(14)	
Batu Hijau	(238)	(5)	(241)	8
Other	2		2	2
	\$ (212)	\$ 92	\$ (170)	\$ 205

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

Newmont has a 70.4% economic ownership interest in TMAC, with remaining interests held by various outside investors.

Newmont has a 48.5% effective economic interest in PT Newmont Nusa Tenggara ( PTNNT ) with remaining interests held by an affiliate of Sumitomo Corporation of Japan and various Indonesian entities. PTNNT operates the Batu Hijau copper and gold mine in Indonesia. Based on ASC guidance for variable interest entities, Newmont consolidates PTNNT in its Condensed Consolidated Financial Statements.

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**NOTE 11 INCOME (LOSS) PER COMMON SHARE**

Basic income (loss) per common share is computed by dividing income (loss) available to Newmont common stockholders by the weighted average number of common shares outstanding during the period. Diluted income (loss) per common share is computed similarly except that weighted average common shares is increased to reflect all dilutive instruments.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Net income (loss) attributable to Newmont stockholders				
Continuing operations	\$ (2,093)	\$ 279	\$ (1,778)	\$ 840
Discontinued operations	74		74	(71)
	\$ (2,019)	\$ 279	\$ (1,704)	\$ 769
Weighted average common shares (millions):				
Basic	497	496	497	496
Effect of employee stock-based awards		1		1
Effect of convertible notes		1		5
Diluted	497	498	497	502
Income (loss) per common share				
Basic:				
Continuing operations	\$ (4.21)	\$ 0.56	\$ (3.58)	\$ 1.69
Discontinued operations	0.15		0.15	(0.14)
	\$ (4.06)	\$ 0.56	\$ (3.43)	\$ 1.55
Diluted:				
Continuing operations	\$ (4.21)	\$ 0.56	\$ (3.58)	\$ 1.67
Discontinued operations	0.15		0.15	(0.14)
	\$ (4.06)	\$ 0.56	\$ (3.43)	\$ 1.53

Options to purchase 4 and 2 million shares of common stock at average exercise prices of \$48 and \$58 were outstanding at June 30, 2013 and 2012, respectively, but were not included in the computation of diluted weighted average common shares because their exercise prices exceeded the average price of the Company's common stock for the respective periods presented.

Other outstanding options to purchase 1 million shares of common stock were not included in the computation of diluted weighted average common shares in the second quarter and first half of 2013 because their effect would have been anti-dilutive.

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

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shares included in the computation of diluted weighted average common shares.

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

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**NOTE 12 EMPLOYEE PENSION AND OTHER BENEFIT PLANS**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Pension benefit costs, net				
Service cost	\$ 9	\$ 8	\$ 18	\$ 15
Interest cost	10	11	20	21
Expected return on plan assets	(13)	(11)	(25)	(22)
Amortization, net	10	8	18	14
	\$ 16	\$ 16	\$ 31	\$ 28
	Three		Six	
	Months Ended June 30,	Months Ended June 30,	Months Ended June 30,	Months Ended June 30,
	2013	2012	2013	2012
Other benefit costs, net				
Service cost	\$ 1	\$	\$ 2	\$ 1
Interest cost	2	2	3	3
	\$ 3	\$ 2	\$ 5	\$ 4

**NOTE 13 STOCK BASED COMPENSATION**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Stock options	\$ 2	\$ 3	\$ 5	\$ 7
Restricted stock units	7	6	16	11
Performance leveraged stock units	2	3	4	6
Strategic stock units	3	1	3	1
	\$ 14	\$ 13	\$ 28	\$ 25

**NOTE 14 FAIR VALUE ACCOUNTING**

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

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

- Level 2 Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and
- Level 3 Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

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

	Fair Value at June 30, 2013			
	Total	Level 1	Level 2	Level 3
<b>Assets:</b>				
Cash equivalents	\$ 32	\$ 32	\$	\$
<b>Marketable equity securities:</b>				
Extractive industries	979	979		
Other	4	4		
<b>Marketable debt securities:</b>				
Asset backed commercial paper	22			22
Corporate	13		13	
Auction rate securities	4			4
Trade receivable from provisional copper and gold concentrate sales, net	139	139		
	\$ 1,193	\$ 1,154	\$ 13	\$ 26
<b>Liabilities:</b>				
<b>Derivative instruments, net:</b>				
Foreign exchange forward contracts	\$ 168	\$	\$ 168	\$
Diesel forward contracts	3		3	
Boddington contingent consideration	28			28
Holt property royalty	121			121
	\$ 320	\$	\$ 171	\$ 149

The fair values of the derivative instruments in the table above are presented on a net basis. The gross amounts related to the fair value of the derivatives instruments above are included in the *Derivatives Instruments* Note (see Note 15). All other Fair Value disclosures in the above table are presented on a gross basis.

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

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

The Company's marketable corporate debt securities are mainly comingled fund investments that are classified within Level 2 with the unit of account considered to be at the fund level. Therefore, the investments are classified as Level 2 of the fair value hierarchy.

The Company's marketable debt securities also include investments in auction rate securities and asset backed commercial paper. The Company reviews the fair value for auction rate securities and asset backed commercial paper on a quarterly basis. The auction rate securities are traded in

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markets that are not active, trade infrequently and have little price transparency. Therefore, the investments are classified as Level 3 of the fair value hierarchy. See table below which sets forth a summary of the quantitative and qualitative information related to the significant unobservable inputs used in the calculation of the fair value.

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

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

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The estimated value of the Boddington contingent royalty was determined using a Monte Carlo valuation model which simulates future gold and copper prices and costs applicable to sales. This contingent royalty is capped at \$100, and at June 30, 2012, the Company increased the accrual to the maximum of \$100. The Boddington contingent royalty is classified within Level 3 of the fair value hierarchy. See table below which sets forth a summary of the quantitative and qualitative information related to the significant unobservable inputs used in the calculation of the fair value.

The estimated fair value of the Holt sliding scale royalty was determined using a Monte Carlo valuation model. The sliding scale royalty liability is classified within Level 3 of the fair value hierarchy. See table below which sets forth a summary of the quantitative and qualitative information related to the significant unobservable inputs used in the calculation of the fair value.

The following table sets forth a summary of the quantitative and qualitative information related to the unobservable inputs used in the calculation of the Company's Level 3 financial assets and liabilities for the six months ended June 30, 2013:

Description	At June 30, 2013	Valuation technique	Unobservable input	Range/Weighted average
Auction Rate Securities	\$ 4	Discounted cash flow	Weighted average recoverability rate	58%
Asset Backed Commercial Paper	22	Discounted cash flow	Recoverability rate	72-88%
Boddington Contingent Consideration	28	Monte Carlo	Discount rate	5%
			Long Term Gold price	\$ 1,400
			Long Term Copper price	\$ 3.00
Holt property royalty	121	Monte Carlo	Weighted average discount rate	5%
			Long Term Gold price	\$ 1,400

The following table sets forth a summary of changes in the fair value of the Company's Level 3 financial assets and liabilities for the six months ended June 30, 2013:

	Auction Rate Securities	Asset Backed Commercial Paper	Total Assets	Boddington Contingent Royalty	Holt Property Royalty	Total Liabilities
Balance at beginning of period	\$ 5	\$ 19	\$ 24	\$ 41	\$ 240	\$ 281
Unrealized loss	(1)		(1)			
Settlements				(13)	(11)	(24)
Revaluation		3	3		(108)	(108)
Balance at end of period	\$ 4	\$ 22	\$ 26	\$ 28	\$ 121	\$ 149

At June 30, 2013, assets and liabilities classified within Level 3 of the fair value hierarchy represent 2% and 47%, respectively, of total assets and liabilities measured at fair value.



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At June 30, 2013, Newmont recorded write-downs related to *Property, plant and equipment, net*. (See Note 5). The following table provides information related to assets that were measured at fair value on a nonrecurring basis after initial recognition during the six months ended June 30, 2013:

Description	At June 30, 2013	Fair Value Measurement Using			Total loss
		Level 1	Level 2	Level 3	
Property, Plant and Mine Development, net	\$ 16,244			\$ 16,244	\$ 2,175
Goodwill	132			132	56
Intangible Assets	104			104	31
	\$ 16,480	\$	\$	\$ 16,480	\$ 2,262

The estimated fair values of *Property, plant and mine development, net*, Goodwill and Intangible assets were determined using the discounted cash flow approach. The value is classified within Level 3 of the fair value hierarchy.

The following table sets forth a summary of the quantitative and qualitative information related to the unobservable inputs used in the calculation of the Company's nonrecurring Level 3 financial assets at June 30, 2013:

Description	At June 30, 2013	Valuation technique	Unobservable input	Range/Weighted average
Property, plant and mine development, net	\$ 16,244	Discounted cash flow	Discount rate	4.25%
			Long Term Gold Price	\$ 1,400
			Long Term Copper price	\$ 3.00
			Long Term Exchange rate A\$/US\$	0.935
Goodwill and Intangible assets	161	Discounted cash flow	Discount rate	3.75-4.25%
			Long Term Gold Price	\$ 1,400
			Long Term Copper price	\$ 3.00
			Long Term Exchange rate A\$/US\$	0.935

**NOTE 15 DERIVATIVE INSTRUMENTS**

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

**Cash Flow Hedges**

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



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*Foreign Currency Contracts*

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

Newmont had the following foreign currency derivative contracts outstanding at June 30, 2013:

	Expected Maturity Date						Total/ Average
	2013	2014	2015	2016	2017	2018	
<b>A\$ Operating Fixed Forward Contracts:</b>							
A\$ notional (millions)	656	1,117	847	564	273	44	3,501
Average rate (\$/A\$)	0.95	0.93	0.92	0.92	0.91	0.89	0.93
Expected hedge ratio	83%	67%	51%	33%	17%	7%	
<b>NZ\$ Operating Fixed Forward Contracts:</b>							
NZ\$ notional (millions)	40	50	10				100
Average rate (\$/NZ\$)	0.80	0.80	0.79				0.80
Expected hedge ratio	63%	41%	16%				

*Diesel Fixed Forward Contracts*

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

Newmont had the following diesel derivative contracts outstanding at June 30, 2013:

	Expected Maturity Date				Total/ Average
	2013	2014	2015	2016	
<b>Diesel Fixed Forward Contracts:</b>					
Diesel gallons (millions)	14	21	10	2	47
Average rate (\$/gallon)	2.90	2.87	2.77	2.70	2.85
Expected hedge ratio	65%	49%	25%	7%	

*Forward Starting Swap Contracts*

During 2011, Newmont entered into forward starting interest rate swap contracts with a total notional value of \$2,000. These contracts hedged movements in treasury rates related to a debt issuance that occurred in the first quarter of 2012. On March 8, 2012, Newmont closed its sale of \$2,500 senior notes consisting of 3.5% senior notes due 2022 in the principal amount of \$1,500 (10-year notes), and 4.875% senior notes due 2042 in the principal amount of \$1,000 (30-year notes). As a result, the forward-starting interest rate swaps were settled for \$362, of which \$349 represented the effective portion of the hedging instrument included in *Accumulated other comprehensive income (loss)*. The net proceeds from the debt issuance were adjusted by the settlement amount of the swap contracts and included as a financing activity in the Condensed Consolidated Statements of Cash Flow.



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*Derivative Instrument Fair Values*

Newmont had the following derivative instruments designated as hedges at June 30, 2013 and December 31, 2012:

	Fair Value At June 30, 2013			
	Other Current Assets	Other Long- Term Assets	Other Current Liabilities	Other Long- Term Liabilities
Foreign currency exchange contracts:				
A\$ operating fixed forwards	\$ 16	\$ 16	\$ 64	\$ 133
NZ\$ operating fixed forwards			2	1
Diesel fixed forwards			2	1
<b>Total derivative instruments (Notes 19 and 21)</b>	<b>\$ 16</b>	<b>\$ 16</b>	<b>\$ 68</b>	<b>\$ 135</b>

	Fair Value At December 31, 2012			
	Other Current Assets	Other Long- Term Assets	Other Current Liabilities	Other Long- Term Liabilities
Foreign currency exchange contracts:				
A\$ operating fixed forwards	\$ 108	143		1
NZ\$ operating fixed forwards	2			
Diesel fixed forwards	2	1	1	1
<b>Total derivative instruments (Notes 19 and 21)</b>	<b>\$ 112</b>	<b>\$ 144</b>	<b>\$ 1</b>	<b>\$ 2</b>

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

	Foreign Currency Exchange Contracts		Diesel Forward Contracts		Forward Starting Swap Contracts	
	2013	2012	2013	2012	2013	2012
<b>For the three months ended June 30,</b>						
Cash flow hedging relationships:						
Gain (loss) recognized in other comprehensive income(loss) (effective portion)	\$ (386)	\$ 23	\$ (6)	\$ (16)	\$	\$
Gain (loss) reclassified from Accumulated other comprehensive income into income(loss) (effective portion) <sup>(1)</sup>	22	38	(4)	1	(6)	(3)
Gain (Loss) reclassified from Accumulated other comprehensive income into income (ineffective portion) <sup>(2)</sup>			(3)			
<b>For the six months ended June 30,</b>						
Cash flow hedging relationships:						
Gain (loss) recognized in other comprehensive income(loss) (effective portion)	\$ (368)	\$ 85	\$ (4)	\$ (4)	\$	\$ 36
Gain (loss) reclassified from Accumulated other comprehensive income into income(loss) (effective portion) <sup>(1)</sup>	60	85		4	(9)	(4)
Gain (loss) reclassified from Accumulated other comprehensive income into income(loss) (ineffective portion) <sup>(2)</sup>						2

<sup>(1)</sup> The gain (loss) recognized for the effective portion of cash flow hedges is included in *Cost Applicable to Sales, Write-downs and Interest expense, net*.

<sup>(2)</sup> The ineffective portion recognized for cash flow hedges is included in *Other income, net*.

The amount to be reclassified from *Accumulated other comprehensive income(loss)*, net of tax to income for derivative instruments during the next 12 months is a loss of approximately \$46.

**Provisional Copper and Gold Sales**

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

London Metal Exchange (LME) copper prices averaged \$3.25 per pound during the three months ended June 30, 2013, compared with the Company's recorded average provisional price of \$3.22 per pound before mark-to-market adjustments and treatment and refining charges. LME copper prices averaged \$3.42 per pound during the six months ended June 30, 2013, compared with the Company's recorded average provisional price of \$3.38 per pound before mark-to-market adjustments and treatment and refining charges. During the three and six months ended June 30, 2013, changes in copper prices resulted in a provisional pricing mark-to-market loss of \$15 (\$0.27 per pound) and loss of \$24 (\$0.25 per pound), respectively. At June 30, 2013, Newmont had copper sales of 54 million pounds priced at an average of \$3.07 per pound, subject to final pricing over the next several months.



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

The average London P.M. fix for gold was \$1,415 per ounce during the three months ended June 30, 2013, compared with the Company's recorded average provisional price of \$1,408 per ounce before mark-to-market adjustments and treatment and refining charges. The average London P.M. fix for gold was \$1,523 per ounce during the six months ended June 30, 2013, compared to the Company's recorded average provisional price of \$1,517 per ounce before mark-to-market adjustments and treatment and refining charges. During the three and six months ended June 30, 2013, changes in gold prices resulted in a provisional pricing mark-to-market loss of \$24 (\$18 per ounce) and loss of \$22 (\$9 per ounce), respectively. At June 30, 2013, Newmont had gold sales of 88,000 ounces priced at an average of \$1,192 per ounce, subject to final pricing over the next several months.

**NOTE 16 INVESTMENTS**

	Cost/Equity Basis	At June 30, 2013 Unrealized Gain      Loss		Fair/Equity Basis
<b>Current:</b>				
Marketable Equity Securities:				
Canadian Oil Sands Ltd.	\$ 293	\$ 279	\$	\$ 572
Paladin Energy Ltd.	60		(17)	43
Other	15	3	(5)	13
	\$ 368	\$ 282	\$ (22)	\$ 628
<b>Long-term:</b>				
Marketable Debt Securities:				
Asset backed commercial paper	\$ 24	\$	\$ (2)	\$ 22
Auction rate securities	7		(3)	4
Corporate	13			13
	44		(5)	39
Marketable Equity Securities:				
Gabriel Resources Ltd.	74		(7)	67
Regis Resources Ltd.	166	91		257
Other	44	2	(15)	31
	284	93	(22)	355
Other investments, at cost	13			13
Investment in Affiliates:				
Euronimba Ltd.	3			3
Minera La Zanja S.R.L.	75			75
	\$ 419	\$ 93	\$ (27)	\$ 485





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

	Cost/Equity Basis	At December 31, 2012		Fair/Equity Basis
		Unrealized Gain	Loss	
<b>Current:</b>				
<b>Marketable Equity Securities:</b>				
Paladin Energy Ltd.	\$ 60	\$	\$ (3)	\$ 57
Other	17	14	(2)	29
	\$ 77	\$ 14	\$ (5)	\$ 86
<b>Long-term:</b>				
<b>Marketable Debt Securities:</b>				
Asset backed commercial paper	\$ 25	\$	\$ (6)	\$ 19
Auction rate securities	7		(2)	5
Corporate	14			14
	46		(8)	38
<b>Marketable Equity Securities:</b>				
Canadian Oil Sands Trust	310	318		628
Gabriel Resources Ltd.	78	42		120
Regis Resources Ltd.	166	352		518
Other	51	14		65
	605	726		1,331
Other investments, at cost	12			12
<b>Investment in Affiliates:</b>				
Minera La Zanja S.R.L.	65			65
	\$ 728	\$ 726	\$ (8)	\$ 1,446

Subsequent to June 30, 2013, on July 8, 2013, the Company sold its investment in Canadian Oil Sands Trust for approximately C\$608, resulting in a pretax gain of approximately \$300 to be recorded in *Other income, net*.

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

At June 30, 2013	Less than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
	Marketable equity securities	\$ 143	\$ 44	\$	\$	\$ 143
Asset backed commercial paper			22	2	22	2

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Auction rate securities			4	3	4	3
	\$ 143	\$ 44	\$ 26	\$ 5	\$ 169	\$ 49

	Less than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
<b>At December 31, 2012</b>						
Marketable equity securities	\$ 79	\$ 5	\$	\$	\$ 79	\$ 5
Asset backed commercial paper			19	6	19	6
Auction rate securities			5	2	5	2
	\$ 79	\$ 5	\$ 24	\$ 8	\$ 103	\$ 13

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

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

**NOTE 17 INVENTORIES**

	At June 30, 2013	At December 31, 2012
In-process	\$ 110	\$ 143
Concentrate	153	152
Precious metals	29	31
Materials, supplies and other	511	470
	\$ 803	\$ 796

The Company recorded write-downs of \$12 and \$3, classified as components of *Costs applicable to sales* and *Amortization*, respectively, for the first half of 2013, to reduce the carrying value of inventories to net realizable value. Of the write-downs in 2013, \$1 is related to Nevada, \$7 to Boddington, \$1 to Other Australia/New Zealand and \$6 to Batu Hijau.

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

	At June 30, 2013	At December 31, 2012
<b>Current:</b>		
Stockpiles	\$ 517	\$ 602
Ore on leach pads	221	184
	\$ 738	\$ 786
<b>Long-term:</b>		
Stockpiles	\$ 2,475	\$ 2,514
Ore on leach pads	254	382
	\$ 2,729	\$ 2,896
	At June 30, 2013	At December 31, 2012
<b>Stockpiles and ore on leach pads:</b>		
Nevada	\$ 829	\$ 699
La Herradura	78	57
Yanacocha	504	498

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Boddington	389	474
Batu Hijau	1,289	1,543
Other Australia/New Zealand	115	173
Ahafo	252	235
Akyem	11	3
	\$ 3,467	\$ 3,682

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

The Company recorded write-downs of \$555 and \$126, classified as components of *Costs applicable to sales* and *Amortization*, respectively, for the first half of 2013 to reduce the carrying value of stockpiles and ore on leach pads to net realizable value. The Company recorded write-downs of \$22 for the first half of 2012. Of the write-downs in 2013, \$83 are related to Yanacocha, \$105 to Boddington, \$54 to Other Australia/New Zealand and \$439 to Batu Hijau. Of the write-downs in 2012, \$20 are related to Other Australia/New Zealand and \$2 related to Yanacocha.

