

NEWMONT MINING CORP /DE/
Form 10-Q
April 24, 2017
Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

Form 10-Q

(Mark One)

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

For the Quarterly Period Ended March 31, 2017

or

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

For the transition period from to

Commission File Number: 001-31240

NEWMONT MINING CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization) 84-1611629
(I.R.S. Employer
Identification No.)

6363 South Fiddler's Green Circle
Greenwood Village, Colorado 80111
(Address of Principal Executive Offices) (Zip Code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. 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 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, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12-b2 of the Exchange Act.

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

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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 533,233,294 shares of common stock outstanding on April 17, 2017.

Table of Contents

TABLE OF CONTENTS

| | Page |
|--|------|
| <u>PART I – FINANCIAL INFORMATION</u> | |
| <u>FIRST QUARTER 2017 RESULTS AND HIGHLIGHTS</u> | 1 |
| <u>ITEM 1. FINANCIAL STATEMENTS</u> | 3 |
| <u>Condensed Consolidated Statements of Operations</u> | 3 |
| <u>Condensed Consolidated Statements of Comprehensive Income (Loss)</u> | 4 |
| <u>Condensed Consolidated Statements of Cash Flows</u> | 5 |
| <u>Condensed Consolidated Balance Sheets</u> | 6 |
| <u>Notes to Condensed Consolidated Financial Statements</u> | 7 |
| <u>ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u> | 44 |
| <u>Overview</u> | 44 |
| <u>Consolidated Financial Results</u> | 44 |
| <u>Results of Consolidated Operations</u> | 51 |
| <u>Foreign Currency Exchange Rates</u> | 55 |
| <u>Liquidity and Capital Resources</u> | 55 |
| <u>Environmental</u> | 59 |
| <u>Accounting Developments</u> | 60 |
| <u>Non-GAAP Financial Measures</u> | 60 |
| <u>Safe Harbor Statement</u> | 68 |
| <u>ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u> | 70 |
| <u>ITEM 4. CONTROLS AND PROCEDURES</u> | 72 |
| <u>PART II – OTHER INFORMATION</u> | |
| <u>ITEM 1. LEGAL PROCEEDINGS</u> | 73 |
| <u>ITEM 1A. RISK FACTORS</u> | 73 |
| <u>ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS</u> | 73 |
| <u>ITEM 3. DEFAULTS UPON SENIOR SECURITIES</u> | 73 |
| <u>ITEM 4. MINE SAFETY DISCLOSURES</u> | 73 |
| <u>ITEM 5. OTHER INFORMATION</u> | 74 |
| <u>ITEM 6. EXHIBITS</u> | 74 |
| <u>SIGNATURES</u> | 75 |
| <u>EXHIBIT INDEX</u> | 76 |

Table of Contents

NEWMONT MINING CORPORATION

FIRST QUARTER 2017 RESULTS AND HIGHLIGHTS

(unaudited, in millions, except per share, per ounce and per pound)

| | Three Months Ended March 31, | |
|---|------------------------------|-----------|
| | 2017 | 2016 |
| Financial Results: | | |
| Sales: | \$ 1,659 | \$ 1,462 |
| Gold | \$ 1,588 | \$ 1,411 |
| Copper | \$ 71 | \$ 51 |
| Costs applicable to sales: (1) | \$ 933 | \$ 851 |
| Gold | \$ 894 | \$ 806 |
| Copper | \$ 39 | \$ 45 |
| Net income (loss) from continuing operations | \$ 81 | \$ (24) |
| Net income (loss) | \$ 58 | \$ 135 |
| Net income (loss) from continuing operations attributable to Newmont stockholders | \$ 69 | \$ (12) |
| Per common share, diluted: | | |
| Net income (loss) from continuing operations attributable to Newmont stockholders | \$ 0.13 | \$ (0.02) |
| Net income (loss) attributable to Newmont stockholders | \$ 0.09 | \$ 0.10 |
| Adjusted net income (loss) (2) | \$ 133 | \$ 129 |
| Adjusted net income (loss) per share, diluted (2) | \$ 0.25 | \$ 0.24 |
| Earnings before interest, taxes and depreciation and amortization (2) | \$ 553 | \$ 558 |
| Adjusted earnings before interest, taxes and depreciation and amortization (2) | \$ 566 | \$ 470 |
| Net cash provided by (used in) operating activities of continuing operations | \$ 379 | \$ 157 |
| Free Cash Flow (2) | | |