**NOTE 19 OTHER ASSETS**

	At June 30, 2013	At December 31, 2012
Other current assets:		
Refinery metal inventory and receivable	\$ 530	\$ 1,183
Prepaid assets	200	213
Derivative instruments	16	112
Restricted cash		12
Other	98	141
	\$ 844	\$ 1,661
Other long-term assets:		
Income tax receivable	\$ 214	\$ 92
Goodwill	132	188
Intangible assets	104	136
Restricted cash	94	90
Prepaid royalties	78	78
Debt issuance costs	67	73
Derivative instruments	16	144
Prepaid maintenance costs	23	17
Other	80	54
	\$ 808	\$ 872

**NOTE 20 DEBT**

	At June 30, 2013		At December 31, 2012	
	Current	Non-Current	Current	Non-Current
Corporate revolving credit facility	\$	\$ 310	\$	\$
2014 Convertible Senior Notes, net		548		535
2017 Convertible Senior Notes, net		481		471
2019 Senior Notes, net		897		897
2022 Senior Notes, net		1,490		1,489
2035 Senior Notes, net		598		598
2039 Senior Notes, net		1,087		1,087

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2042 Senior Notes, net		992		992
Ahafo project finance facility	10	30	10	35
PTNNT revolving credit facility		290		180
Other	38	3		4
	\$ 48	\$ 6,726	\$ 10	\$ 6,288

Scheduled minimum debt repayments are \$43 for the remainder of 2013, \$558 in 2014, \$11 in 2015, \$11 in 2016, \$1,087 in 2017 and \$5,064 thereafter.

***Corporate Revolving Credit Facility***

At June 30, 2013, we had \$310 in borrowings outstanding and \$325 outstanding in letters of credit under the facility.

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

**NOTE 21 OTHER LIABILITIES**

	At June 30, 2013	At December 31, 2012
Other current liabilities:		
Refinery metal payable	\$ 530	\$ 1,183
Accrued operating costs	169	336
Accrued capital expenditures	123	172
Reclamation and remediation liabilities	77	82
Interest	74	74
Derivative instruments	68	1
Deferred income tax	64	65
Royalties	38	42
Holt property royalty	13	21
Boddington contingent consideration		26
Taxes other than income and mining	7	14
Other	115	68
	\$ 1,278	\$ 2,084
Other long-term liabilities:		
Derivative instruments	\$ 135	\$ 2
Holt property royalty	108	219
Income and mining taxes	71	65
Power supply agreements	40	46
Deferred income tax from discontinued operations	34	
Boddington contingent consideration	28	15
Other	23	25
	\$ 439	\$ 372



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

**NOTE 22 CHANGES IN EQUITY**

	<b>Six Months Ended June 30,</b>	
	<b>2013</b>	<b>2012</b>
<b>Common stock:</b>		
At beginning of period	\$ 787	\$ 784
Stock based awards	2	2
At end of period	789	786
<b>Additional paid-in capital:</b>		
At beginning of period	8,330	8,408
Conversion premium on convertible notes		(172)
Stock based awards	53	55
Sale of noncontrolling interests	48	
At end of period	8,431	8,291
<b>Accumulated other comprehensive income (loss):</b>		
At beginning of period	490	652
Other comprehensive income (loss)	(561)	(291)
At end of period	(71)	361
<b>Retained earnings:</b>		
At beginning of period	4,166	3,052
Net income (loss) attributable to Newmont stockholders	(1,704)	769
Dividends paid	(385)	(347)
At end of period	2,077	3,474
<b>Noncontrolling interests:</b>		
At beginning of period	3,175	2,875
Net income (loss) attributable to noncontrolling interests	(170)	205
Dividends paid to noncontrolling interests	(2)	(3)
Sale of noncontrolling interests, net	10	
Other comprehensive income	(1)	
At end of period	3,012	3,077
<b>Total equity</b>	<b>\$ 14,238</b>	<b>\$ 15,989</b>

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

**NOTE 23 RECLASSIFICATIONS OUT OF ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)**

	Unrealized gain on marketable securities, net	Foreign currency translation adjustments	Pension and other post- retirement benefit adjustments	Changes in fair value of cash flow hedge instruments	Total
December 31, 2012	\$ 542	\$ 177	\$ (276)	\$ 47	\$ 490
Change in other comprehensive income (loss) before reclassifications	(287)	(21)	(1)	(237)	(546)
Reclassifications from accumulated other comprehensive income (loss)	8		12	(35)	(15)
Net current-period other comprehensive income (loss)	(279)	(21)	11	(272)	(561)
June 30, 2013	\$ 263	\$ 156	\$ (265)	\$ (225)	\$ (71)

Details about Accumulated Other Comprehensive Income (Loss) Components	Amount Reclassified from Accumulated Other Comprehensive Income (Loss)		Affected Line Item in the Condensed Consolidated Statement of Income (Loss)
	Three Months Ended June 30, 2013	Six Months Ended June 30, 2013	
Unrealized gain on marketable securities:			
Impairment of marketable securities	\$ 7	\$ 11	Other income, net
Total before tax	7	11	
Tax expense	(2)	(3)	
Net of tax	\$ 5	\$ 8	
Pension liability adjustments:			
Amortization, net	\$ 10	\$ 18	(1)
Total before tax	10	18	
Tax expense	(3)	(6)	
Net of tax	\$ 7	\$ 12	

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Gain (loss) on hedge instruments:			
Operating cash flow hedges	\$ (37)	\$ (79)	Costs applicable to sales
Capital cash flow hedges	1	1	Amortization
Capital cash flow hedges	18	18	Write-downs
Forward starting swap hedges	6	9	Interest expense, net
Hedge ineffectiveness	3		Other income, net
Total before tax	(9)	(51)	
Tax benefit	4	16	
Net of tax	\$ (5)	\$ (35)	
Total reclassifications for the period, net of tax	\$ 7	\$ (15)	

- (1) This accumulated other comprehensive income (loss) component is included in *General and administrative* and costs that benefit the inventory/production process. Refer to Note 2 in the Newmont Annual Report on Form 10-K for the year ended December 31, 2012 for information on costs that benefit the inventory/production process.

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

**NOTE 24 NET CHANGE IN OPERATING ASSETS AND LIABILITIES***Net cash provided from operations* attributable to the net change in operating assets and liabilities is composed of the following:

	<b>Six Months Ended June 30,</b>	
	<b>2013</b>	<b>2012</b>
Decrease (increase) in operating assets:		
Trade and accounts receivable	\$ 187	\$ (14)
Inventories, stockpiles and ore on leach pads	(405)	(443)
EGR refinery assets	623	406
Other assets	8	(43)
Decrease in operating liabilities:		
Accounts payable and other accrued liabilities	(227)	(227)
EGR refinery liabilities	(623)	(406)
Reclamation liabilities	(24)	(41)
	<b>\$ (461)</b>	<b>\$ (768)</b>

**NOTE 25 CONDENSED CONSOLIDATING FINANCIAL STATEMENTS**

The following Condensed Consolidating Financial Statements are presented to satisfy disclosure requirements of Rule 3-10(e) of Regulation S-X resulting from the inclusion of Newmont USA Limited ( Newmont USA ), a wholly-owned subsidiary of Newmont, as a co-registrant with Newmont on debt securities issued under a shelf registration statement on Form S-3 filed under the Securities Act of 1933 under which securities of Newmont (including debt securities guaranteed by Newmont USA) may be issued (the Shelf Registration Statement ). In accordance with Rule 3-10(e) of Regulation S-X, Newmont USA, as the subsidiary guarantor, is 100% owned by Newmont, the guarantees are full and unconditional, and no other subsidiary of Newmont guaranteed any security issued under the Shelf Registration Statement. There are no restrictions on the ability of Newmont or Newmont USA to obtain funds from its subsidiaries by dividend or loan.

At December 31, 2012, errors were identified in the previously reported condensed consolidating financial statements resulting from incorrectly applying the provisions of Rule 3-10(e) of Regulation S-X related to the presentation of the financial information of its subsidiary guarantor, Newmont USA. In the previously reported information, the Company presented Newmont USA on a consolidated basis with its non-guarantor subsidiaries and under Rule 3-10 of Regulation S-X Newmont USA should have presented its investment in subsidiaries based upon its proportionate share of its non-guarantor subsidiaries' net assets (similar to the equity method of accounting). In addition, the Company corrected the Newmont Mining Corporation column for investments in subsidiaries previously presented in the Eliminations column. The tables following the revised condensed consolidating financial statements illustrate the effects of the errors, which relate to the columns for Newmont Mining Corporation, Newmont USA, Other Subsidiaries and Eliminations, on previously reported condensed consolidating financial information for the three and six months ended June 30, 2012.

The errors to the Newmont USA column for the incorrect presentation resulted in no change in previously reported line items for net income attributable to Newmont and stockholders' equity. It did however have a significant impact on the previously reported cash balance, and cash flow from operations, investing and financing activities of Newmont USA as a result of the deconsolidation of its subsidiaries and the one line proportionate accounting pick up. Further, the Other Subsidiaries column changed by corresponding adjustments and to give effect to intercompany balances to include the non-guarantor subsidiaries of Newmont USA and the Eliminations column changes as a result of the above changes. In addition, the Company corrected an error in the Newmont Mining Corporation column related to stockholders' equity and investment in subsidiaries. This was a result of a gain associated with a partial sale of a subsidiary that was previously included in the Eliminations column. The cash flow statement in the Newmont Mining Corporation column was revised to reflect earnings from subsidiaries, net of dividends

received.

The Company concluded these errors were not material individually or in the aggregate to any of the previously issued financial statements taken as a whole. These errors had no impact on the consolidated financial statements of Newmont or any debt covenants and had no impact on the ability of Newmont's subsidiaries to dividend cash to Newmont. The impact of these corrections to the applicable prior year period is reflected in the revised financial information and notes below.

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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 will revise the September 30, 2012 financial statements to reflect the revisions discussed above in the Quarterly Reports on Form 10-Q for the quarterly periods in 2013.

In addition to the above, in April of the current year the Company merged one of its subsidiaries into Newmont USA. As a result of this merger, the prior periods presented have been revised to reflect this change as if the transaction had occurred at the beginning of the earliest period presented in accordance with the accounting guidance for business combinations between entities under common control.

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

Condensed Consolidating Statement of Income	Three Months Ended June 30, 2013				Newmont Mining Corporation Consolidated
	Newmont Mining Corporation	Newmont USA	Other Subsidiaries	Eliminations	
Sales	\$	\$ 517	\$ 1,476	\$	\$ 1,993
Costs and expenses					
Costs applicable to sales <sup>(1)</sup>		246	1,407		1,653
Amortization		48	367		415
Reclamation and remediation		2	16		18
Exploration		17	59		76
Advanced projects, research and development		10	36		46
General and administrative		24	30		54
Write-downs			2,261		2,261
Other expense, net		14	63		77
		361	4,239		4,600
Other income (expense)					
Other income, net		2	43		50
Interest income intercompany		34	(3)	(39)	
Interest expense intercompany		(3)	(36)	39	
Interest expense, net		(68)	2		(70)
		(35)	6		(20)
Income (loss) before income and mining tax and other items		(35)	(2,757)		(2,627)
Income and mining tax benefit (expense)		12	384		325
Equity income (loss) of affiliates		(1,996)	(163)	2,620	(3)
Income (loss) from continuing operations		(2,019)	(2,536)	2,620	(2,305)
Income (loss) from discontinued operations			74		74
Net income (loss)		(2,019)	(2,462)	2,620	(2,231)
Net loss (income) attributable to noncontrolling interests			323	(111)	212
Net income (loss) attributable to Newmont stockholders	\$	\$ (370)	\$ (2,139)	\$ 2,509	\$ (2,019)
Comprehensive income (loss)	\$	\$ (382)	\$ (3,013)	\$ 3,182	\$ (2,731)
Comprehensive loss (income) attributable to noncontrolling interests			323	(111)	212
Comprehensive income (loss) attributable to Newmont stockholders	\$	\$ (382)	\$ (2,690)	\$ 3,071	\$ (2,519)

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





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

Condensed Consolidating Statement of Income	Three Months Ended June 30, 2012				Newmont Mining Corporation Consolidated
	Newmont Mining Corporation	Newmont USA	Other Subsidiaries	Eliminations	
Sales	\$	\$ 523	\$ 1,706	\$	\$ 2,229
Costs and expenses					
Costs applicable to sales <sup>(1)</sup>		243	759		1,002
Amortization		39	209		248
Reclamation and remediation		2	14		16
Exploration		24	82		106
Advanced projects, research and development		10	72		82
General and administrative		46	11		57
Other expense, net		10	116		126
		374	1,263		1,637
Other income (expense)					
Other income, net		4	32		36
Interest income intercompany	39	6	1	(46)	
Interest expense intercompany	(3)	1	(44)	46	
Interest expense, net	(68)	(2)	(1)		(71)
	(32)	9	(12)		(35)
Income (loss) before income and mining tax and other items	(32)	158	431		557
Income and mining tax benefit (expense)	11	(59)	(127)		(175)
Equity income (loss) of affiliates	300	195	48	(554)	(11)
Net income (loss)	279	294	352	(554)	371
Net loss (income) attributable to noncontrolling interests			(122)	30	(92)
Net income (loss) attributable to Newmont stockholders	\$ 279	\$ 294	\$ 230	\$ (524)	\$ 279
Comprehensive income (loss)	\$ (18)	\$ 266	\$ 68	\$ (244)	\$ 72
Comprehensive loss (income) attributable to noncontrolling interests			(120)	30	(90)
Comprehensive income (loss) attributable to Newmont stockholders	\$ (18)	\$ 266	\$ (52)	\$ (214)	\$ (18)

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

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

Condensed Consolidating Statement of Income	Six Months Ended June 30, 2013				Newmont Mining Corporation Consolidated
	Newmont Mining Corporation	Newmont USA	Other Subsidiaries	Eliminations	
Sales	\$	\$ 1,048	\$ 3,122	\$	\$ 4,170
Costs and expenses					
Costs applicable to sales <sup>(1)</sup>		496	2,201		2,697
Amortization		96	586		682
Reclamation and remediation		4	32		36
Exploration		28	107		135
Advanced projects, research and development		23	75		98
General and administrative		54	56		110
Write-downs			2,262		2,262
Other expense, net		30	146		176
		731	5,465		6,196
Other income (expense)					
Other income, net	2	9	65		76
Interest income intercompany	82	15	(5)	(92)	
Interest expense intercompany	(6)		(86)	92	
Interest expense, net	(133)	(6)	4		(135)
	(55)	18	(22)		(59)
Income (loss) before income and mining tax and other items	(55)	335	(2,365)		(2,085)
Income and mining tax benefit (expense)	19	(121)	246		144
Equity income (loss) of affiliates	(1,668)	(350)	(120)	2,131	(7)
Income (loss) from continuing operations	(1,704)	(136)	(2,239)	2,131	(1,948)
Income (loss) from discontinued operations			74		74
Net income (loss)	(1,704)	(136)	(2,165)	2,131	(1,874)
Net loss (income) attributable to noncontrolling interests			256	(86)	170
Net income (loss) attributable to Newmont stockholders	\$ (1,704)	\$ (136)	\$ (1,909)	\$ 2,045	\$ (1,704)
Comprehensive income (loss)	\$ (2,264)	\$ (144)	\$ (2,823)	\$ 2,795	\$ (2,436)
Comprehensive loss (income) attributable to noncontrolling interests			257	(86)	171
Comprehensive income (loss) attributable to Newmont stockholders	\$ (2,264)	\$ (144)	\$ (2,566)	\$ 2,709	\$ (2,265)

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



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

Condensed Consolidating Statement of Income	Six Months Ended June 30, 2012				Newmont Mining Corporation Consolidated
	Newmont Mining Corporation	Newmont USA	Other Subsidiaries	Eliminations	
Sales	\$	\$ 1,186	\$ 3,726	\$	\$ 4,912
Costs and expenses					
Costs applicable to sales <sup>(1)</sup>		500	1,519		2,019
Amortization		81	398		479
Reclamation and remediation		5	27		32
Exploration		43	151		194
Advanced projects, research and development		22	162		184
General and administrative		65	46		111
Other expense, net		17	229		246
		733	2,532		3,265
Other income (expense)					
Other income, net	2	12	55		69
Interest income intercompany	79	14		(93)	
Interest expense intercompany	(8)		(85)	93	
Interest expense, net	(119)	(3)	(1)		(123)
	(46)	23	(31)		(54)
Income (loss) before income and mining tax and other items	(46)	476	1,163		1,593
Income and mining tax benefit (expense)	16	(128)	(406)		(518)
Equity income (loss) of affiliates	799	370	117	(1,316)	(30)
Income (loss) from continuing operations	769	718	874	(1,316)	1,045
Income (loss) from discontinued operations			(71)		(71)
Net income (loss)	769	718	803	(1,316)	974
Net loss (income) attributable to noncontrolling interests			(270)	65	(205)
Net income (loss) attributable to Newmont stockholders	\$ 769	\$ 718	\$ 533	\$ (1,251)	\$ 769
Comprehensive income (loss)	\$ 478	\$ 691	\$ 506	\$ (992)	\$ 683
Comprehensive loss (income) attributable to noncontrolling interests			(270)	65	(205)
Comprehensive income (loss) attributable to Newmont stockholders	\$ 478	\$ 691	\$ 236	\$ (927)	\$ 478

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



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

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

Condensed Consolidating Statement of Cash Flows	Six Months Ended June 30, 2013				Newmont Mining Corporation Consolidated
	Newmont Mining Corporation	Newmont USA	Other Subsidiaries	Eliminations	
Operating activities:					
Net income (loss)	\$ (1,704)	\$ (136)	\$ (2,165)	\$ 2,131	\$ (1,874)
Adjustments	1,731	495	2,976	(2,135)	3,067
Net change in operating assets and liabilities	(16)	(251)	(194)		(461)
Net cash provided from (used in) continuing operations	11	108	617	(4)	732
Net cash used in discontinued operations			(11)		(11)
Net cash provided from (used in) operations	11	108	606	(4)	721
Investing activities:					
Additions to property, plant and mine development		(230)	(890)		(1,120)
Acquisitions, net			(13)		(13)
Sale of marketable securities			1		1
Purchases of marketable securities			(1)		(1)
Proceeds from sale of other assets			49		49
Other			(21)		(21)
Net cash used in investing activities		(230)	(875)		(1,105)
Financing activities:					
Proceeds from debt, net	739		248		987
Repayment of debt	(429)		(105)		(534)
Net intercompany borrowings (repayments)	62	(215)	156	(3)	
Proceeds from stock issuance, net	2				2
Sale of noncontrolling interests			32		32
Acquisition of noncontrolling interests			(10)		(10)
Dividends paid to noncontrolling interests			(5)	3	(2)
Dividends paid to common stockholders	(385)		(4)	4	(385)
Other			(3)		(3)
Net cash provided from (used in) financing activities	(11)	(215)	309	4	87
Effect of exchange rate changes on cash			(16)		(16)
Net change in cash and cash equivalents		(337)	24		(313)
Cash and cash equivalents at beginning of period		342	1,219		1,561
Cash and cash equivalents at end of period	\$	\$ 5	\$ 1,243	\$	\$ 1,248

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

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

Condensed Consolidating Statement of Cash Flows	Six Months Ended June 30, 2012				Newmont Mining Corporation Consolidated
	Newmont Mining Corporation	Newmont USA	Other Subsidiaries	Eliminations	
Operating activities:					
Net income (loss)	\$ 769	\$ 718	\$ 803	\$ (1,316)	\$ 974
Adjustments	(767)	(192)	404	1,313	758
Net change in operating assets and liabilities	(7)	(752)	(9)		(768)
Net cash provided from (used in) continuing operations	(5)	(226)	1,198	(3)	964
Net cash used in discontinued operations			(8)		(8)
Net cash provided from (used in) operations	(5)	(226)	1,190	(3)	956
Investing activities:					
Additions to property, plant and mine development		(324)	(1,254)		(1,578)
Acquisitions, net			(22)		(22)
Sale of marketable securities		106			106
Purchases of marketable securities		(196)			(196)
Proceeds from sale of other assets			13		13
Other			(37)		(37)
Net cash used in investing activities		(414)	(1,300)		(1,714)
Financing activities:					
Proceeds from debt, net	3,345		(2)		3,343
Repayment of debt	(1,802)	(135)	(4)		(1,941)
Payment of conversion premium on debt	(172)				(172)
Net intercompany borrowings (repayments)	(1,034)	1,267	(229)	(4)	15
Proceeds from stock issuance, net	15				15
Dividends paid to noncontrolling interests			(7)	4	(3)
Dividends paid to common stockholders	(347)		(3)	3	(347)
Other			(1)		(1)
Net cash provided from (used in) financing activities	5	1,132	(246)	3	894
Effect of exchange rate changes on cash			1		1
Net change in cash and cash equivalents		492	(355)		137
Cash and cash equivalents at beginning of period		10	1,750		1,760
Cash and cash equivalents at end of period	\$	\$ 502	\$ 1,395	\$	\$ 1,897

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

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

Condensed Consolidating Balance Sheet	At June 30, 2013				Newmont Mining Corporation Consolidated
	Newmont Mining Corporation	Newmont USA	Other Subsidiaries	Eliminations	
<b>Assets</b>					
Cash and cash equivalents	\$	\$ 5	\$ 1,243	\$	\$ 1,248
Trade receivables		51	206		257
Accounts receivable	17	4	268		289
Intercompany receivable	3,336	6,485	4,238	(14,059)	
Investments	43	1	584		628
Inventories		163	640		803
Stockpiles and ore on leach pads		332	406		738
Deferred income tax assets		155	60		215
Other current assets		109	735		844
<b>Current assets</b>	<b>3,396</b>	<b>7,305</b>	<b>8,380</b>	<b>(14,059)</b>	<b>5,022</b>
Property, plant and mine development, net		2,980	13,306	(42)	16,244
Investments		6	479		485
Investments in subsidiaries	15,418	5,147	3,013	(23,578)	
Stockpiles and ore on leach pads		494	2,235		2,729
Deferred income tax assets	1,164	188	1,049	(1,213)	1,188
Long-term intercompany receivable	3,065	53	573	(3,691)	
Other long-term assets	48	178	582		808
<b>Total assets</b>	<b>\$ 23,091</b>	<b>\$ 16,351</b>	<b>\$ 29,617</b>	<b>\$ (42,583)</b>	<b>\$ 26,476</b>
<b>Liabilities</b>					
Debt	\$	\$	\$ 48	\$	\$ 48
Accounts payable		71	480		551
Intercompany payable	5,077	5,323	3,659	(14,059)	
Employee-related benefits		112	149		261
Income and mining taxes			60		60
Other current liabilities	72	148	1,058		1,278
<b>Current liabilities</b>	<b>5,149</b>	<b>5,654</b>	<b>5,454</b>	<b>(14,059)</b>	<b>2,198</b>
Debt	6,403	1	322		6,726
Reclamation and remediation liabilities		184	1,287		1,471
Deferred income tax liabilities		36	1,984	(1,214)	806
Employee-related benefits	5	396	197		598
Long-term intercompany payable	400		3,333	(3,733)	
Other long-term liabilities		21	418		439
<b>Total liabilities</b>	<b>11,957</b>	<b>6,292</b>	<b>12,995</b>	<b>(19,006)</b>	<b>12,238</b>
<b>Equity</b>					
Newmont stockholders' equity	11,134	10,059	11,819	(21,786)	11,226
Noncontrolling interests			4,803	(1,791)	3,012



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Total equity	11,134	10,059	16,622	(23,577)	14,238
Total liabilities and equity	\$ 23,091	\$ 16,351	\$ 29,617	\$ (42,583)	\$ 26,476

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

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

Condensed Consolidating Balance Sheet	At December 31, 2012				Newmont Mining Corporation Consolidated
	Newmont Mining Corporation	Newmont USA	Other Subsidiaries	Eliminations	
<b>Assets</b>					
Cash and cash equivalents	\$	\$ 342	\$ 1,219	\$	\$ 1,561
Trade receivables		57	226		283
Accounts receivable	20	10	547		577
Intercompany receivable	2,748	6,276	4,025	(13,049)	
Investments	58	7	21		86
Inventories		147	649		796
Stockpiles and ore on leach pads		245	541		786
Deferred income tax assets		109	153	(67)	195
Other current assets		48	1,613		1,661
<b>Current assets</b>	<b>2,826</b>	<b>7,241</b>	<b>8,994</b>	<b>(13,116)</b>	<b>5,945</b>
Property, plant and mine development, net		2,869	15,178	(37)	18,010
Investments		6	1,440		1,446
Investments in subsidiaries	16,599	5,504	3,115	(25,218)	
Stockpiles and ore on leach pads		448	2,448		2,896
Deferred income tax assets	791	146	685	(1,141)	481
Long-term intercompany receivable	3,907	45	564	(4,516)	
Other long-term assets	52	172	648		872
<b>Total assets</b>	<b>\$ 24,175</b>	<b>\$ 16,431</b>	<b>\$ 33,072</b>	<b>\$ (44,028)</b>	<b>\$ 29,650</b>
<b>Liabilities</b>					
Debt	\$	\$	\$ 10	\$	\$ 10
Accounts payable		97	560		657
Intercompany payable	3,969	5,192	3,888	(13,049)	
Employee-related benefits		149	190		339
Income and mining taxes		16	35		51
Other current liabilities	71	175	1,838		2,084
<b>Current liabilities</b>	<b>4,040</b>	<b>5,629</b>	<b>6,521</b>	<b>(13,049)</b>	<b>3,141</b>
Debt	6,069	1	218		6,288
Reclamation and remediation liabilities		183	1,274		1,457
Deferred income tax liabilities		24	2,040	(1,206)	858
Employee-related benefits	5	385	196		586
Long-term intercompany payable	381		4,172	(4,553)	
Other long-term liabilities		13	359		372
<b>Total liabilities</b>	<b>10,495</b>	<b>6,235</b>	<b>14,780</b>	<b>(18,808)</b>	<b>12,702</b>
<b>Equity</b>					
Newmont stockholders' equity	13,680	10,196	13,245	(23,348)	13,773
Noncontrolling interests			5,047	(1,872)	3,175

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Total equity	13,680	10,196	18,292	(25,220)	16,948
Total liabilities and equity	\$ 24,175	\$ 16,431	\$ 33,072	\$ (44,028)	\$ 29,650

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

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

Condensed Consolidating Statement of Income	For Three Months Ended June 30, 2012											
	Newmont USA			Other Subsidiaries						Eliminations		
	As Previously Presented	Subsidiary Change	Merger	As Presently Presented	As Previously Presented	Subsidiary Change	Merger	As Presently Presented	As Previously Presented	Subsidiary Change	Merger	As Presently Presented
Sales	\$ 1,383	\$ (919)	\$ 59	\$ 523	\$ 846	\$ 919	\$ (59)	\$ 1,706	\$	\$	\$	\$
Costs and expenses												
Costs applicable to sales	550	(314)	7	243	464	302	(7)	759	(12)	12		
Amortization	135	(103)	7	39	113	103	(7)	209				
Reclamation and remediation	12	(11)	1	2	4	11	(1)	14				
Exploration	71	(52)	5	24	35	52	(5)	82				
Advanced projects, research and development	64	(56)	2	10	17	57	(2)	72	1	(1)		
General and administrative	44	2		46	2	9		11	11	(11)		
Other expense, net	42	(32)		10	84	32		116				
	918	(566)	22	374	719	566	(22)	1,263				
Other income (expense)												
Other income, net	12	(8)		4	30	2		32				
Interest income intercompany	1	5		6	6	(5)		1	(46)			(46)
Interest expense intercompany	(1)	2		1	(42)	(2)		(44)	46			46
Interest expense, net	(7)	5		(2)	(2)	1		(1)				
	5	4		9	(8)	(4)		(12)				
Income (loss) before income and mining tax and other items	470	(349)	37	158	119	349	(37)	431				
Income and mining tax benefit (expense)	(83)	24		(59)	(103)	(24)		(127)				
Equity income (loss) of affiliates	(2)	234	(37)	195	50	(2)		48	(359)	(232)	37	(554)
Net income (loss)	385	(91)		294	66	323	(37)	352	(359)	(232)	37	(554)
Net loss (income) attributable to noncontrolling interests	(91)	91			(31)	(91)		(122)	30			30
Net income (loss) attributable to Newmont stockholders	\$ 294	\$	\$	\$ 294	\$ 35	\$ 232	\$ (37)	\$ 230	\$ (329)	\$ (232)	\$ 37	\$ (524)
Comprehensive income (loss)	\$ 357	\$ (91)	\$	\$ 266	\$ (190)	\$ 295	\$ (37)	\$ 68	\$ (77)	\$ (204)	\$ 37	\$ (244)
Comprehensive loss (income) attributable to noncontrolling interests	(91)	91			(29)	(91)		(120)	30			30
Comprehensive income (loss) attributable to Newmont stockholders	\$ 266	\$	\$	\$ 266	\$ (219)	\$ 204	\$ (37)	\$ (52)	\$ (47)	\$ (204)	\$ 37	\$ (214)

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

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

Condensed Consolidating Statement of Income	For Six Months Ended June 30, 2012											
	Newmont USA			Other Subsidiaries				Eliminations				
	As Previously Presented	Change	Subsidiar Merger	As Currently Presented	As Previously Presented	Change	Subsidiar Merger	As Currently Presented	As Previously Presented	Change	Subsidiar Merger	As Currently Presented
Sales	\$ 3,000	\$ (1,951)	\$ 137	\$ 1,186	\$ 1,912	\$ 1,951	\$ (137)	\$ 3,726	\$	\$	\$	\$
Costs and expenses												
Costs applicable to sales	1,113	(625)	12	500	929	602	(12)	1,519	(23)	23		
Amortization	265	(197)	13	81	214	197	(13)	398				
Reclamation and remediation	23	(20)	2	5	9	20	(2)	27				
Exploration	124	(86)	5	43	70	86	(5)	151				
Advanced projects, research and development	152	(132)	2	22	31	133	(2)	162	1	(1)		
General and administrative	86	(21)		65	3	43		46	22	(22)		
Other expense, net	89	(72)		17	157	72		229				
	1,852	(1,153)	34	733	1,413	1,153	(34)	2,532				
Other income (expense)												
Other income, net	25	(13)		12	53	2		55				
Interest income intercompany	3	11		14	11	(11)			(93)		(93)	
Interest expense intercompany	(1)	1			(84)	(1)		(85)	93		93	
Interest expense, net	(12)	9		(3)	(3)	2		(1)				
	15	8		23	(23)	(8)		(31)				
Income (loss) before income and mining tax and other items	1,163	(790)	103	476	476	790	(103)	1,163				
Income and mining tax benefit (expense)	(229)	101		(128)	(305)	(101)		(406)				
Equity income (loss) of affiliates	(13)	486	(103)	370	117			117	(933)	(486)	103	(1,316)
Income (loss) from continuing operations	921	(203)		718	288	689	(103)	874	(933)	(486)	103	(1,316)
Income (loss) from discontinued operations	4	(4)			(75)	4		(71)				
Net income (loss)	925	(207)		718	213	693	(103)	803	(933)	(486)	103	(1,316)
Net loss (income) attributable to noncontrolling interests	(207)	207			(63)	(207)		(270)	65			65
Net income (loss) attributable to Newmont stockholders	\$ 718	\$	\$	\$ 718	\$ 150	\$ 486	\$ (103)	\$ 533	\$ (868)	\$ (486)	\$ 103	\$ (1,251)
Comprehensive income (loss)	\$ 898	\$ (207)	\$	\$ 691	\$ (51)	\$ 660	\$ (103)	\$ 506	\$ (642)	\$ (453)	\$ 103	\$ (992)
Comprehensive loss (income) attributable to noncontrolling interests	(207)	207			(63)	(207)		(270)	65			65
Comprehensive income (loss) attributable to												
Newmont stockholders	\$ 691	\$	\$	\$ 691	\$ (114)	\$ 453	\$ (103)	\$ 236	\$ (577)	\$ (453)	\$ 103	\$ (927)



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

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

Condensed Consolidating Statement of Cash Flows	At June 30, 2012															
	Newmont Mining Corporation			Newmont USA				Other Subsidiaries				Eliminations				
	As Previously Presented	Change	As Revised	As Previously Presented	Change	Subsidiary Merger	As Revised	As Previously Presented	Change	Subsidiary Merger	As Revised	As Previously Presented	Change	Subsidiary Merger	As Revised	
Operating activities:																
Net income (loss)	\$ 769	\$	\$ 769	\$ 925	\$ (207)	\$	\$ 718	\$ 213	\$ 697	\$ (107)	\$ 803	\$ (933)	\$ (490)	\$ 107	\$ (1,316)	
Adjustments	32	(799)	(767)	273	(583)	118	(192)	(480)	895	(11)	404	933	487	(107)	1,313	
Net change in operating assets and liabilities	(7)		(7)	(514)	(216)	(22)	(752)	(247)	216	22	(9)					
Net cash provided from (used in) continuing operations	794	(799)	(5)	684	(1,006)	96	(226)	(514)	1,808	(96)	1,198		(3)		(3)	
Net cash used in discontinued operations								(8)			(8)					
Net cash provided from (used in) operations	794	(799)	(5)	684	(1,006)	96	(226)	(522)	1,808	(96)	1,190		(3)		(3)	
Investing activities:																
Additions to property, plant and mine development				(1,090)	818	(52)	(324)	(488)	(818)	52	(1,254)					
Acquisitions, net								(22)			(22)					
Sale of marketable securities					106		106	106	(106)							
Purchases of marketable securities				(91)	(105)		(196)	(105)	105							
Proceeds from sale of other assets				9	(9)			4	9		13					
Other								(37)			(37)					
Net cash used in investing activities				(1,172)	810	(52)	(414)	(542)	(810)	52	(1,300)					

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Financing activities:														
Net borrowings (repayments)	1,543		1,543	(136)	1		(135)	(5)	(1)		(6)			
Payment of conversion premium on debt	(172)		(172)											
Net intercompany borrowings (repayments)	(1,833)	799	(1,034)	692	619	(44)	1,267	1,141	(1,414)	44	(229)	(4)		(4)
Proceeds from stock issuance, net	15		15											
Dividends paid to noncontrolling interests				(3)	3				(7)		(7)	4		4
Dividends paid to common stockholders	(347)		(347)						(3)		(3)	3		3
Other							(1)				(1)			
Net cash provided from (used in) financing activities	(794)	799	5	553	623	(44)	1,132	1,135	(1,425)	44	(246)	3		3
Effect of exchange rate changes on cash				(1)	1			2	(1)		1			
Net change in cash and cash equivalents				64	428		492	73	(428)		(355)			
Cash and cash equivalents at beginning of period				1,526	(1,516)		10	234	1,516		1,750			
Cash and cash equivalents at end of period	\$	\$	\$	\$ 1,590	\$ (1,088)	\$	\$ 502	\$ 307	\$ 1,088	\$	\$ 1,395	\$	\$	\$



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

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

Condensed Consolidating Balance Sheet	At December 31, 2012								
	Newmont USA			Other Subsidiaries			Eliminations		
	As Previously Presented	Subsidiary Merger	As Revised	As Previously Presented	Subsidiary Merger	As Revised	As Previously Presented	Subsidiary Merger	As Revised
<b>Assets</b>									
Cash and cash equivalents	\$ 342	\$	\$ 342	\$ 1,219	\$	\$ 1,219	\$	\$	\$
Trade receivables	23	34	57	260	(34)	226			
Accounts receivable	10		10	547		547			
Intercompany receivable	7,052	(776)	6,276	5,857	(1,832)	4,025	(15,657)	2,608	(13,049)
Investments	7		7	21		21			
Inventories	104	43	147	692	(43)	649			
Stockpiles and ore on leach pads	215	30	245	571	(30)	541			
Deferred income tax assets	109		109	153		153	(67)		(67)
Other current assets	46	2	48	1,615	(2)	1,613			
<b>Current assets</b>	<b>7,908</b>	<b>(667)</b>	<b>7,241</b>	<b>10,935</b>	<b>(1,941)</b>	<b>8,994</b>	<b>(15,724)</b>	<b>2,608</b>	<b>(13,116)</b>
Property, plant and mine development, net	2,187	682	2,869	15,860	(682)	15,178	(37)		(37)
Investments	6		6	1,440		1,440			
Investments in subsidiaries	6,041	(537)	5,504	3,115		3,115	(25,755)	537	(25,218)
Stockpiles and ore on leach pads	401	47	448	2,495	(47)	2,448			
Deferred income tax assets <sup>(1)</sup>	146		146	685		685	(1,141)		(1,141)
Long-term intercompany receivable	45		45	564		564	(4,516)		(4,516)
Other long-term assets	158	14	172	662	(14)	648			
<b>Total assets</b>	<b>\$ 16,892</b>	<b>\$ (461)</b>	<b>\$ 16,431</b>	<b>\$ 35,756</b>	<b>\$ (2,684)</b>	<b>\$ 33,072</b>	<b>\$ (47,173)</b>	<b>\$ 3,145</b>	<b>\$ (44,028)</b>
<b>Liabilities</b>									
<b>Debt</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$ 10</b>	<b>\$</b>	<b>\$ 10</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Accounts payable	78	19	97	579	(19)	560			
Intercompany payable	5,743	(551)	5,192	5,945	(2,057)	3,888	(15,657)	2,608	(13,049)
Employee-related benefits	149		149	190		190			
Income and mining taxes	16		16	35		35			
Other current liabilities	147	28	175	1,866	(28)	1,838			
<b>Current liabilities</b>	<b>6,133</b>	<b>(504)</b>	<b>5,629</b>	<b>8,625</b>	<b>(2,104)</b>	<b>6,521</b>	<b>(15,657)</b>	<b>2,608</b>	<b>(13,049)</b>
Debt	1		1	218		218			
Reclamation and remediation liabilities	147	36	183	1,310	(36)	1,274			
Deferred income tax liabilities <sup>(1)</sup>	20	4	24	2,044	(4)	2,040	(1,206)		(1,206)
Employee-related benefits	384	1	385	197	(1)	196			
Long-term intercompany payable				4,172		4,172	(4,553)		(4,553)
Other long-term liabilities	11	2	13	361	(2)	359			
<b>Total liabilities</b>	<b>6,696</b>	<b>(461)</b>	<b>6,235</b>	<b>16,927</b>	<b>(2,147)</b>	<b>14,780</b>	<b>(21,416)</b>	<b>2,608</b>	<b>(18,808)</b>
<b>Equity</b>									
Newmont stockholders' equity	10,196		10,196	13,782	(537)	13,245	(23,885)	537	(23,348)
Noncontrolling interests				5,047		5,047	(1,872)		(1,872)

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Total equity		10,196		10,196	18,829	(537)	18,292	(25,757)	537	(25,220)
Total liabilities and stockholders equity	\$ 16,892	\$ (461)	\$ 16,431	\$ 35,756	\$ (2,684)	\$ 33,072	\$ (47,173)	\$ 3,145	\$ (44,028)	

- (1) Revision of deferred income taxes includes a presentation adjustment to conform to the guidance outlined in ASC 740, see Note 8 Income and Mining taxes for additional information.

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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 26 COMMITMENTS AND CONTINGENCIES**

**General**

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

**Operating Segments**

The Company's operating segments are identified in Note 3. Except as noted in this paragraph, all of the Company's commitments and contingencies specifically described in this Note 26 relate to the Corporate and Other reportable segment. The Yanacocha matters relate to the South America reportable segment. The Minera Penmont matters relate to the North America reporting segment. The PTNNT matters relate to the Indonesia 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, 2013 and December 31, 2012, \$1,360 and \$1,341, respectively, were accrued for reclamation costs relating to currently or recently producing mineral properties in accordance with asset retirement obligation guidance. The current portions of \$59 and \$62 at June 30, 2013 and December 31, 2012, 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, \$188 and \$198 were accrued for such obligations at June 30, 2013 and December 31, 2012, respectively. These amounts are included in *Other current liabilities* and *Reclamation and remediation liabilities*. Depending upon the ultimate resolution of these matters, the Company believes that it is reasonably possible that the liability for these matters could be as much as 120% greater or 5% lower than the amount accrued at June 30, 2013. The amounts accrued are reviewed periodically based upon facts and circumstances available at the time. Changes in estimates are recorded in *Reclamation and remediation* in the period estimates are revised.

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

***Newmont Mining Corporation***

*Empire Mine.* On July 19, 2012, the California Department of Parks and Recreation ( Parks ) served Newmont, New Verde Mines LLC, Newmont North America Exploration Limited, Newmont Realty Company and Newmont USA Limited with a complaint for damages and declaratory relief under CERCLA, specifically for costs associated with water treatment at the Empire Mine State Park and for a declaration that Newmont

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is liable for past and future response costs, as well as indemnification to Parks. In 1975 Parks purchased the Empire Mine site in Grass Valley, California from Newmont to create a historic state park featuring the mining of the Empire Mine. Parks has operated the Empire Mine Site for over 35 years. Newmont intends to vigorously defend this lawsuit. Newmont cannot reasonably predict the outcome of this matter.

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

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

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

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

***Hope Bay Mining Ltd. 100% Newmont Owned***

In July 2011 Environment Canada Enforcement Officers discovered a release of drill water containing calcium chloride on Hope Bay Mining Ltd. ( HBML ) property in Nunavut, Canada. Orbit Garant Drilling Inc. ( Orbit ) operated a diamond drill rig on the HBML property. On February 13, 2013, HBML received service of a summons and charges from a Judge for Nunavut alleging violation of the *Fisheries Act* relating to the release of drill water and alleged failure to report a discharge. Orbit operated the drill at issue in the summons. Total potential fines and penalties for proven charges of this nature could be up to \$1. Newmont cannot reasonably predict the outcome of this matter.

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

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

Additional lawsuits relating to the Choropampa incident were filed against Yanacocha in the local courts of Cajamarca, Peru, in May 2002 by over 900 Peruvian citizens. A significant number of the plaintiffs in these lawsuits entered into settlement agreements with Yanacocha prior to filing such claims. In April 2008, the Peruvian Supreme Court upheld the validity of these settlement agreements, which the Company expects to result in the dismissal of all claims brought by previously settled plaintiffs. Yanacocha has also entered into settlement agreements with approximately 350 additional plaintiffs. The claims asserted by approximately 200 plaintiffs remain. In 2011, Yanacocha was served with 23 complaints alleging grounds to nullify the settlements entered into between Yanacocha and the plaintiffs. Yanacocha has answered the complaints and the court has dismissed several of the matters and the plaintiffs have filed appeals. All appeals were referred to the Civil Court of Cajamarca, which affirmed the decisions of the lower court judge. The plaintiffs have filed appeals of such orders before the Supreme Court. Some of these appeals were dismissed by the Supreme Court in favor of Yanacocha, and others are pending resolution. Yanacocha will continue to vigorously defend its position. Neither the Company nor Yanacocha can reasonably estimate the ultimate loss relating to such claims.

*Administrative Actions.* The Peruvian government agency responsible for environmental evaluation and inspection, Organismo Evaluacion y Fiscalizacion Ambiental ( OEFA ), conducts bi-annual reviews of the Yanacocha site. In 2011, 2012, and 2013, OEFA issued notices of alleged violations of OEFA standards to Yanacocha and Conga relating to past inspections. In April 2013, OEFA issued a finding and penalty with respect to three 2008 allegations in the amount of \$.1. Total fines for all outstanding OEFA alleged violations could range from \$.1 to \$17.4. Yanacocha and Conga are responding to all notices of alleged violations, but cannot predict the outcome of the agency allegations.



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

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

***Minera Penmont- 44% Newmont Owned***

Newmont owns a 44% interest in the La Herradura joint venture and related gold properties (Herradura, Soledad-Dipolos and Noche Buena), which are located in the Sonora desert. La Herradura is operated by Fresnillo PLC ( Fresnillo ) through Minera Penmont S. de R.L. de C.V. ( Minera Penmont ) and Fresnillo owns the remaining 56% interest. Soledad-Dipolos commenced operations in January 2010. In 2009 five members of the El Bajío agrarian community in the state of Sonora (the Claimants ), who claim rights over certain surface land in the proximity of the operations of Minera Penmont, lodged a legal claim with the Unitarian Agrarian Court of Hermosillo, Sonora to have Minera Penmont vacate an area of this surface land and associated claims. The land in dispute encompasses a portion of surface area where part of the operations of Dipolos, one of Minera Penmont's three operating mines, is located as well as the processing plant for both the Dipolos mine and the Soledad mine. Minera Penmont's mining concessions are held by way of separate title to that relating to the surface land. In September 2012, the Claimants obtained a ruling on the surface property dispute in their favor by the Mexican Supreme Court and in July 2013, a magistrate ordered Minera Penmont to vacate the property at issue, requiring cessation of production at the Dipolos operations. Minera Penmont has initiated legal proceedings to seek the expropriation of the disputed land in its favor, a process defined under Federal law in Mexico. Minera Penmont is projecting no production at the Soledad and Dipolos mines for the remainder of 2013 with an expected impact of up to 50,000 fewer ounces of production than forecasted for 2013, which translates into approximately 22,000 fewer ounces attributable to Newmont for 2013. Minera Penmont intends to defend this matter, but cannot reasonably predict the outcome.

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

Under the Batu Hijau Contract of Work, beginning in 2006 and continuing through 2010, a portion of PTNNT's shares were required to be offered for sale, first, to the Indonesian government or, second, to Indonesian nationals, equal to the difference between the following percentages and the percentage of shares already owned by the Indonesian government or Indonesian nationals (if such number is positive): 23% by March 31, 2006; 30% by March 31, 2007; 37% by March 31, 2008; 44% by March 31, 2009; and 51% by March 31, 2010. As PT Pukuafu Indah ( PTPI ), an Indonesian national, owned a 20% interest in PTNNT at all relevant times, in 2006, a 3% interest was required to be offered for sale and, in each of 2007 through 2010, an additional 7% interest was required to be offered (for an aggregate 31% interest). The price at which such interests were offered for sale to the Indonesian parties was the fair market value of such interest considering PTNNT as a going concern, as agreed with the Indonesian government. Following certain disputes and an arbitration with the Indonesian government, in November and December 2009, sale agreements were concluded pursuant to which the 2006, 2007 and 2008 shares were sold to PT Multi Daerah Bersaing ( PTMDB ), the nominee of the local governments, and the 2009 shares were sold to PTMDB in February 2010, resulting in PTMDB owning a 24% interest in PTNNT.

On December 17, 2010, the Ministry of Energy & Mineral Resources, acting on behalf of the Indonesian government, accepted the offer to acquire the final 7% interest in PTNNT. Subsequently, the Indonesian government designated Pusat Investasi Pemerintah ( PIP ), an agency of the Ministry of Finance, as the entity that will buy the final stake. On May 6, 2011, PIP and the foreign shareholders entered into a definitive agreement for the sale and purchase of the final 7% divestiture stake, subject to receipt of approvals from certain Indonesian government ministries. Subsequent to signing the agreement, a disagreement arose between the Ministry of Finance and the Indonesian parliament in regard to whether parliamentary approval was needed to allow PIP to make the share purchase. In July 2012, the Constitutional Court ruled that parliament approval is required for PIP to use state funds to purchase the shares, which approval has not yet been obtained. Further disputes may arise in regard to the divestiture of the 2010 shares.

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

declaring these local regulations to be contrary to Indonesian law and thus unenforceable. Further disputes with the local government could arise in relation to these regulations. PTNNT intends to vigorously defend its position in this dispute.



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

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

Additionally, in September 2011, WALHI brought an administrative law claim against Indonesia's Ministry of Environment to challenge the May 2011 renewal of PTNNT's submarine tailings permit. PTNNT and the regional government of KSB ( KSB ) filed separate applications for intervention into the proceedings, both of which were accepted by the Administrative Court. KSB intervened on the side of WALHI, and PTNNT joined on the side of the Ministry of Environment. On April 3, 2012, the Administrative Court ruled in favor of the Ministry of Environment and PTNNT, finding that the Ministry of Environment properly renewed the permit in accordance with Indonesian law and regulations. WALHI appealed the verdict. On October 2, 2012, the High Administrative Law Court rejected WALHI's appeal, after which WALHI filed a notice to appeal the case to the Supreme Court. On May 28, 2013, the Supreme Court of Indonesia updated its website to provide that WALHI's appeal in this matter was rejected. The parties are still awaiting the written decision from the court. PTNNT will continue to defend its submarine tailings permit and is confident that the Ministry of Environment acted properly in renewing PTNNT's permit.

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

In April 2011, Newmont acquired Fronteer Gold Inc. ( Fronteer ).

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

NWG contends that, during the negotiations leading up to the lock-up agreement, Fronteer represented to NWG that Aurora would commence uranium mining in Labrador by 2013, that this was a firm date, that Fronteer was not aware of any obstacle to doing so, that Aurora faced no serious environmental issues in Labrador and that Aurora's competitors faced greater delays in commencing uranium mining. NWG further contends that it entered into the lock-up agreement and agreed to support Fronteer's acquisition of NewWest Gold in reliance upon these purported representations. On October 11, 2007, less than three weeks after the Fronteer-NewWest Gold transaction closed, a member of the Nunatsiavut Assembly introduced a motion calling for the adoption of a moratorium on uranium mining in Labrador. On April 8, 2008, the Nunatsiavut Assembly adopted a three-year moratorium on uranium mining in Labrador. NWG contends that Fronteer was aware during the negotiations of the NWG/Fronteer lock-up agreement that the Nunatsiavut Assembly planned on adopting this moratorium and that its adoption would preclude Aurora from commencing uranium mining by 2013, but Fronteer nonetheless fraudulently induced NWG to enter into the lock-up agreement.

On September 24, 2012, NWG served a summons and complaint on NMC, and then amended the complaint to add Newmont Canada Holdings ULC as a defendant. The complaint also names Fronteer Gold Inc and Mark O Dea as defendants. The complaint seeks rescission of the merger between Fronteer and NewWest Gold and \$750 in damages. Newmont intends to defend this matter, but cannot reasonably predict the outcome.

**Other Commitments and Contingencies**

Tax contingencies are provided for in accordance with ASC income tax guidance (see Note 8).

The Company has minimum royalty obligations on one of its producing mines in Nevada for the life of the mine. Amounts paid as a minimum royalty (where production royalties are less than the minimum obligation) in any year are recoverable in future years when the minimum royalty obligation is exceeded. Although the minimum royalty requirement may not be met in a particular year, the Company expects that over the mine life, gold production will be sufficient to meet the minimum royalty requirements. Minimum royalty payments payable are \$60 in 2013, \$38 in 2014 through 2017 and \$317 thereafter.

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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)

As part of its ongoing business and operations, the Company and its affiliates are required to provide surety bonds, bank letters of credit and bank guarantees as financial support for various purposes, including environmental reclamation, exploration permitting, workers compensation programs and other general corporate purposes. At June 30, 2013 and December 31, 2012, there were \$1,805 and \$1,755, respectively, of outstanding letters of credit, surety bonds and bank guarantees. The surety bonds, letters of credit and bank guarantees reflect fair value as a condition of their underlying purpose and are subject to fees competitively determined in the market place. The obligations associated with these instruments are generally related to performance requirements that the Company addresses through its ongoing operations. As the specific requirements are met, the beneficiary of the associated instrument cancels and/or returns the instrument to the issuing entity. Certain of these instruments are associated with operating sites with long-lived assets and will remain outstanding until closure. Generally, bonding requirements associated with environmental regulation are becoming more restrictive. However, the Company believes it is in compliance with all applicable bonding obligations and will be able to satisfy future bonding requirements through existing or alternative means, as they arise.

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

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

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

The following discussion provides information that management believes is relevant to an assessment and understanding of the consolidated financial condition and results of operations of Newmont Mining Corporation and its subsidiaries (collectively, Newmont, the Company, our and we). We use certain non-GAAP financial performance measures in our MD&A. For a detailed description of each of the non-GAAP financial measures used in this MD&A, please see the discussion under Non-GAAP Financial Performance Measures beginning on page 68. References to A\$ refer to Australian currency, C\$ to Canadian currency and NZ\$ to New Zealand currency.

This item should be read in conjunction with our interim unaudited Condensed Consolidated Financial Statements and the notes thereto included in this quarterly report. Additionally, the following discussion and analysis should be read in conjunction with *Management's Discussion and Analysis of Consolidated Financial Condition and Results of Operations* and the consolidated financial statements included in Part II of our Annual Report on Form 10-K for the year ended December 31, 2012 filed February 22, 2013.

**Overview**

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

Our vision is to be the most valued and respected mining company through industry leading performance. Second quarter 2013 highlights are included below and discussed further in *Results of Consolidated Operations*.

**Operating highlights**

Sales of \$1,993 and \$4,170 for the second quarter and first half of 2013;

Average realized gold and copper prices of \$1,386 per ounce and \$2.66 per pound, respectively, for the second quarter and \$1,505 per ounce and \$2.86 per pound, respectively, for the first half of 2013;

Consolidated gold production of 1,284,000 ounces (1,167,000 attributable ounces) and 2,567,000 ounces (2,333,000 attributable ounces) for the second quarter and first half of 2013, respectively, at *Costs applicable to sales* of \$885 and \$824 per ounce, which included stockpile and leach pad write-downs of \$161 and \$86 per ounce, for the second quarter and first half of 2013, respectively;

Consolidated copper production of 52 million pounds (34 million attributable pounds) and 111 million pounds (72 million attributable pounds) for the second quarter and first half of 2013, respectively, at *Costs applicable to sales* of \$8.53 and \$5.75 per pound, which included stockpile and leach pad write-downs of \$6.00 and \$3.37 per pound, for the second quarter and first half of 2013, respectively;

Gold operating margin (see Non-GAAP Financial Measures on page 68) of \$501 and \$681 per ounce for the second quarter and first half of 2013, respectively.

**Advancing our project pipeline**

We remain focused on the progression of our next generation of mining projects. Approximately 40% of our 2013 capital expenditures will be allocated as development capital, including the Akyem project, the Phoenix Copper Leach project, the Turf Ventilation Shaft project and the Conga project, with the remaining 60% expected to be spent on sustaining capital. Additional capital investment is also possible at the Merian project in Suriname in 2013 pending the outcome of further dialogue with the government and project economic evaluation. We manage our wider project portfolio to maintain flexibility to address the development risks associated with our projects including permitting, local community and government support, engineering and procurement availability, technical issues, escalating costs and other associated risks that

could adversely impact the timing and costs of certain opportunities.

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

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*Akyem, Ghana.* Construction activities continue to progress on schedule and on budget. Commercial production is expected in late 2013. Gold production is expected to be 350,000 to 450,000 ounces per year at *Costs applicable to sales* of \$500 to \$650 per ounce for the first five years of the mine's operating life of approximately 16 years. Capital costs are estimated at approximately \$1,000, of which \$837 have been incurred at June 30, 2013. At December 31, 2012, we reported 7.4 million ounces of gold reserves at Akyem.

*Phoenix Copper Leach, Nevada.* The Board of Directors authorized full funding for the Phoenix Copper Leach project in April 2012. Copper production is expected to be approximately 20 million pounds per year for the first five years of production at *Costs applicable to sales* of \$1.75 to \$2.00 per pound, which are expected to be reported under the by-product method of accounting. First production is on target for fourth quarter 2013. Capital costs are expected to be \$170 to \$215, of which \$133 have been incurred at June 30, 2013.

*Turf Ventilation Shaft, Nevada.* The Board of Directors authorized full funding for the Turf Vent Shaft project in April 2013. Additional ventilation supports profitable production growth from approximately 1.5 million tons of ore per year to more than 2 million tons, equating to an increase of production of approximately 100,000 to 150,000 ounces of gold per year over the 11 year mine life and lowers life of mine average mine operating costs. Capital costs are expected to be \$360 to \$400, of which \$85 have been incurred at June 30, 2013.

*Conga, Peru.* Due to local political and community protests, construction and development activities at the Conga project were largely suspended in November 2011. The results of the Peruvian Central Government initiated Environmental Impact Assessment ( EIA ) independent review were announced on April 20, 2012 and confirmed our initial EIA met Peruvian and International standards. The review made recommendations to provide additional water capacity and social funds, which we have largely accepted. We announced our decision to move the project forward on a water first approach on June 22, 2012. Spending on the project in 2013 is anticipated to be approximately \$250, focusing on building the Chailhuagon water reservoir, completing the last engineering activities, and accepting delivery of the main equipment purchases. Total property, plant and mine development was \$1,586 at June 30, 2013. At December 31, 2012 we reported 6.5 million attributable ounces of gold reserves and 1,690 million attributable pounds of copper reserves at Conga. Construction of Conga and the implementation of the independent EIA review recommendations will continue provided it can be done in a safe manner with risk-adjusted returns that justify future investment. Should we be unable to continue with the current development plan at Conga, we may reprioritize and reallocate capital to development alternatives which may result in a potential accounting impairment.

We continue to advance earlier stage development assets through our project pipeline in our five operating regions. The exploration, construction and operation of these earlier stage development assets may require significant funding if they go into execution. Three of these projects are described further below:

*Merian, Suriname.* Feasibility study work for the Merian project began in the third quarter of 2011 and was completed in 2012, increasing our equity interest in the joint venture with Alcoa to 80%. Pending signature of the mineral agreement by the government of Suriname and Newmont and receipt of various related government of Suriname approvals, Newmont's Board of Directors will consider authorizing full funding for the development of the project. The development of the Merian project will allow Newmont to pursue a new district with upside potential and the opportunity to grow and extend the operating life of the South American region. First production is targeted for 2016 with initial estimated gold production (on a 100% basis) of 350,000 to 450,000 ounces per year. At December 31, 2012, we reported 2.9 million attributable ounces of gold reserves at Merian.

*Long Canyon, Nevada.* The project is in the selection and confirmation stage of development and we continue to develop our understanding of Long Canyon and the district. We have submitted the Plan-of-Operations to the Bureau of Land Management in support of our Environmental Impact Statement ( EIS ) and continue to progress the exploration program. A total of 85 kilometers of drilling was completed in 2012 and we anticipate an additional 65 kilometers to be drilled in 2013. Our intention is to bring the project into production in 2017.

*Ahafo Mill Expansion, Ghana.* The project is in the Feasibility Phase of development and consists of the design and construction of additional processing capacity at the Ahafo Mine in Ghana. The objective of the project is to increase processing capacity from the current 8 million tons of ore per year to 13-17 million tons, bringing profitable production from Ahafo forward. Pending Government approval of the Environmental Impact Statement and associated project permits, Newmont will consider authorizing full funding for the development of the project sometime in 2014.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Sales	\$ 1,993	\$ 2,229	\$ 4,170	\$ 4,912
Income (loss) from continuing operations	\$ (2,305)	\$ 371	\$ (1,948)	\$ 1,045
Net income (loss)	\$ (2,231)	\$ 371	\$ (1,874)	\$ 974
Net income (loss) attributable to Newmont stockholders	\$ (2,019)	\$ 279	\$ (1,704)	\$ 769
Per common share, basic:				
Income (loss) from continuing operations attributable to Newmont stockholders	\$ (4.21)	\$ 0.56	\$ (3.58)	\$ 1.69
Net income (loss) attributable to Newmont stockholders	\$ (4.06)	\$ 0.56	\$ (3.43)	\$ 1.55
Adjusted net income (loss) <sup>(1)</sup>	\$ (50)	\$ 294	\$ 304	\$ 872
Adjusted net income (loss) per share <sup>(1)</sup>	\$ (0.10)	\$ 0.59	\$ 0.61	\$ 1.76
Consolidated gold ounces (thousands)				
Produced	1,284	1,362	2,567	2,841
Sold <sup>(2)</sup>	1,331	1,313	2,583	2,768
Consolidated copper pounds (millions)				
Produced	52	60	111	117
Sold	56	46	99	104
Average price received, net:				
Gold (per ounce)	\$ 1,386	\$ 1,598	\$ 1,505	\$ 1,643
Copper (per pound)	\$ 2.66	\$ 2.85	\$ 2.86	\$ 3.49
Consolidated costs applicable to sales: <sup>(3)</sup>				
Gold (per ounce)	\$ 885	\$ 681	\$ 824	\$ 649
Copper (per pound)	\$ 8.53	\$ 2.35	\$ 5.75	\$ 2.14
Attributable costs applicable to sales: <sup>(1)</sup>				
Gold (per ounce)	\$ 889	\$ 711	\$ 837	\$ 672
Copper (per pound)	\$ 7.13	\$ 2.40	\$ 4.87	\$ 2.17
Operating margin: <sup>(1)</sup>				
Gold (per ounce)	\$ 501	\$ 917	\$ 681	\$ 994
Copper (per pound)	\$ (5.87)	\$ 0.50	\$ (2.89)	\$ 1.35

(1) See Non-GAAP Financial Measures on page 68.

(2) Excludes development ounces.

(3) Excludes Amortization and Reclamation and remediation.

**Table of Contents****Consolidated Financial Results**

*Net income (loss) attributable to Newmont stockholders* for the second quarter of 2013 was a loss of \$(2,019) (\$(4.06) per share) compared to income of \$279 (\$0.56 per share) for the second quarter of 2012. *Net income (loss) attributable to Newmont stockholders* for the first half of 2013 was a loss of \$(1,704) (\$(3.43) per share) compared to income of \$769 (\$1.55 per share) for the first half of 2012. Results for the second quarter of 2013 compared to the second quarter of 2012 were impacted by asset impairments of \$1,497 (net of tax and minority interest) primarily related to the Boddington mine, tax valuation allowances on deferred tax assets of \$535, and stockpile and leach pad write-downs of \$272 (net of tax and minority interest). These asset impairments were the result of the current quarter decline in gold and copper prices as well as increasing operating costs.

Results for the second quarter of 2013 compared to the second quarter of 2012, were also impacted by lower production from Yanacocha and Batu Hijau, and lower realized gold and copper prices. Results for the first half of 2013 compared to the same period in 2012 were impacted by asset impairments noted above; as well as lower production from Nevada, Yanacocha, Batu Hijau, and Ahafo, and lower realized gold and copper prices.

Gold *Sales* decreased 12% in the second quarter of 2013 due to lower realized prices partially offset by higher sales volumes. Gold *Sales* decreased 15% in the first half of 2013 due to lower sales volume and realized prices. The following analysis summarizes consolidated gold sales:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
<b>Consolidated gold sales:</b>				
Gross before provisional pricing	\$ 1,874	\$ 2,111	\$ 3,918	\$ 4,570
Provisional pricing mark-to-market	(24)	(2)	(22)	4
Gross after provisional pricing	1,850	2,109	3,896	4,574
Treatment and refining charges	(5)	(10)	(9)	(25)
Net	\$ 1,845	\$ 2,099	\$ 3,887	\$ 4,549
<b>Consolidated gold ounces sold (thousands):</b>				
Average realized gold price (per ounce):	1,331	1,313	2,583	2,768
Gross before provisional pricing	\$ 1,408	\$ 1,607	\$ 1,517	\$ 1,651
Provisional pricing mark-to-market	(18)	(2)	(9)	1
Gross after provisional pricing	1,390	1,605	1,508	1,652
Treatment and refining charges	(4)	(7)	(3)	(9)
Net	\$ 1,386	\$ 1,598	\$ 1,505	\$ 1,643

The change in consolidated gold sales is due to:

	Three Months Ended June 30, 2013 vs. 2012	Six Months Ended June 30, 2013 vs. 2012
Change in consolidated ounces sold	\$ 26	\$ (306)
Change in average realized gold price	(285)	(372)
Change in treatment and refining charges	5	16
	\$ (254)	\$ (662)





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Copper *Sales* increased 14% in the second quarter of 2013 compared to the second quarter of 2012 due to higher copper pounds sold partially offset by lower realized copper prices. Copper *Sales* decreased 22% in the first half of 2013 compared to the same period in 2012 due to lower sales volume and lower realized prices. The following analysis summarizes consolidated copper sales:

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
<b>Consolidated copper sales:</b>				
Gross before provisional pricing	\$ 179	\$ 160	\$ 334	\$ 379
Provisional pricing mark-to-market	(15)	(18)	(24)	13
Gross after provisional pricing	164	142	310	392
Treatment and refining charges	(16)	(12)	(27)	(29)
Net	\$ 148	\$ 130	\$ 283	\$ 363
<b>Consolidated copper pounds sold (millions):</b>				
	56	46	99	104
<b>Average realized copper price (per pound):</b>				
Gross before provisional pricing	\$ 3.22	\$ 3.52	\$ 3.38	\$ 3.65
Provisional pricing mark-to-market	(0.27)	(0.40)	(0.25)	0.12
Gross after provisional pricing	2.95	3.12	3.13	3.77
Treatment and refining charges	(0.29)	(0.27)	(0.27)	(0.28)
Net	\$ 2.66	\$ 2.85	\$ 2.86	\$ 3.49

The change in consolidated copper sales is due to:

	<b>Three Months Ended June 30, 2013 vs. 2012</b>	<b>Six Months Ended June 30, 2013 vs. 2012</b>
Change in consolidated pounds sold	\$ 31	\$ (19)
Change in average realized copper price	(9)	(63)
Change in treatment and refining charges	(4)	2
	\$ 18	\$ (80)

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
<b>Gold</b>				
North America:				
Nevada	\$ 558	\$ 571	\$ 1,128	\$ 1,294
La Herradura	71	93	161	186
	629	664	1,289	1,480
South America:				
Yanacocha	420	614	875	1,208
Australia/New Zealand:				
Boddington	249	264	578	562
Other Australia/New Zealand	332	331	724	758
	581	595	1,302	1,320
Indonesia:				
Batu Hijau	15	18	26	52
Africa:				
Ahafo	200	208	395	489
	1,845	2,099	3,887	4,549
<b>Copper</b>				
Australia/New Zealand:				
Boddington	49	42	114	103
Indonesia:				
Batu Hijau	99	88	169	260
	148	130	283	363
	\$ 1,993	\$ 2,229	\$ 4,170	\$ 4,912

*Costs applicable to sales* for gold increased in the second quarter and first half of 2013 compared to the same periods in 2012 due primarily to stockpile and leach pad write-downs at Boddington, Other Australia/New Zealand, Batu Hijau, and Yanacocha as a result of lower metal price assumptions and higher mining and processing costs, as previously discussed. *Costs applicable to sales* for copper increased in the second quarter and first half of 2013 compared to the same periods in 2012 due to the aforementioned stockpile and leach pad write-downs at Batu Hijau and Boddington. For a complete discussion regarding variations in operations, see *Results of Consolidated Operations* below.

*Amortization* in the second quarter and first half of 2013 increased compared to the same period of 2012 due to the portion of amortization included in the cost of stockpiles and leach pads that was subject to the write-downs previously discussed, higher mine development costs, and higher asset retirement costs. We now expect *Amortization* to be \$1,250 to \$1,300 in 2013 including the impact of the stockpile and leach pad write-downs discussed above.

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The following is a summary of *Costs applicable to sales* and *Amortization*:

	Costs Applicable to Sales		Amortization		Costs Applicable to Sales		Amortization	
	Three Months Ended June 30,		Three Months Ended June 30,		Six Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012	2013	2012	2013	2012
<b>Gold</b>								
North America:								
Nevada	\$ 276	\$ 258	\$ 60	\$ 47	\$ 548	\$ 525	\$ 119	\$ 100
La Herradura	42	33	7	6	82	65	13	11
	318	291	67	53	630	590	132	111
South America:								
Yanacocha	197	177	97	62	355	338	167	112
Australia/New Zealand:								
Boddington	252	157	59	49	426	294	101	81
Other Australia/New Zealand	263	182	58	35	495	372	104	72
	515	339	117	84	921	666	205	153
Indonesia:								
Batu Hijau	63	11	13	3	70	30	15	6
Africa:								
Ahafo	85	76	20	16	151	172	37	40
	1,178	894	314	218	2,127	1,796	556	422
<b>Copper</b>								
Australia/New Zealand:								
Boddington	62	38	14	12	110	68	24	18
Indonesia:								
Batu Hijau	413	70	81	14	460	155	90	30
	475	108	95	26	570	223	114	48
<b>Other</b>								
Corporate and other			6	4			12	9
			6	4			12	9
	\$ 1,653	\$ 1,002	\$ 415	\$ 248	\$ 2,697	\$ 2,019	\$ 682	\$ 479

*Exploration* expense decreased \$30 and \$59 in the second quarter and first half of 2013, respectively, compared to the same periods of 2012 due to decrease in both brownfields and greenfields expenditures in all our regions. Exploration activities in a number of countries including Solomon Islands, Papua New Guinea and Cote d'Ivoire have been discontinued. We expect *Exploration* expense of \$250 to \$300 in 2013, focused primarily on our brownfields programs at Carlin, Long Canyon and Phoenix in Nevada, La Herradura in Mexico, Jundee and Tanami in Australia and Ahafo in Africa, whereas in the greenfields programs the focus will be on Nevada, Suriname-French Guiana, Andes and West Africa.

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The following is a summary of *Advanced projects, research and development* expense:

	Three Months Ended June 30, 2013	2012	Six Months Ended June 30, 2013	2012
North America				
Nevada	\$ 2	\$ 13	\$ 11	\$ 19
La Herradura	6		6	
South America				
Yanacocha	2	7	10	13
Conga	1	10	2	36
Other South America		11		26
Asia Pacific				
Boddington		1		3
Other Australia/New Zealand	2	5	4	7
Indonesia				
Batu Hijau	2	4	5	10
Africa				
Ahafo	2	2	7	6
Akyem	2	2	5	4
Other Africa	2		2	1
Corporate and Other				
Technical and project services	14	26	30	53
Corporate	11	1	16	6
	\$ 46	\$ 82	\$ 98	\$ 184

We now expect *Advanced projects, research and development* expenses of \$300 to \$350 in 2013, focused primarily on Long Canyon, underground exploration drifts in Nevada, and the start-up of Akyem in Africa.

*General and administrative* expense decreased by \$3 and \$1 for the second quarter and first half of 2013, respectively, compared to the same periods of 2012 due to lower labor costs. We now expect *General and administrative* expenses of \$180 to \$230 in 2013.

*Write-downs* totaled \$2,261 and \$2,262 for the three and six months ended June 30, 2013, respectively. The 2013 write-down was primarily due to a decrease in the Company's long-term gold and copper price assumptions to \$1,400 per ounce and \$3.00 per pound, respectively, combined with rising operating costs. These factors represented significant changes in the business, requiring the Company to evaluate for impairment. For purposes of this evaluation, estimates of future cash flows of the individual reporting units were used to determine fair value. The estimated cash flows were derived from life-of-mine plans, developed using long-term pricing reflective of the current price environment and management's projections for operating costs.

*Other expense, net* decreased by \$49 in the second quarter of 2013 compared to the second quarter of 2012 mainly due to lower Hope Bay care and maintenance costs, regional administration expenses, and acquisition costs in 2012, partially offset by the restructuring charges. *Other expense, net* decreased by \$70 in the first half of 2013 compared to the first half of 2012 mainly due to lower Hope Bay care and maintenance costs and regional administration expenses, partially offset by restructuring charges and higher transaction costs.

*Other income, net* increased by \$14 in the second quarter of 2013 compared to the second quarter of 2012 due to higher foreign currency exchange gain, partially offset by lower income from developing projects. *Other income, net* increased by \$7 in the first half of 2013 compared to the first half of 2012 due to foreign currency exchange gain and lower impairment losses of marketable securities, partially offset by lower income from developing projects, lower gain on asset sales, and by a reduction of allowance for loan receivable in 2012.

*Interest expense, net* increased \$12 for the first half of 2013 compared to 2012 due to the issuance of the 2022 and 2042 Senior Notes and higher drawdowns on the Corporate Credit Facility in the current year. Capitalized interest increased by \$6 and \$12 in the second quarter and first half of 2013, respectively, compared to the same periods in 2012 due to higher development project expenditures. We now expect *Interest expense, net* of \$225 to \$275 in 2013.



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*Income and mining tax benefit* during the second quarter of 2013 was \$325, resulting in an effective tax rate of 12%. Estimated income and mining tax expense during the second quarter of 2012 was \$175 for an effective tax rate of 32%. The lower effective tax rate on the loss in the second quarter of 2013 is a result of the significant decrease in pretax income resulting in a dilution to the impact of percentage depletion and an increase in our valuation allowance on certain deferred tax assets.

During the first half of 2013, the estimated income and mining tax benefit was \$144, resulting in an effective tax rate of 7%. Estimated income and mining tax expense during the first half of 2012 was \$518 for an effective tax rate of 33%. The lower effective tax rate on the loss in the first six months of 2013 is primarily due to the result of the significant decrease in pretax income resulting in a dilution to the impact of percentage depletion and an increase in our valuation allowance on certain deferred tax assets.

A valuation allowance is provided for those deferred tax assets for which it is more likely than not that the related benefits will not be realized. In determining the amount of the valuation allowance, we consider each quarter estimated future taxable income as well as feasible tax planning strategies in each jurisdiction to determine if the deferred tax assets are realizable. If we determine that we will not realize all or a portion of our deferred tax assets, we will place or increase a valuation allowance. Conversely, if we determine that we will ultimately be able to realize all or a portion of the related benefits for which a valuation allowance has been provided, all or a portion of the related valuation allowance will be reduced.

On the basis of available information at June 30, 2013, including the decrease in our long-term commodity price assumptions, rising operating costs and decrease in equity value, we concluded that we would not be able to realize the benefit from some of our deferred tax assets. As a result, we recorded a significant increase in our valuation allowance. This increase consists of \$535 related to U.S. foreign and alternative minimum tax credits and \$150 related to stockpile impairments.

The effective tax rates are different from the United States statutory rate of 35% primarily due to the above mentioned valuation allowance, Nevada and Peru mining taxes, and U.S. percentage depletion. For a complete discussion of the factors that influence our effective tax rate, see *Management's Discussion and Analysis of Consolidated Financial Condition and Results of Operations* in Newmont's Annual Report on Form 10-K for the year ended December 31, 2012 filed February 22, 2013.

Due to the significant impairment recorded this quarter, we expect the 2013 consolidated tax benefit to be approximately 5% to 10%, assuming an average realized gold price of \$1,400 per ounce.

*Net income (loss) attributable to noncontrolling interests* decreased to a net loss of \$212 in the second quarter and \$170 in the first half of 2013 compared to a net income of \$92 in the second quarter and \$205 in the first half of 2012 as a result of decreased earnings at Batu Hijau and Minera Yanacocha as well as the TMAC transaction in March 2013.

*Income (loss) from discontinued operations* includes a reduction in the Holt property royalty liability. During the first half of 2013 the Company recorded a benefit from discontinued operations of \$74, net of tax expense of \$34, related to a decline in the gold spot price and an increase in discount rates. During the first half of 2012, the Company recorded a \$71 charge, net of tax benefits of \$4, to reflect an increase in future expected production at the Holt property. Due to the nature of the sliding scale royalty calculation, changes in expected production and the gold price have a significant impact on the fair value of the liability.

**Table of Contents****Results of Consolidated Operations**

Three Months Ended June 30,	Gold or Copper Produced		Costs Applicable to Sales <sup>(1)</sup>		Amortization		All-In Sustaining Costs <sup>(3)</sup>	
	2013	2012	2013	2012	2013	2012	2013	2012
	(ounces in thousands)		(\$ per ounce)		(\$ per ounce)		(\$ per ounce)	
<b>Gold</b>								
North America	437	437	\$ 702	\$ 697	\$ 147	\$ 125	\$ 1,077	\$ 1,276
South America	291	390	662	466	328	162	983	1,053
Australia / New Zealand	404	387	1,206	910	265	225	1,470	1,254
Indonesia	13	16	5,299	943	1,165	197	35,500	3,083
Africa	139	132	596	583	139	124	1,000	924
Total/Weighted-Average	1,284	1,362	\$ 885	\$ 681	\$ 232	\$ 164	\$ 1,548	\$ 1,265
Attributable to Newmont <sup>(2)(3)</sup>	1,167	1,182	\$ 889	\$ 711			\$ 1,441	\$ 1,298
Net Attributable to Newmont <sup>(3)</sup>			\$ 1,029	\$ 700				

Copper	(pounds in millions)		(\$ per pound)		(\$ per pound)	
	2013	2012	2013	2012	2013	2012
Australia/New Zealand	16	18	\$ 3.25	\$ 2.79	\$ 0.71	\$ 0.82
Indonesia	36	42	11.23	2.20	2.20	0.45
Total/Weighted Average	52	60	\$ 8.53	\$ 2.35	\$ 1.69	\$ 0.56
Attributable to Newmont	34	38	\$ 7.13	\$ 2.40		

Six Months Ended June 30,	Gold or Copper Produced		Costs Applicable to Sales <sup>(1)</sup>		Amortization		All-In Sustaining Costs <sup>(3)</sup>	
	2013	2012	2013	2012	2013	2012	2013	2012
	(ounces in thousands)		(\$ per ounce)		(\$ per ounce)		(\$ per ounce)	
<b>Gold</b>								
North America	874	926	\$ 732	\$ 652	\$ 154	\$ 121	\$ 1,058	\$ 1,141
South America	577	756	616	462	290	153	941	1,015
Australia/New Zealand	825	814	1,062	837	230	189	1,285	1,108
Indonesia	27	38	3,682	924	806	179	23,474	1,061
Africa	264	307	577	575	141	135	1,073	880
Total/Weighted-Average	2,567	2,841	\$ 824	\$ 649	\$ 212	\$ 151	\$ 1,339	\$ 1,143
Attributable to Newmont <sup>(3)(4)</sup>	2,333	2,489	\$ 837	\$ 672			\$ 1,295	\$ 1,172
Net Attributable to Newmont <sup>(3)</sup>			\$ 896	\$ 636				

Copper	(pounds in millions)		(\$ per pound)		(\$ per pound)	
	2013	2012	2013	2012	2013	2012
Australia/New Zealand	35	32	\$ 2.78	\$ 2.34	\$ 0.60	\$ 0.60
Indonesia	76	85	7.71	2.08	1.51	0.40
Total/Weighted Average	111	117	\$ 5.75	\$ 2.14	\$ 1.15	\$ 0.46
Attributable to Newmont	72	73	\$ 4.87	\$ 2.17		

- (1) Excludes Amortization and Reclamation and remediation.
- (2) Includes 17 and 13 attributable ounces in 2013 and 2012, respectively, from our interest in La Zanja and 14 and 5 attributable ounces in 2013 and 2012, respectively, from our interest in Duketon.
- (3) All-In Sustaining Costs, Attributable Costs applicable to sales, and Net Attributable Costs applicable to sales are non-GAAP financial measures. See page 68 for a reconciliation.
- (4) Includes 32 and 26 attributable ounces in 2013 and 2012, respectively, from our interest in La Zanja and 29 and 9 attributable ounces in 2013 and 2012, respectively, from our interest in Duketon.



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### **Second quarter 2013 compared to 2012**

Consolidated gold production decreased 6% due to lower production at Yanacocha associated with completion of several mining areas in 2012 and lower grade and recovery at Batu Hijau partially offset by slightly higher production at Australia/New Zealand and Africa. Consolidated copper production decreased 13% due to lower mill throughput at Boddington and lower throughput and grade at Batu Hijau.

*Costs applicable to sales* per consolidated gold ounce sold increased 30% due to stockpile and leach pad write-downs of \$161 per ounce associated with lower gold prices and lower production. *Costs applicable to sales* per consolidated copper pound sold increased 263% due to stockpile write-downs of \$6.00 per pound associated with lower copper prices.

*Amortization* increased 41% per consolidated gold ounce sold due to the portion of the stockpile and leach pad write-downs associated with amortization, the remaining increase can be attributed to property, plant, and equipment additions in late 2012 in North America, and lower production from Yanacocha and Batu Hijau. *Amortization* increased 202% per consolidated copper pound sold due to the portion of the stockpile write-downs that was associated with amortization.

### **First half 2013 compared to 2012**

Consolidated gold production decreased 10% due lower grades at Nevada, Ahafo, Batu Hijau, lower leach recoveries at La Herradura, and lower mill and leach production from Yanacocha. Consolidated copper production decreased 5% due to processing lower grade stockpiles at Batu Hijau and lower throughput at Boddington.

*Costs applicable to sales* per consolidated gold ounce sold increased 27% due to stockpile and leach pad write-downs, as previously discussed, of \$86 per ounce, lower production from Nevada, Yanacocha, Batu Hijau, and Ahafo partially offset by higher production at Other Australia/New Zealand. *Costs applicable to sales* per consolidated copper pound sold increased 169% due to stockpile write-downs, as previously discussed, of \$3.37 per pound and lower production at Batu Hijau and higher costs allocated to copper at Boddington.

*Amortization* per consolidated gold ounce sold increased 40% due to the portion of the stockpile and leach pad write-downs that is associated with amortization, lower production from Nevada, Yanacocha, Batu Hijau, and Ahafo as well as additions to property, plant and equipment in North America late in 2012. *Amortization* increased 150% per consolidated copper pound sold due to the portion of the stockpile write-downs associated with amortization as well as lower production.

We now expect attributable gold production of 4.8 to 5.1 million ounces at consolidated *Costs applicable to sales* per ounce of \$750 to \$825, including the stockpile and leach pad write-downs discussed above. We now expect copper production of 150 to 170 million pounds attributable to Newmont at consolidated *Costs applicable to sales* per pound of \$4.05 to \$4.40 in 2013, including the stockpile write-downs as discussed above.

**Table of Contents****North America Operations**

	Gold Ounces Produced		Costs Applicable to Sales <sup>(1)</sup>		Amortization		All-In Sustaining Costs <sup>(3)</sup>	
	2013	2012	2013	2012	2013	2012	2013	2012
	(in thousands)		(\$ per ounce)		(\$ per ounce)		(\$ per ounce)	
<b>Three Months Ended June 30,</b>								
Nevada	383	378	\$ 691	\$ 718	\$ 150	\$ 129	\$ 975	\$ 1,335
La Herradura <sup>(2)</sup>	54	59	784	569	123	99	1,815	864
Total/Weighted-Average	437	437	\$ 702	\$ 697	\$ 147	\$ 125	\$ 1,077	\$ 1,276
Attributable to Newmont	437	437						

	Gold Ounces Produced		Costs Applicable to Sales <sup>(1)</sup>		Amortization		All-In Sustaining Costs <sup>(3)</sup>	
	2013	2012	2013	2012	2013	2012	2013	2012
	(in thousands)		(\$ per ounce)		(\$ per ounce)		(\$ per ounce)	
<b>Six Months Ended June 30,</b>								
Nevada	765	813	\$ 730	\$ 663	\$ 159	\$ 125	\$ 1,003	\$ 1,160
La Herradura <sup>(2)</sup>	109	113	750	574	119	97	1,404	973
Total/Weighted-Average	874	926	\$ 732	\$ 652	\$ 154	\$ 121	\$ 1,058	\$ 1,141
Attributable to Newmont	874	926						

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

<sup>(2)</sup> Our proportionate 44% share.

<sup>(3)</sup> All-In Sustaining Costs is a non-GAAP financial measure. See page 68 for a reconciliation.

**Second quarter 2013 compared to 2012**

*Nevada, USA.* Gold production increased 1% due to new production from Emigrant as well as higher grade and throughput at Phoenix essentially offset by lower tons and grade at Midas, lower grade and recovery at Mill 5, and lower grade at Mill 6. *Costs applicable to sales* per ounce decreased 4% due to higher ounces sold. *Amortization* per ounce increased 16% due to lower grade production.

*La Herradura, Mexico.* Gold production decreased 8% due to lower leach recoveries. *Costs applicable to sales* per ounce increased 38% due to higher waste mining and lower production. *Amortization* per ounce increased 24% due to lower production and the purchase of equipment in late 2012.

**First half 2013 compared to 2012**

*Nevada, USA.* Gold production decreased 6% primarily due to lower grade at Twin Creeks and lower grade and recovery at Mill 6. This was partially offset by higher mill throughput and grade at Phoenix and new production at Emigrant. *Costs applicable to sales* per ounce increased 10% due to lower ounces sold, lower capitalized mine development costs, and lower by-product credits associated with lower metal prices. *Amortization* per ounce increased 27% due to lower grade production.

*La Herradura, Mexico.* Gold production decreased 4% due to lower leach recoveries. *Costs applicable to sales* per ounce increased 31% due to higher waste tons mined in combination with lower production. *Amortization* per ounce increased 23% due to lower production and the purchase of equipment in late 2012.

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We now expect gold production in North America of 1.9 to 2.0 million ounces at *Costs applicable to sales* per ounce of \$600 to \$650 in 2013. The decrease in our production guidance is related to a pending land dispute as explained in note 26 impacting production for La Herradura in the second half of 2013.

**Table of Contents****South America Operations**

	Gold Ounces Produced		Costs Applicable to Sales <sup>(1)</sup>		Amortization		All-In Sustaining Costs <sup>(2)</sup>	
	2013	2012	2013	2012	2013	2012	2013	2012
	(in thousands)		(\$ per ounce)		(\$ per ounce)		(\$ per ounce)	
<b>Three Months Ended June 30,</b>								
Yanacocha	291	390	\$ 662	\$ 466	\$ 328	\$ 162	\$ 966	\$ 971
Attributable to Newmont:								
Yanacocha (51.35%)	150	200						
La Zanja (46.94%)	17	13						
	167	213						
<b>Six Months Ended June 30,</b>								
Yanacocha	577	756	\$ 616	\$ 462	\$ 290	\$ 153	\$ 922	\$ 900
Attributable to Newmont:								
Yanacocha (51.35%)	296	388						
La Zanja (46.94%)	32	26						
	328	414						

(1) Excludes *Amortization* and *Reclamation and remediation*.

(2) All-In Sustaining Costs is a non-GAAP financial measure. See page 68 for a reconciliation.

**Second quarter 2013 compared to 2012**

*Yanacocha, Peru.* Gold production decreased 25% due to lower mill and leach production associated with the completion of mining at El Tapado in July of 2012. *Costs applicable to sales* per ounce increased 42% due to a leach pad write-down of \$163 per ounce as a result of lower gold prices and lower by-product credits. *Amortization* per ounce increased 102% due to the portion of the leach pad write-down associated with amortization, lower production, and higher asset retirement costs.

**First half 2013 compared to 2012**

*Yanacocha, Peru.* Gold production decreased 24% due to lower mill and leach production associated with the completion of mining at El Tapado and smaller pits at Chaquicocha during 2012. *Costs applicable to sales* per ounce increased 33% due to a leach pad write-down of \$92 per ounce as a result of lower gold prices, partially offset by lower workers participation expense. *Amortization* per ounce increased 90% due to the portion of the leach pad write-down associated with amortization, lower production, and higher asset retirement costs.

We now expect gold production in South America of approximately 550,000 to 600,000 ounces at consolidated *Costs applicable to sales* per ounce of \$650 to \$700 in 2013, including the leach pad write-down discussed above.



**Table of Contents***Australia/New Zealand**Operations*

Three Months Ended June 30,	Gold or Copper Produced		Costs Applicable to Sales <sup>(1)</sup>		Amortization		All-In Sustaining Costs <sup>(3)</sup>	
	2013	2012	2013	2012	2013	2012	2013	2012
	(ounces in thousands)		(\$ per ounce)		(\$ per ounce)		(\$ per ounce)	
Gold								
Boddington	171	180	\$ 1,307	\$ 947	\$ 308	\$ 300	\$ 1,534	\$ 1,140
Other Australia/New Zealand	233	207	1,124	880	230	164	1,417	1,345
Total/Weighted-Average	404	387	\$ 1,206	\$ 910	\$ 265	\$ 225	\$ 1,470	\$ 1,254
Attributable to Newmont <sup>(2)</sup>	418	392						

	(pounds in millions)		(\$ per pound)		(\$ per pound)	
Copper						
Boddington	16	18	\$ 3.25	\$ 2.79	\$ 0.71	\$ 0.82

Six Months Ended June 30,	Gold or Copper Produced		Costs Applicable to Sales <sup>(1)</sup>		Amortization		All-In Sustaining Costs <sup>(3)</sup>	
	2013	2012	2013	2012	2013	2012	2013	2012
	(ounces in thousands)		(\$ per ounce)		(\$ per ounce)		(\$ per ounce)	
Gold								
Boddington	347	342	\$ 1,086	\$ 862	\$ 258	\$ 239	\$ 1,224	\$ 947
Other Australia/New Zealand	478	472	1,042	812	207	151	1,336	1,227
Total/Weighted-Average	825	814	\$ 1,062	\$ 837	\$ 230	\$ 189	\$ 1,285	\$ 1,108
Attributable to Newmont <sup>(2)</sup>	854	823						

	(pounds in millions)		(\$ per pound)		(\$ per pound)	
Copper						
Boddington	35	32	\$ 2.78	\$ 2.34	\$ 0.60	\$ 0.60

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

<sup>(2)</sup> Includes 14 and 5 attributable ounces in the second quarter 2013 and 2012, respectively, and 29 and 9 attributable ounces in the first half of 2013 and 2012, respectively, from our interest in Duketon.

<sup>(3)</sup> All-In Sustaining Costs is a non-GAAP financial measure. See page 68 for a reconciliation.

**Second quarter 2013 compared to 2012**

*Boddington, Australia.* Gold and copper production decreased 5% and 11%, respectively, due to lower mill throughput partially offset by higher gold mill grade. Gold *Costs applicable to sales* increased 38% per ounce due to a stockpile write-down of \$363 per ounce as a result of lower gold prices. Copper *Costs applicable to sales* increased 16% per pound due to a stockpile write-down of \$0.85 per pound as a result of lower copper prices.

*Other Australia/New Zealand.* Gold production increased 13% due to higher mill throughput at Waihi as a result of a mill shutdown in prior year quarter and higher mill throughput and ore grade from underground sources at Tanami partially offset by lower grade at Jundee and Kalgoorlie. *Costs applicable to sales* per ounce increased 28% due to a stockpile write-down of \$200 per ounce as a result of lower gold prices, the remaining increase in cost is due to higher mining costs at Jundee. *Amortization* per ounce increased 40% due to the portion of the stockpile

write-down that was associated with amortization.

**First half 2013 compared to 2012**

*Boddington, Australia.* Gold production increased 1% due to higher mill grade that was essentially offset by lower throughput. Copper production increased 9% due to higher mill grade. Gold *Costs applicable to sales* increased 26% per ounce due largely to a stockpile write-down of \$178 per ounce as a result of lower gold prices and the impact of the carbon tax. Copper *Costs applicable to sales* increased 19% per pound due primarily to a stockpile write-down of \$0.41 per pound and higher costs allocated to copper on a co-product basis. *Amortization* increased 8% per ounce due to the portion of the stockpile write-down that is associated with amortization.

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*Other Australia/New Zealand.* Gold production increased 1% due to higher mill throughput at Waihi as a result of a mill shutdown in prior year coupled with higher grade, higher mill throughput at Tanami from higher underground ore availability partially offset by lower production from Kalgoorlie and Jundee. *Costs applicable to sales* per ounce increased 28% due to a stockpile write-down of \$104 per ounce as a result of lower gold prices, the remaining increase is associated with higher mining costs at Jundee and the impact of the carbon tax partially offset by higher gold production. *Amortization* per ounce increased 37% mainly due to capital additions and the portion of the stockpile write-down that is associated with amortization.

We now expect attributable gold production for Australia/New Zealand to be 1.6 to 1.7 million ounces at *Costs applicable to sales* per ounce of \$1,000 to \$1,100, including the stockpile write-downs discussed above. We now expect our attributable copper production to be 70 to 80 million pounds at consolidated *Costs applicable to sales* per pound of \$2.75 to \$2.95 in 2013, including the stockpile write-downs discussed above.

**Indonesia Operations**

Three Months Ended June 30,	Gold or Copper Produced		Costs Applicable to Sales <sup>(1)</sup>		Amortization		All-In Sustaining Costs <sup>(3)</sup>	
	2013	2012	2013	2012	2013	2012	2013	2012
<b>Gold</b>	(ounces in thousands)		(\$ per ounce)		(\$ per ounce)		(\$ per ounce)	
Batu Hijau	13	16	\$ 5,299	\$ 943	\$ 1,165	\$ 197	\$ 35,417	\$ 3,417
Attributable to Newmont <sup>(2)</sup>	6	8						

Copper	(pounds in millions)		(\$ per pound)		(\$ per pound)	
	2013	2012	2013	2012	2013	2012
Batu Hijau	36	42	\$ 11.23	\$ 2.20	\$ 2.20	\$ 0.45
Attributable to Newmont	18	20				

Six Months Ended June 30,	Gold or Copper Produced		Costs Applicable to Sales <sup>(1)</sup>		Amortization		All-In Sustaining Costs <sup>(3)</sup>	
	2013	2012	2013	2012	2013	2012	2013	2012
<b>Gold</b>	(ounces in thousands)		(\$ per ounce)		(\$ per ounce)		(\$ per ounce)	
Batu Hijau	27	38	\$ 3,682	\$ 924	\$ 806	\$ 179	\$ 23,579	\$ 1,152
Attributable to Newmont <sup>(2)</sup>	13	19						

Copper	(pounds in millions)		(\$ per pound)		(\$ per pound)	
	2013	2012	2013	2012	2013	2012
Batu Hijau	76	85	\$ 7.71	\$ 2.08	\$ 1.51	\$ 0.40
Attributable to Newmont	37	41				

(1) Excludes *Amortization* and *Reclamation and remediation*.

(2) Our 48.5% economic interest.

(3) All-In Sustaining Costs is a non-GAAP financial measure. See page 68 for a reconciliation.

**Second quarter 2013 compared to 2012**



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*Batu Hijau, Indonesia.* Gold and copper production decreased 19% and 14%, respectively, due to processing lower grade stockpile ore and lower mill throughput. Total tons mined increased as Phase 6 waste removal continues as planned. *Costs applicable to sales* increased 462% per ounce and 410% per pound due to stockpile write-downs of \$4,083 per ounce and \$8.63 per pound as a result of lower gold and copper prices, respectively, and lower production. *Amortization* increased 491% per ounce and 389% per pound due to the portion of the stockpile and inventory write-downs associated with amortization as well as lower production.

### **First half 2013 compared to 2012**

*Batu Hijau, Indonesia.* Gold and copper production decreased 29% and 11%, respectively, due to lower ore grade and lower recovery. Total tons mined increased as Phase 6 waste removal continues as planned. *Costs applicable to sales* increased 298% per ounce and 271% per pound due to stockpile write-downs of \$2,550 per ounce and \$5.32 per pound, the remaining increase is associated with lower production. *Amortization* increased 350% per ounce and 278% per pound due to the portion of the stockpile and inventory write-downs associated with amortization.

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We now expect attributable gold production for Indonesia to be 20,000 to 30,000 ounces at *Costs applicable to sales* per ounce of \$2,100 to \$2,300, including stockpile and inventory write-downs discussed above. We now expect our attributable copper production to be 75 to 90 million pounds at consolidated *Costs applicable to sales* per pound of \$4.70 to \$5.10 in 2013, including stockpile and inventory write-downs discussed above.

**Africa Operations**

	Gold Ounces Produced		Costs Applicable to Sales <sup>(1)</sup>		Amortization		All-In Sustaining Costs <sup>(2)</sup>	
	2013	2012	2013	2012	2013	2012	2013	2012
	(in thousands)		(\$ per ounce)		(\$ per ounce)		(\$ per ounce)	
<b>Three Months Ended June 30,</b>								
Ahafo	139	132	\$ 596	\$ 583	\$ 139	\$ 124	\$ 944	\$ 863
Attributable to Newmont	139	132	\$ 596	\$ 583				

	Gold Ounces Produced		Costs Applicable to Sales <sup>(1)</sup>		Amortization		All-In Sustaining Costs <sup>(2)</sup>	
	2013	2012	2013	2012	2013	2012	2013	2012
	(in thousands)		(\$ per ounce)		(\$ per ounce)		(\$ per ounce)	
<b>Six Months Ended June 30,</b>								
Ahafo	264	307	\$ 577	\$ 575	\$ 141	\$ 135	\$ 1,019	\$ 829
Attributable to Newmont	264	307	\$ 577	\$ 575				

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

<sup>(2)</sup> All-In Sustaining Costs is a non-GAAP financial measure. See page 68 for a reconciliation.

**Second quarter 2013 compared to 2012**

*Ahafo, Ghana.* Gold production increased 5% due to higher mill throughput and recovery, a drawdown of in-process inventory partially offset by lower grade. *Costs applicable to sales* per ounce increased 2% due to higher labor costs and employee transportation costs partially offset by higher production and lower diesel costs associated with shorter haul distance.

**First half 2013 compared to 2012**

*Ahafo, Ghana.* Gold production decreased 14% due to lower mill grade partially offset by higher mill recovery. *Costs applicable to sales* per ounce was in line with the prior year period .

We continue to expect gold production in Africa to be 625,000 to 675,000 ounces at *Costs applicable to sales* per ounce of \$525 and \$575 in 2013.

**Foreign Currency Exchange Rates**

Our foreign operations sell their gold and copper production based on U.S. dollar metal prices. Approximately 51% and 44% of our *Costs applicable to sales* were paid in local currencies during the second quarter of 2013 and 2012, respectively. Approximately 50% and 44% of our *Costs applicable to sales* were paid in local currencies during the first half of 2013 and 2012, respectively. Variations in the local currency exchange rates in relation to the U.S. dollar at our foreign mining operations did not have a significant impact on our *Costs applicable to sales* per ounce, net of hedging gains, during the second quarter and first half of 2013 compared to the same periods in 2012.



**Table of Contents****Liquidity and Capital Resources****Cash Provided from Operating Activities**

*Net cash provided from continuing operations* was \$732 in the first half of 2013, a decrease of \$232 from the first half of 2012, primarily due to lower gold production and a lower average realized gold price partially offset by a net decrease in operating assets and liabilities. The decrease in net operating assets and liabilities of \$307 in the first half of 2013 compared to the first half of 2012 is due to decreases in accounts receivable.

**Investing Activities**

*Net cash used in investing activities* decreased to \$1,105 during the first half of 2013 compared to \$1,714 during the same period of 2012, respectively. Additions to property, plant and mine development were as follows:

	<b>Six Months Ended June 30,</b>	
	<b>2013</b>	<b>2012</b>
North America:		
Nevada	\$ 243	\$ 370
La Herradura	64	29
	307	399
South America:		
Yanacocha	89	243
Conga	161	342
Other South America	37	20
	287	605
Australia/New Zealand:		
Boddington	54	52
Other Australia/New Zealand	83	137
	137	189
Indonesia:		
Batu Hijau	56	61
Other Indonesia		8
	56	69
Africa:		
Ahafo	116	108
Akyem	159	189
	275	297
Corporate and Other	7	17
Accrual basis	1,069	1,576
Decrease (increase) in accrued capital expenditures	51	2
Cash basis	\$ 1,120	\$ 1,578

Capital expenditures in North America during the first half of 2013 primarily related to the construction of the Phoenix Copper Leach project, the development of the Turf Vent Shaft project, surface and underground mine development and infrastructure improvements in Nevada, as well as mill expansion capital in Mexico. Capital expenditures in South America were primarily related to the Conga and Merian projects, surface mine and leach pad development and equipment purchases. The majority of capital expenditures in Australia and New Zealand were for underground mine development, tailings facility construction, mining equipment purchases and infrastructure improvements. Capital expenditures in Batu Hijau were primarily for equipment and equipment component purchases. Capital expenditures in Africa were primarily related to Akyem development and the Subika expansion project, equipment purchases and surface mine development at Ahafo. We now expect 2013 consolidated capital expenditures to be \$2,200 to \$2,400 (\$1,900 to \$2,100 attributable to Newmont).

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Capital expenditures in North America during the first half of 2012 were primarily related to development of the Emigrant mine and the Phoenix copper leach projects, surface mine development, the Noche Buena mine in Mexico and other equipment purchases, infrastructure improvements and a strategic land purchase in Nevada. Capital expenditures in South America were primarily related to the Conga and Merian projects and Yanacocha leach pad development, surface mine development and equipment purchases. The majority of capital expenditures in Asia Pacific were for surface and underground development, mining equipment and infrastructure improvements. Capital expenditures in Africa were primarily related to Akyem development and the Subika expansion project at Ahafo.

*Acquisitions, net.* During the first half of 2013 and 2012, we paid \$13 and \$22 in contingent payments in accordance with the 2009 Boddington acquisition agreement.

*Proceeds from the sale of marketable securities.* During the first half of 2013 and 2012 we received \$1 and \$106 from the sale of corporate marketable debt securities.

*Purchases of marketable securities.* During the first half of 2013 we purchased marketable equity securities of \$1 compared to \$196 of corporate marketable debt securities purchased during the first half of 2012.

*Proceeds from sale of other assets.* During the first half of 2013, we received \$49 primarily from the sale of equipment at Conga. During the first half of 2012 we received \$13 primarily from the sale of land and other assets.

### ***Financing Activities***

*Net cash provided from (used in) financing activities* was \$87 and \$894 during the first half of 2013 and 2012, respectively.

*Proceeds from and repayment of debt.* During the first half of 2013, we received net proceeds from debt of \$987 from our revolving credit facilities and other short-term debt. Proceeds from the issuance of debt were partially offset by the payments of \$534 on our revolving credit facility. During the first half of 2012, we received net proceeds from debt of \$3,343, including \$1,246 under our revolving credit facility, \$1,479 from the issuance of senior notes due in 2022 and \$983 from the issuance of senior notes due in 2042. Proceeds from the issuance of debt in 2012 were partially offset by the settlement of forward starting interest rate swaps of \$362, repayment of \$1,285 under our revolving credit facility, \$517 for repayment of the 2012 Convertible Senior Notes and \$135 related to exercising the early purchase option related to the sale-leaseback of the refractory ore treatment plant in Nevada (classified as a capital lease). At June 30, 2013, \$325 of the \$3,000 revolving credit facility was used to secure the issuance of letters of credit, primarily supporting reclamation obligations (see *Off-Balance Sheet Arrangements* below).

Scheduled minimum debt repayments are \$43 for the remainder of 2013, \$558 in 2014, \$11 in 2015, \$11 in 2016, \$1,087 in 2017 and \$5,064 thereafter. We expect to be able to fund debt maturities and capital expenditures from *Net cash provided by operating activities*, short-term investments, existing cash balances and available credit facilities.

At June 30, 2013 and 2012, we were in compliance with all required debt covenants and other restrictions related to debt agreements.

*Payment of conversion premium on debt.* In February 2012, we elected to pay in cash a conversion premium of \$172 upon repayment of the 2012 Convertible Senior Notes in lieu of issuing common shares.

*Proceeds from stock issuance, net.* We received proceeds of \$2 and \$15 during the first half of 2013 and 2012, respectively, from the issuance of common stock, primarily related to employee stock sales and option exercises.

*Sale of noncontrolling interests.* We received \$32 in proceeds, net of transaction costs, during the first half of 2013 related to the TMAC transaction.

*Acquisition of noncontrolling interests.* In the first half of 2013, we advanced certain funds to PTPI, an unrelated noncontrolling shareholder of PTNNT, in accordance with a loan agreement. Our economic interest in PTNNT did not change as a result of these transactions.

*Dividends paid to noncontrolling interests.* We paid dividends of \$2 and \$3 to noncontrolling interests during the first half of 2013 and 2012, respectively.



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*Dividends paid to common stockholders.* We declared regular quarterly dividends totaling \$0.775 and \$0.70 per common share for the six months ended June 30, 2013 and 2012, respectively. Additionally, Newmont Mining Corporation of Canada Limited, a subsidiary of the Company, declared regular quarterly dividends on its exchangeable shares totaling C\$0.7914 per share through June 30, 2013 and C\$0.6959 through June 30, 2012. We paid dividends of \$385 and \$347 to common stockholders in the first half of 2013 and 2012, respectively.

**Discontinued Operations**

*Net operating cash used in discontinued operations* was \$11 and \$8 in the first half of 2013 and 2012, respectively, related to payments on the Holt property royalty.

**Off-Balance Sheet Arrangements**

We have the following off-balance sheet arrangements: operating leases (as discussed in Note 28 to the Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2012, filed on February 22, 2013) and \$1,805 of outstanding letters of credit, surety bonds and bank guarantees (see Note 26 to the Condensed Consolidated Financial Statements).

We also have sales agreements to sell copper and gold concentrates at market prices as follows (in thousands of tons):

	2013	2014	2015	2016	2017	Thereafter
Batu Hijau	224	544				
Boddington	127	176	154	154	154	99
Nevada	50	48	41	71		
	401	768	195	225	154	99

**Other Liquidity Matters**

At June 30, 2013, the Company had \$1,248 in cash and cash equivalents, of which \$1,217 was held in foreign subsidiaries and is primarily held in U.S. dollar denominated accounts with the remainder in foreign currencies readily convertible to U.S. dollars. At June 30, 2013, \$464 of the consolidated cash and cash equivalents was attributable to noncontrolling interests primarily related to our Indonesian and Peruvian operations which is being held to fund those operations and development projects. At June 30, 2013, \$342 in consolidated cash and cash equivalents (\$218 attributable to Newmont) was held at certain foreign subsidiaries that, if repatriated may be subject to withholding taxes, which would generate foreign tax credits in the U.S. As a result, we expect that there would be minimal U.S. tax liability upon repatriation of these amounts after considering available foreign tax credits. All other amounts represent earnings that are taxed in the U.S. on a current basis due to being held in U.S. subsidiaries or non-U.S. subsidiaries that are flow-through entities for U.S. tax purposes.

We believe that our liquidity and capital resources from U.S. operations and flow-through foreign subsidiaries are adequate to fund our U.S. operations and corporate activities.

**Environmental**

Our mining and exploration activities are subject to various federal and state laws and regulations governing the protection of the environment. We have made, and expect to make in the future, expenditures to comply with such laws and regulations, but cannot predict the full amount of such future expenditures. At June 30, 2013 and December 31, 2012, \$1,360 and \$1,341, respectively, were accrued for reclamation costs relating to currently or recently producing mineral properties.

In addition, we are involved in several matters concerning environmental obligations associated with former mining activities. Based upon our best estimate of our liability for these matters, \$188 and \$198 were accrued for such obligations at June 30, 2013 and December 31, 2012, respectively. We spent \$12 and \$27 during the first half of 2013 and 2012, respectively, for environmental obligations related to the former, primarily historic, mining activities and have classified \$18 as a current liability at June 30, 2013.





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During the first half of 2013 and 2012, capital expenditures were approximately \$40 and \$86, respectively, to comply with environmental regulations. Ongoing costs to comply with environmental regulations have not been a significant component of operating costs.

For more information on the Company's reclamation and remediation liabilities, see Notes 4 and 26 to the Condensed Consolidated Financial Statements.

**Accounting Developments**

For a discussion of Recently Adopted and Recently Issued Accounting Pronouncements, see Note 2 to the Condensed Consolidated Financial Statements.

**Non-GAAP Financial Measures**

Non-GAAP financial measures are intended to provide additional information only and do not have any standard meaning prescribed by generally accepted accounting principles (GAAP). These measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

*Adjusted net income (loss)*

Management of the Company uses *Adjusted net income (loss)* to evaluate the Company's operating performance, and for planning and forecasting future business operations. The Company believes the use of *Adjusted net income (loss)* allows investors and analysts to compare results of the continuing operations of the Company and its direct and indirect subsidiaries relating to the production and sale of minerals to similar operating results of other mining companies, by excluding exceptional or unusual items. Management's determination of the components of *Adjusted net income (loss)* are evaluated periodically and based, in part, on a review of non-GAAP financial measures used by mining industry analysts. *Net income (loss) attributable to Newmont stockholders* is reconciled to *Adjusted net income (loss)* as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
<i>Net income (loss) attributable to Newmont stockholders</i>	\$ (2,019)	\$ 279	\$ (1,704)	\$ 769
Loss (income) from discontinued operations	(74)		(74)	71
Impairments/asset sales, net	1,497	7	1,501	24
Tax valuation allowance	535		535	
Restructuring and other	11		16	
Boddington contingent consideration		8		8
TMAC transaction costs			30	
Adjusted net income (loss)	\$ (50)	\$ 294	\$ 304	\$ 872
Adjusted net income (loss) per share, basic	\$ (0.10)	\$ 0.59	\$ 0.61	\$ 1.76
Adjusted net income (loss) per share, diluted	\$ (0.10)	\$ 0.59	\$ 0.61	\$ 1.74

*Net income (loss) attributable to Newmont stockholders* for the three and six months ended June 30, 2013 was impacted by stockpile and leach pad write-downs of \$272 and \$275, respectively, net of tax and minority interest, which is not reflected in the table above.

*Costs applicable to sales per ounce/pound*

Costs applicable to sales per ounce/pound are non-GAAP financial measures. These measures are calculated by dividing the costs applicable to sales of gold and copper by gold ounces or copper pounds sold, respectively. These measures are calculated on a consistent basis for the periods presented on both a consolidated and attributable to Newmont basis. Attributable costs applicable to sales are based on our economic interest in production from our mines. For operations where we hold less than a 100% economic share in the production, we exclude the share of gold or copper production attributable to the noncontrolling interest. We include attributable costs applicable to sales per ounce/pound to provide management, investors and analysts with information with which to compare our performance to other gold producers. Costs applicable to sales per ounce/pound statistics are intended to provide additional information only and do not have any standardized meaning prescribed by GAAP and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. The measures are not necessarily indicative of operating profit or cash flow from operations as determined under GAAP. Other companies may calculate these

measures differently.

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Net attributable costs applicable to sales per ounce measures the benefit of copper produced in conjunction with gold, as a credit against the cost of producing gold. A number of other gold producers present their costs net of the contribution from copper and other non-gold sales. We believe that including a measure on this basis provides management, investors and analysts with information with which to compare our performance to other gold producers, and to better assess the overall performance of our business. In addition, this measure provides information to enable investors and analysts to understand the importance of non-gold revenues to our cost structure.

The following tables reconcile these non-GAAP measures to the most directly comparable GAAP measures.

**Costs applicable to sales per ounce**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
<b>Costs applicable to sales:</b>				
Consolidated per financial statements <sup>(1)</sup>	\$ 1,178	\$ 894	\$ 2,127	\$ 1,796
Noncontrolling interests <sup>(2)</sup>	(128)	(96)	(208)	(187)
Attributable to Newmont	\$ 1,050	\$ 798	\$ 1,919	\$ 1,609
<b>Gold sold (thousand ounces):</b>				
Consolidated	1,331	1,313	2,583	2,768
Noncontrolling interests <sup>(2)</sup>	(150)	(191)	(289)	(373)
Attributable to Newmont	1,181	1,122	2,294	2,395
<b>Costs applicable to sales per ounce:</b>				
Consolidated	\$ 885	\$ 681	\$ 824	\$ 649
Attributable to Newmont	\$ 889	\$ 711	\$ 837	\$ 672

<sup>(1)</sup> Includes by-product credits of \$48 and \$88 in the second quarter and first six months of 2013, respectively and \$48 and \$106 in the second quarter and first six months of 2012, respectively.

<sup>(2)</sup> Relates to partners' interests in Batu Hijau and Yanacocha.

**Costs applicable to sales per pound**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
<b>Costs applicable to sales:</b>				
Consolidated per financial statements <sup>(1)</sup>	\$ 475	\$ 108	\$ 570	\$ 223
Noncontrolling interests <sup>(2)</sup>	(213)	(36)	(237)	(80)
Attributable to Newmont	\$ 262	\$ 72	\$ 333	\$ 143
<b>Copper sold (million pounds):</b>				
Consolidated	56	46	99	104
Noncontrolling interests <sup>(2)</sup>	(19)	(16)	(31)	(38)
Attributable to Newmont	37	30	68	66
<b>Costs applicable to sales per pound:</b>				
Consolidated	\$ 8.53	\$ 2.35	\$ 5.75	\$ 2.14
Attributable to Newmont	\$ 7.13	\$ 2.40	\$ 4.87	\$ 2.17

- (1) Includes by-product credits of \$1 and \$2 in the second quarter and first six months of 2013, respectively and \$2 and \$5 in the second quarter and first six months of 2012, respectively.
- (2) Relates to partners' interests in Batu Hijau.

**Table of Contents***Net attributable costs applicable to sales per ounce*

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
<b>Attributable costs applicable to sales:</b>				
Gold	\$ 1,050	\$ 798	\$ 1,919	\$ 1,609
Copper	262	72	333	143
	1,312	870	2,252	1,752
<b>Copper revenue:</b>				
Consolidated	(148)	(130)	(283)	(363)
Noncontrolling interests <sup>(1)</sup>	51	45	87	134
	(97)	(85)	(196)	(229)
<b>Net attributable costs applicable to sales</b>	<b>\$ 1,215</b>	<b>\$ 785</b>	<b>\$ 2,056</b>	<b>\$ 1,523</b>
Attributable gold ounces sold (thousands)	1,181	1,122	2,294	2,395
<b>Net attributable costs applicable to sales per ounce</b>	<b>\$ 1,029</b>	<b>\$ 700</b>	<b>\$ 896</b>	<b>\$ 636</b>

<sup>(1)</sup> Relates to partners' interests in Batu Hijau.

*All-In Sustaining Costs*

The World Gold Council ( WGC ) is a non-profit association of the world's leading gold mining companies, established in 1987 to promote the use of gold from industry, consumers and investors. The WGC has worked with its member companies to develop a metric that expands on GAAP measures such as cost of goods sold and non-GAAP measures to provide visibility into the economics of a gold mining company regarding its expenditures, operating performance and the ability to generate cash flow from operations. Newmont is a member company of the WGC and has been working with the fellow members and the WGC to develop an all-in sustaining cash cost measure. In June 2013, WGC's Board approved the all-in sustaining cash-cost non-GAAP measure as a measure to increase investor's visibility by better defining the total costs associated with producing gold. The WGC is not a regulatory industry organization and does not have the authority to develop accounting standards or disclosure requirements.

Current GAAP-measures used in the gold industry, such as cost of goods sold, do not capture all of the expenditures incurred to discover, develop, and sustain gold production. Therefore, we believe that all-in sustaining costs and attributable all-in sustaining costs are non-GAAP measures that provide additional information to management, investors, and analysts that aid in the understanding of the economics of our operations and performance compared to other gold producers.

All-in sustaining costs amounts are intended to provide additional information only and do not have any standardized meaning prescribed by GAAP and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. The measures are not necessarily indicative of operating profit or cash flow from operations as determined under GAAP. Other companies may calculate these measures differently as a result of differences in the underlying accounting principles and policies applied, in accounting frameworks such as International Financial Reporting Standards ( IFRS ). Differences may also arise related to a different definition of sustaining versus development capital activities based upon each company's internal policy.

In determining All-in sustaining costs, the cost associated with producing and selling an ounce of gold is reduced by the benefit received from the sale of copper pounds. This is consistent with how we determine Net attributable costs applicable to sales per ounce. We determined sustaining capital as those capital expenditures that are necessary to maintain current production and execute the current mine plan. Capital expenditures to develop new operations or related to projects at existing operations where these projects will enhance production or reserves are considered development. All other costs related to existing operations are considered sustaining and are included in our All-in sustaining cost non-GAAP financial measure. These costs include the income statement line items *Costs applicable to sales, General and administrative, Exploration, Advanced projects, research and development and Other expense, net*. However, we exclude certain expenses from Other expense, net to be consistent with the adjustments made to *Net income (loss)* as disclosed in the Company's non-GAAP financial measure Adjusted net

income (loss), above. In addition we add in remediation costs and sustaining capital expenditures. The sum of these costs, less copper sales is divided by gold ounces sold to determine a per ounce amount. Attributable all-in sustaining costs are based on our economic interest in production from our mines. For operations where we hold less than a 100% economic share in the production, we exclude the share of gold or copper production attributable to the noncontrolling interest.

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The following tables reconcile these non-GAAP measures to the most directly comparable GAAP measures:

Three Months Ended June 30, 2013	Costs Applicable to Sales <sup>(1)(2)</sup>	Costs Remediation <sup>(3)</sup>	Advanced Projects and Exploration <sup>(4)</sup>	General and Administrative <sup>(4)</sup>	Other Expense, Net <sup>(4)</sup>	Sustaining Capital <sup>(5)</sup>	Copper Sales	All-In Sustaining Costs	Ounces Sold (000) <sup>(6)</sup>	All-In Sustaining Costs per ounce
Nevada	\$ 276	\$ 4	\$ 28	\$ 3	\$ 78	\$ 389	399	\$ 975		
La Herradura	42		15		41	98	54	1,815		
Other North America					1	1				
North America	318	4	43		4	119	488	453	1,077	
Yanacocha	197	23	10		23	33	286	296	966	
Other South America			5			5				
South America	197	23	15		23	33	291	296	983	
Attributable to Newmont							152	152	1,000	
Boddington	314	2			29	(49)	296	193	1,534	
Other Australia/New Zealand	263	5	12		16	37	333	235	1,417	
Australia/New Zealand	577	7	12		16	66	(49)	629	428	1,470
Batu Hijau	476	3	5		7	33	(99)	425	12	35,417
Other Indonesia					1	1				
Indonesia	476	3	5		8	33	(99)	426	12	35,500
Attributable to Newmont							207	6	34,500	
Ahafo	85	1	11		7	30	134	142	944	
Akyem			2			2				
Other Africa			5		1	6				
Africa	85	1	18		8	30	142	142	1,000	
Corporate and Other			29	54	(5)	6	84			
Consolidated	\$ 1,653	\$ 38	\$ 122	\$ 54	\$ 54	\$ 287	\$ (148)	\$ 2,060	1,331	\$ 1,548
Attributable to Newmont <sup>(6)</sup>							\$ 1,702	1,181	\$ 1,441	

(1) Excludes *Amortization* and *Reclamation and remediation*.

(2) Includes stockpile and leach pad write-downs of \$48 at Yanacocha, \$86 at Boddington, \$47 at Other Australia/New Zealand, and \$366 at Batu Hijau.

(3) Remediation costs include operating accretion and amortization of asset retirement costs.

(4) Other expense, net is adjusted for restructuring of \$21.

(5) Excludes capital expenditures for the following development projects: Phoenix Copper Leach, Turf Vent Shaft, Yanacocha Bio Leach, Conga, Merian, Ahafo Mill Expansion, and Akyem for 2013.



(6) Excludes our attributable production from La Zanja and Duketon.

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Three Months Ended June 30, 2012	Costs Applicable to Sales <sup>(1)</sup>	Costs to Remediation Costs <sup>(2)</sup>	Advanced Projects and Exploration Costs <sup>(3)</sup>	General and Administrative Expense <sup>(3)</sup>	Other Expense, Sustaining Capital <sup>(4)</sup>	Copper Sales	All-In Sustaining Costs	Ounces Sold (000) <sup>(5)</sup>	All-In Sustaining Costs per ounce	
Nevada	\$ 258	\$ 3	\$ 43	\$ 5	\$ 173	\$	\$ 482	361	\$ 1,335	
La Herradura	33		11		7		51	59	864	
Other North America			1		2		3			
North America	291	3	55		7	180	536	420	1,276	
Yanacocha	177	9	18		20	145	369	380	971	
Conga			12				12			
Other South America			19				19			
South America	177	9	49		20	145	400	380	1,053	
Attributable to Newmont							215	194	1,108	
Boddington	195	2	2		1	29	187	164	1,140	
Other Australia/New Zealand	182	5	22		16	52	277	206	1,345	
Australia/New Zealand	377	7	24		17	81	464	370	1,254	
Batu Hijau	81	3	7		10	28	41	12	3,417	
Other Indonesia					(4)		(4)			
Indonesia	81	3	7		6	28	37	12	3,083	
Attributable to Newmont							16	6	2,667	
Ahafo	76	(1)	11		6	21	113	131	863	
Akyem			5				5			
Other Africa			3				3			
Africa	76	(1)	19		6	21	121	131	924	
Corporate and Other			34	57	6	6	103			
Consolidated	\$ 1,002	\$ 21	\$ 188	\$ 57	\$ 62	\$ 461	\$ (130)	\$ 1,661	1,313	\$ 1,265
Attributable to Newmont <sup>(5)</sup>							\$ 1,455	1,121	\$ 1,298	

(1) Excludes *Amortization and Reclamation and remediation*.

(2) Remediation costs include operating accretion and amortization of asset retirement costs.

(3) *Other expense, net* is adjusted for Hope Bay care and maintenance of \$52 and Boddington contingent consideration of \$12.

(4) Excludes capital expenditures for the following development projects: Phoenix Copper Leach, Turf Vent Shaft, Emigrant, Yanacocha Bio Leach, Conga, Merian, Tanami Shaft, Ahafo Mill Expansion, and Akyem for 2012.

(5) Excludes our attributable production from La Zanja and Duketon.

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Six Months Ended June 30, 2013	Costs Applicable to Sales <sup>(1)(2)</sup>	Costs <sup>(3)</sup>	Advanced Projects and Exploration	General and Administrative	Other Expense, Net <sup>(4)</sup>	Sustaining Capital <sup>(5)</sup>	Copper Sales	All-In Sustaining Costs	Ounces Sold (000) <sup>(6)</sup>	All-In Sustaining Costs per ounce
Nevada	\$ 548	\$ 7	\$ 53	\$	\$ 8	\$ 136	\$	\$ 752	750	\$ 1,003
La Herradura	82		21			50		153	109	1,404
Other North America			1		3			4		
North America	630	7	75		11	186		909	859	1,058
Yanacocha	355	45	23		37	70		530	575	922
Conga			1		(1)					
Other South America			10		1			11		
South America	355	45	34		37	70		541	575	941
Attributable to Newmont								283	295	959
Boddington	536	4			1	54	(114)	481	393	1,224
Other Australia/New Zealand	495	12	24		28	77		636	476	1,336
Australia/New Zealand	1,031	16	24		29	131	(114)	1,117	869	1,285
Batu Hijau	530	6	11		14	56	(169)	448	19	23,579
Other Indonesia					(2)			(2)		
Indonesia	530	6	11		12	56	(169)	446	19	23,474
Attributable to Newmont								215	9	23,889
Ahafo	151	2	24		14	75		266	261	1,019
Akyem			5					5		
Other Africa			8		1			9		
Africa	151	2	37		15	75		280	261	1,073
Corporate and Other			52	110	(4)	7		165		
Consolidated	\$ 2,697	\$ 76	\$ 233	\$ 110	\$ 100	\$ 525	\$ (283)	\$ 3,458	2,583	\$ 1,339
Attributable to Newmont <sup>(6)</sup>								\$ 2,969	2,293	\$ 1,295

(1) Excludes *Amortization* and *Reclamation and remediation*.

(2) Includes stockpile and leach pad write-downs of \$53 at Yanacocha, \$86 at Boddington, \$50 at Other Australia/New Zealand, and \$366 at Batu Hijau.

(3) Remediation costs include operating accretion and amortization of asset retirement costs.

(4) *Other expense, net* is adjusted for restructuring of \$30 and TMAC transaction costs of \$45.

(5) Excludes capital expenditures for the following development projects: Phoenix Copper Leach, Turf Vent Shaft, Yanacocha Bio Leach, Conga, Merian, Ahafo Mill Expansion, and Akyem for 2013.

(6) Excludes attributable sales from La Zanja and Duketon.

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Six Months Ended June 30, 2012	Costs Applicable to Sales <sup>(1)</sup>	Remediation Costs <sup>(2)</sup>	Advanced Projects and Exploration <sup>(3)</sup>	General and Administrative <sup>(4)</sup>	Other Expense, Net <sup>(3)</sup>	Sustaining Capital <sup>(4)</sup>	Copper Sales	All-In Sustaining Costs	Ounces Sold (000) <sup>(5)</sup>	All-In Sustaining Costs per ounce
Nevada	\$ 525	\$ 6	\$ 77	\$	\$ 10	\$ 303	\$	\$ 921	794	\$ 1,160
La Herradura	65		17			28		110	113	973
Other North America			1		3			4		
North America	590	6	95		13	331		1,035	907	1,141
Yanacocha	338	17	35		35	233		658	731	900
Conga			39					39		
Other South America			44			1		45		
South America	338	17	118		35	234		742	731	1,015
Attributable to Newmont								403	375	1,075
Boddington	362	4	5		2	52	(103)	322	340	947
Other Australia/New Zealand	372	11	43		28	108		562	458	1,227
Australia/New Zealand	734	15	48		30	160	(103)	884	798	1,108
Batu Hijau	185	6	14		32	61	(260)	38	33	1,152
Other Indonesia					(3)			(3)		
Indonesia	185	6	14		29	61	(260)	35	33	1,061
Attributable to Newmont								15	16	938
Ahafo	172	2	22		11	41		248	299	829
Akyem			9					9		
Other Africa			5		1			6		
Africa	172	2	36		12	41		263	299	880
Corporate and Other			67	111	13	15		206		
Consolidated	\$ 2,019	\$ 46	\$ 378	\$ 111	\$ 132	\$ 842	\$ (363)	\$ 3,165	2,768	\$ 1,143
Attributable to Newmont <sup>(5)</sup>								\$ 2,806	2,395	\$ 1,172

(1) Excludes *Amortization* and *Reclamation and remediation*.

(2) Remediation costs include operating accretion and amortization of asset retirement costs.

(3) *Other expense, net* is adjusted for Hope Bay care and maintenance of \$102 and Boddington contingent consideration of \$12.

(4) Excludes capital expenditures for the following development projects: Phoenix Copper Leach, Turf Vent Shaft, Emigrant, Yanacocha Bio Leach, Conga, Merian, Tanami Shaft, Ahafo Mill Expansion, and Akyem for 2012.

(5) Excludes our attributable production from La Zanja and Duketon.

**Table of Contents***Operating margin per ounce/pound*

Operating margin per ounce/pound are non-GAAP financial measures. These measures are calculated by subtracting the costs applicable to sales per ounce of gold and per pound of copper from the average realized gold price per ounce and copper price per pound, respectively. These measures are calculated on a consistent basis for the periods presented on a consolidated basis. Operating margin per ounce/pound statistics are intended to provide additional information only and do not have any standardized meaning prescribed by GAAP and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. The measures are not necessarily indicative of operating profit or cash flow from operations as determined under GAAP. Other companies may calculate these measures differently. Operating margin per ounce/pound is calculated as follows:

	<b>Gold</b>			
	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
Average realized price per ounce	\$ 1,386	\$ 1,598	\$ 1,505	\$ 1,643
Costs applicable to sales per ounce	(885)	(681)	(824)	(649)
	\$ 501	\$ 917	\$ 681	\$ 994

	<b>Copper</b>			
	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
Average realized price per pound	\$ 2.66	\$ 2.85	\$ 2.86	\$ 3.49
Costs applicable to sales per pound	(8.53)	(2.35)	(5.75)	(2.14)
	\$ (5.87)	\$ 0.50	\$ (2.89)	\$ 1.35

**Safe Harbor Statement**

Certain statements contained in this report (including information incorporated by reference) are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and are intended to be covered by the safe harbor provided for under these sections. Our forward-looking statements include, without limitation: (a) statements regarding future earnings, and the sensitivity of earnings to gold and other metal prices; (b) estimates of future mineral production and sales for specific operations and on a consolidated basis; (c) estimates of future production costs and other expenses, for specific operations and on a consolidated basis; (d) estimates of future cash flows and the sensitivity of cash flows to gold and other metal prices; (e) estimates of future capital expenditures and other cash needs for specific operations and on a consolidated basis and expectations as to the funding thereof; (f) statements as to the projected development of certain ore deposits, including estimates of development and other capital costs, financing plans for these deposits, and expected production commencement dates; (g) estimates of future costs and other liabilities for certain environmental matters; (h) estimates of reserves, and statements regarding future exploration results and reserve replacement; (i) statements regarding modifications to Newmont's hedge positions; (j) statements regarding future transactions relating to portfolio management or rationalization efforts; and (k) projected synergies and costs associated with acquisitions and related matters.

Where we express an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, our forward-looking statements are subject to risks, uncertainties, and other factors, which could cause actual results to differ materially from future results expressed, projected, or implied by those forward-looking statements. Important factors that could cause actual results to differ materially from such forward-looking statements (cautionary statements) are disclosed under Risk Factors in the Newmont Annual Report on Form 10-K for the year ended December 31, 2012, as well as in other filings with the Securities and Exchange Commission. Many of these factors are beyond Newmont's ability to control or predict. Given these uncertainties, readers are cautioned not to place undue reliance on our forward-looking statements.

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All subsequent written and oral forward-looking statements attributable to Newmont or to persons acting on its behalf are expressly qualified in their entirety by the cautionary statements. Newmont disclaims any intention or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

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

#### **Metal Prices**

Changes in the market price of gold significantly affect our profitability and cash flow. Gold prices can fluctuate widely due to numerous factors, such as demand; forward selling by producers; central bank sales, purchases and lending; investor sentiment; the strength of the U.S. dollar; inflation, deflation, or other general price instability; and global mine production levels. Changes in the market price of copper also affect our profitability and cash flow. Copper is traded on established international exchanges and copper prices generally reflect market supply and demand, but can also be influenced by speculative trading in the commodity or by currency exchange rates.

Decreases in the market price of gold and copper can also significantly affect the value of our product inventory and stockpiles and it may be necessary to record a write-down to the net realizable value (NRV). NRV represents the estimated future sales price based on short-term and long-term metals prices, less estimated costs to complete production and bring the product to sale. The primary factors that influence the need to record write-downs of stockpiles and product inventory include short-term and long-term metals prices and costs for production inputs such as labor, fuel and energy, materials and supplies, as well as realized ore grades and recovery rates. The significant assumptions in determining the stockpile NRV for each mine site reporting unit at June 30, 2013 included production cost and capitalized expenditure assumptions unique to each operation, a long-term gold price of \$1,400 per ounce, a long-term copper price of \$3.00 per pound and an Australian to U.S. dollar exchange rate of \$ 0.935. A 10% decrease in long term gold and copper prices at June 30, 2013, would have resulted in additional stockpiles and leach pads write-downs before tax in the range of approximately \$650 to \$700 before tax and minority interest.

The NRV measurement involves the use of estimates and assumptions unique to each mining operation regarding current and future operating and capital costs, metal recoveries, production levels, commodity prices, proven and probable reserve quantities, engineering data and other factors. A high degree of judgment is involved in determining such assumptions and estimates and no assurance can be given that actual results will not differ significantly from those estimates and assumptions.

#### **Hedging**

Our strategy is to provide shareholders with leverage to changes in gold and copper prices by selling our production at spot market prices. Consequently, we do not hedge our gold and copper sales. We have and will continue to manage certain risks associated with commodity input costs, interest rates and foreign currencies using the derivative market.

By using derivatives, we are affected by credit risk, market risk and market liquidity risk. Credit risk is the risk that a third party might fail to fulfill its performance obligations under the terms of a financial instrument. We mitigate credit risk by entering into derivatives with high credit quality counterparties, limiting the amount of exposure to each counterparty, and monitoring the financial condition of the counterparties. Market risk is the risk that the fair value of a derivative might be adversely affected by a change in underlying commodity prices, interest rates, or currency exchange rates, and that this in turn affects our financial condition. We manage market risk by establishing and monitoring parameters that limit the types and degree of market risk that may be undertaken. We mitigate this potential risk to our financial condition by establishing trading agreements with counterparties under which we are not required to post any collateral or make any margin calls on our derivatives. Our counterparties cannot require settlement solely because of an adverse change in the fair value of a derivative. Market liquidity risk is the risk that a derivative cannot be eliminated quickly, by either liquidating it or by establishing an offsetting position. Under the terms of our trading agreements, counterparties cannot require us to immediately settle outstanding derivatives, except upon the occurrence of customary events of default such as covenant breaches, including financial covenants, insolvency or bankruptcy. We further mitigate market liquidity risk by spreading out the maturity of our derivatives over time.

**Table of Contents****Cash Flow Hedges**

We utilize foreign currency contracts to reduce the variability of the US dollar amount of forecasted foreign currency expenditures caused by changes in exchange rates. We hedge a portion of our A\$ and NZ\$ denominated operating expenditures which results in a blended rate realized each period. The hedging instruments are fixed forward contracts with expiration dates ranging up to five years from the date of issue. The principal hedging objective is reduction in the volatility of realized period-on-period \$/A\$ and \$/NZ\$ rates, respectively. We use diesel contracts to reduce the variability of our operating cost exposure related to diesel prices of fuel consumed at our Nevada operations. All of the currency, diesel and forward starting swap contracts have been designated as cash flow hedges of future expenditures, and as such, changes in the market value have been recorded in *Accumulated other comprehensive income*. Gains and losses from hedge ineffectiveness are recognized in current earnings.

**Foreign Currency Exchange Risk**

We had the following foreign currency derivative contracts outstanding at June 30, 2013:

	Expected Maturity Date						Total Average
	2013	2014	2015	2016	2017	2018	
<b>A\$ Operating Fixed Forward Contracts:</b>							
A\$ notional (millions)	656	1,117	847	564	273	44	3,501
Average rate (\$/A\$)	0.95	0.93	0.92	0.92	0.91	0.89	0.93
Expected hedge ratio	83%	67%	51%	33%	17%	7%	
<b>NZ\$ Operating Fixed Forward Contracts:</b>							
NZ\$ notional (millions)	40	50	10				100
Average rate (\$/NZ\$)	0.80	0.80	0.79				0.80
Expected hedge ratio	63%	41%	16%				

The fair value of the A\$ foreign currency operating derivative contracts was a net liability position of \$165 at June 30, 2013 and a net asset position of \$250 at December 31, 2012. The fair value of the NZ\$ foreign currency derivative contracts was a liability position of \$3 at June 30, 2013 and a net asset position of \$2 at December 31, 2012.

**Diesel Price Risk**

We had the following diesel derivative contracts outstanding at June 30, 2013:

	Expected Maturity Date				Total Average
	2013	2014	2015	2016	
<b>Diesel Fixed Forward Contracts:</b>					
Diesel gallons (millions)	14	21	10	2	47
Average rate (\$/gallon)	2.90	2.87	2.77	2.70	2.85
Expected hedge ratio	65%	49%	25%	7%	

The fair value of the diesel derivative contracts was a liability position of \$3 at June 30, 2013 and a net asset position of \$1 at December 31, 2012.

**Forward Starting Swaps**

During 2011, we entered into forward starting interest rate swap contracts with a total notional value of \$2,000. These contracts hedged movements in treasury rates related to a debt issuance that occurred in the first quarter of 2012. On March 8, 2012, we closed the sale of \$2,500 senior notes consisting of 3.5% senior notes due 2022 in the principal amount of \$1,500 (10-year notes), and 4.875% senior notes due 2042 in the principal amount of \$1,000 (30-year notes). As a result, the forward-starting interest rate swaps were settled for \$362, of which \$349 represented the effective portion of the hedging instrument included in *Accumulated other comprehensive income(loss)*. The net proceeds from the debt issuance were adjusted by the settlement amount of the swap contracts and included as a financing activity in the Condensed

Consolidated Statements of Cash Flow.



**Table of Contents****Commodity Price Risk**

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

London Metal Exchange ( LME ) copper prices averaged \$3.25 per pound during the three months ended June 30, 2013, compared with the Company's recorded average provisional price of \$3.22 per pound before mark-to-market adjustments and treatment and refining charges. LME copper prices averaged \$3.42 per pound during the six months ended June 30, 2013, compared with the Company's recorded average provisional price of \$3.38 per pound before mark-to-market adjustments and treatment and refining charges. During the three and six months ended June 30, 2013, changes in copper prices resulted in a provisional pricing mark-to-market loss of \$15 (\$0.27 per pound) and loss of \$24 (\$0.25 per pound), respectively. At June 30, 2013, Newmont had copper sales of 54 million pounds priced at an average of \$3.07 per pound, subject to final pricing over the next several months. Each \$0.10 change in the price for provisionally priced sales would have an approximate \$3 effect on our net income(loss) attributable to Newmont stockholders. The LME closing settlement price at June 30, 2013 for copper was \$3.06 per pound.

The average London P.M. fix for gold was \$1,415 per ounce during the three months ended June 30, 2013, compared with the Company's recorded average provisional price of \$1,408 per ounce before mark-to-market adjustments and treatment and refining charges. The average London P.M. fix for gold was \$1,523 per ounce during the six months ended June 30, 2013, compared to the Company's recorded average provisional price of \$1,517 per ounce before mark-to-market adjustments and treatment and refining charges. During the three and six months ended June 30, 2013, changes in gold prices resulted in a provisional pricing mark-to-market loss of \$24 (\$18 per ounce) and loss of \$22 (\$9 per ounce), respectively. At June 30, 2013, Newmont had gold sales of 88,000 ounces priced at an average of \$1,192 per ounce, subject to final pricing over the next several months. Each \$25 change in the price for provisionally priced gold sales would have an approximately \$1 effect on our net income(loss) attributable to Newmont stockholders. The London P.M. closing settlement price at June 30, 2013 for gold was \$1,192 per ounce.

**ITEM 4. CONTROLS AND PROCEDURES.**

During the fiscal period covered by this report, the Company's management, with the participation of the Chief Executive Officer and Chief Financial Officer of the Company, carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the Exchange Act)). Based on such evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this report, the Company's disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the required time periods and are designed to ensure that information required to be disclosed in its reports is accumulated and communicated to the Company's management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

*Changes in Internal Controls*

The Company maintains a system of internal control over financial reporting that is designed to provide reasonable assurance that its books and records accurately reflect transactions and that established policies and procedures are followed. The Company is implementing an enterprise resource planning ( ERP ) system on a staged basis at its most significant subsidiaries around the world, excluding Indonesia. The Company began the implementation of the ERP system in North America during the second quarter of 2012 and continued with the implementation in South America during the third quarter of 2012, Australia/New Zealand during the fourth quarter of 2012 and Africa in the first quarter of 2013, which resulted in a change to its system of internal control over financial reporting. The Company is implementing the global ERP system to improve standardization and automation, and not in response to a deficiency in its internal control over financial reporting. The Company believes that the implementation of the ERP system and related changes to internal controls will enhance its internal controls over financial reporting while providing the ability to scale its business in the future. See Item 1A in the Company's most recently filed Form 10-K for risk factors related to the implementation and integration of information technology systems. The Company has taken the necessary steps to monitor and maintain appropriate internal control over financial reporting during this period of change and will continue to evaluate the operating effectiveness of related key controls during subsequent periods.

**Table of Contents****PART II OTHER INFORMATION****ITEM 1. LEGAL PROCEEDINGS.**

Information regarding legal proceedings is contained in Note 26 to the Condensed Consolidated Financial Statements contained in this Report and is incorporated herein by reference.

**ITEM 1A. RISK FACTORS.**

There were no material changes to the risk factors disclosed in Item 1A of Part 1 in our Annual Report on Form 10-K for the year ended December 31, 2012, as filed with the SEC on February 22, 2013.

**ITEM 2. ISSUER PURCHASES OF EQUITY SECURITIES.**

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid Per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares that may yet be Purchased under the Plans or Programs
April 1, 2013 through April 30, 2013				N/A
May 1, 2013 through May 31, 2013	63 <sup>(1)</sup>	32.36		N/A
June 1, 2013 through June 30, 2013				N/A

<sup>(1)</sup> Represents shares delivered to the Company from restricted stock units held by a Company employee upon vesting for the purpose of covering the recipient's tax withholding obligations.

**ITEM 3. DEFAULTS UPON SENIOR SECURITIES.**

None.

**ITEM 4. MINE SAFETY DISCLOSURES**

At Newmont, safety is a core value and we strive for superior performance. Our health and safety management system, which includes detailed standards and procedures for safe production, addresses topics such as employee training, risk management, workplace inspection, emergency response, accident investigation and program auditing. In addition to strong leadership and involvement from all levels of the organization, these programs and procedures form the cornerstone of safety at Newmont, ensuring that employees are provided a safe and healthy environment and are intended to reduce workplace accidents, incidents and losses, comply with all mining-related regulations and provide support for both regulators and the industry to improve mine safety.

In addition, we have established our Rapid Response process to mitigate and prevent the escalation of adverse consequences if existing risk management controls fail, particularly if an incident may have the potential to seriously impact the safety of employees, the community or the environment. This process provides appropriate support to an affected site to complement their technical response to an incident, so as to reduce the impact by considering the environmental, strategic, legal, financial and public image aspects of the incident, to ensure communications are being carried out in accordance with legal and ethical requirements and to identify actions in addition to those addressing the immediate hazards.

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The operation of our U.S. based mines is subject to regulation by the Federal Mine Safety and Health Administration ( MSHA ) under the Federal Mine Safety and Health Act of 1977 (the Mine Act ). MSHA inspects our mines on a regular basis and issues various citations and orders when it believes a violation has occurred under the Mine Act. Following passage of The Mine Improvement and New Emergency Response Act of 2006, MSHA significantly increased the numbers of citations and orders charged against mining operations. The dollar penalties assessed for citations issued has also increased in recent years.

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Newmont is required to report certain mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K, and that required information is included in Exhibit 95 and is incorporated by reference into this Quarterly Report.

**ITEM 5. OTHER INFORMATION.**

None.

**ITEM 6. EXHIBITS.**

- (a) The exhibits to this report are listed in the Exhibit Index.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: July 25, 2013

NEWMONT MINING CORPORATION

(Registrant)

/s/ THOMAS P. MAHONEY  
**Thomas P. Mahoney**

**Interim Chief Financial Officer**

**(Principal Financial Officer)**

Date: July 25, 2013

/s/ CHRISTOPHER S. HOWSON  
**Christopher S. Howson**

**Vice President and Controller**

**(Principal Accounting Officer)**

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<b>Exhibit Number</b>	<b>Description</b>
10.1	- 2013 Executive Severance Plan of Newmont, Amended and Restated Effective June 1, 2013, filed herewith.
10.2	- Section 16 Officer and Senior Executive Annual Incentive Compensation Program of Registrant, effective January 1, 2013, filed herewith.
10.3	- Senior Executive Compensation Program of Registrant, Amended and Restated Effective January 1, 2013, filed herewith.
10.4	- Strategic Stock Unit Bonus Program for Grades E-5 to E-6 of Registrant, effective January 1, 2013, filed herewith.
10.5	- Executive Severance Release and Waiver, dated May 2, 2013, between Russell Ball and Newmont International Services Limited, filed herewith.
10.6	- Form of Award Agreement used for Executive Officers to grant restricted stock units, pursuant to Registrant's 2013 Stock Incentive Plan, filed herewith.
10.7	- Form of Award Agreement used for employees grades 107-109 to grant restricted stock units, pursuant to Registrant's 2013 Stock Incentive Plan, filed herewith.
10.8	- Form of Award Agreement used for non-employee directors to grant director stock units pursuant to Registrant's 2013 Stock Incentive Plan, filed herewith.
12.1	- Computation of Ratio of Earnings to Fixed Charges, filed herewith.
31.1	- Certification Pursuant to Rule 13A-14 or 15-D-14 of the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 signed by the Principal Executive Officer, filed herewith.
31.2	- Certification Pursuant to Rule 13A-14 or 15-D-14 of the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 signed by the Chief Financial Officer, filed herewith.
32.1	- Statement Required by 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 signed by the Principal Executive Officer, filed herewith. <sup>(1)</sup>
32.2	- Statement Required by 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 signed by the Chief Financial Officer, filed herewith. <sup>(1)</sup>
95	- Information concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, filed herewith.
101	- 101.INS      XBRL Instance
	101.SCH      XBRL Taxonomy Extension Schema
	101.CAL      XBRL Taxonomy Extension Calculation
	101.LAB      XBRL Taxonomy Extension Labels
	101.PRE      XBRL Taxonomy Extension Presentation
	101.DEF      XBRL Taxonomy Extension Definition

<sup>(1)</sup> This document is being furnished in accordance with SEC Release Nos. 33-8212 and 34-47551.