

NEWMONT MINING CORP /DE/

Form 10-Q

October 27, 2011

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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 September 30, 2011
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
(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 Smaller reporting company
(Do not check if a smaller reporting company.)

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

There were 488,214,270 shares of common stock outstanding on October 20, 2011 (and 6,601,075 exchangeable shares).

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NEWMONT MINING CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(unaudited, in millions except per share)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2011	2010	2011	2010
Sales (Note 3)	\$ 2,744	\$ 2,597	\$ 7,593	\$ 6,992
Costs and expenses				
Costs applicable to sales ⁽¹⁾ (Note 3)	1,008	891	2,865	2,608
Amortization	270	242	776	697
Reclamation and remediation (Note 4)	6	18	63	44
Exploration	104	67	255	163
Advanced projects, research and development (Note 5)	93	46	247	149
General and administrative	50	45	145	133
Other expense, net (Note 6)	36	50	196	200
	1,567	1,359	4,547	3,994
Other income (expense)				
Other income, net (Note 7)	(76)	5	3	97
Interest expense, net	(65)	(66)	(193)	(210)
	(141)	(61)	(190)	(113)
Income before income and mining tax and other items	1,036	1,177	2,856	2,885
Income and mining tax expense (Note 10)	(371)	(360)	(863)	(784)
Equity income (loss) of affiliates	10	(3)	12	(7)
Income from continuing operations	675	814	2,005	2,094
Loss from discontinued operations (Note 11)			(136)	
Net income	675	814	1,869	2,094
Net income attributable to noncontrolling interests (Note 12)	(182)	(277)	(475)	(629)
Net income attributable to Newmont stockholders	\$ 493	\$ 537	\$ 1,394	\$ 1,465
Net income attributable to Newmont stockholders:				
Continuing operations	\$ 493	\$ 537	\$ 1,530	\$ 1,465
Discontinued operations			(136)	
	\$ 493	\$ 537	\$ 1,394	\$ 1,465

Income per common share ⁽²⁾ (Note 13)

Basic:

Continuing operations	\$	1.00	\$	1.09	\$	3.10	\$	2.98
Discontinued operations						(0.28)		

	\$	1.00	\$	1.09	\$	2.82	\$	2.98
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Diluted:

Continuing operations	\$	0.98	\$	1.07	\$	3.05	\$	2.94
Discontinued operations						(0.27)		

	\$	0.98	\$	1.07	\$	2.78	\$	2.94
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Cash dividends declared per common share	\$	0.30	\$	0.15	\$	0.65	\$	0.35
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(1) Excludes *Amortization* and *Reclamation and remediation*.

(2) Attributable to Newmont stockholders.

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

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NEWMONT MINING CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited, in millions)

	Nine Months Ended	
	September 30,	
	2011	2010
Operating activities:		
Net income	\$ 1,869	\$ 2,094
Adjustments:		
Amortization	776	697
Loss from discontinued operations	136	
Reclamation and remediation	63	44
Deferred income taxes	(106)	(52)
Stock based compensation and other non-cash benefits	62	54
Impairment of marketable securities	175	
Gain on asset sales, net	(68)	(54)
Other operating adjustments and write-downs	102	138
Net change in operating assets and liabilities (Note 25)	(343)	(586)
Net cash provided from continuing operations	2,666	2,335
Net cash used in discontinued operations	(4)	(13)
Net cash provided from operations	2,662	2,322
Investing activities:		
Additions to property, plant and mine development	(1,781)	(972)
Proceeds from sale of marketable securities	74	1
Purchases of marketable securities	(17)	(9)
Acquisitions, net	(2,301)	(2)
Proceeds from sale of other assets	6	53
Other	(9)	(73)
Net cash used in investing activities	(4,028)	(1,002)
Financing activities:		
Proceeds from debt, net	1,798	
Repayment of debt	(2,086)	(274)
Sale of noncontrolling interests		229
Acquisition of noncontrolling interests		(109)
Dividends paid to common stockholders	(321)	(172)
Dividends paid to noncontrolling interests	(17)	(360)
Proceeds from stock issuance, net	35	56
Change in restricted cash and other	3	46
Net cash used in financing activities	(588)	(584)
Effect of exchange rate changes on cash	33	

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Net change in cash and cash equivalents	(1,921)	736
Cash and cash equivalents at beginning of period	4,056	3,215
Cash and cash equivalents at end of period	\$ 2,135	\$ 3,951

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 September 30, 2011	At December 31, 2010
ASSETS		
Cash and cash equivalents	\$ 2,135	\$ 4,056
Trade receivables	312	582
Accounts receivable	259	88
Investments (Note 19)	94	113
Inventories (Note 20)	720	658
Stockpiles and ore on leach pads (Note 21)	627	617
Deferred income tax assets	425	177
Other current assets (Note 22)	1,788	962
Current assets	6,360	7,253
Property, plant and mine development, net	17,019	12,907
Investments (Note 19)	1,254	1,568
Stockpiles and ore on leach pads (Note 21)	2,096	1,757
Deferred income tax assets	1,629	1,437
Other long-term assets (Note 22)	781	741
Total assets	\$ 29,139	\$ 25,663
LIABILITIES		
Debt (Note 23)	\$ 578	\$ 259
Accounts payable	542	427
Employee-related benefits	269	288
Income and mining taxes	381	355
Other current liabilities (Note 24)	2,705	1,418
Current liabilities	4,475	2,747
Debt (Note 23)	3,659	4,182
Reclamation and remediation liabilities (Note 4)	1,031	984
Deferred income tax liabilities	2,592	1,488
Employee-related benefits	350	325
Other long-term liabilities (Note 24)	328	221
Total liabilities	12,435	9,947
Commitments and contingencies (Note 28)		
EQUITY		
Common stock	781	778
Additional paid-in capital	8,364	8,279
Accumulated other comprehensive income	462	1,108
Retained earnings	4,253	3,180

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Newmont stockholders' equity	13,860	13,345
Noncontrolling interests	2,844	2,371
Total equity	16,704	15,716
Total liabilities and equity	\$ 29,139	\$ 25,663

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

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NEWMONT MINING CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(dollars in millions, except per share, per ounce and per pound amounts)

NOTE 1 BASIS OF PRESENTATION

The interim Condensed Consolidated Financial Statements (interim statements) of Newmont Mining Corporation and its subsidiaries (collectively, Newmont or the Company) are unaudited. In the opinion of management, all adjustments and disclosures necessary for a fair presentation of these interim statements have been included. The results reported in these interim statements are not necessarily indicative of the results that may be reported for the entire year. These interim statements should be read in conjunction with Newmont's Consolidated Financial Statements for the year ended December 31, 2010 filed February 24, 2011 on Form 10-K. The year-end balance sheet data was derived from the audited financial statements, but does not include all disclosures required by United States generally accepted accounting principles (GAAP).

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Recently Adopted Accounting Pronouncements

Business Combinations

In December 2010, *FASB Accounting Standards Codification* (ASC) guidance for business combinations was updated to clarify existing guidance which requires a public entity to disclose pro forma revenue and earnings of the combined entity as though the business combination(s) that occurred during the current year had occurred as of the beginning of the comparable prior annual period only. The update also expands the supplemental pro forma disclosures required to include a description of the nature and amount of material, nonrecurring pro forma adjustments directly attributable to the business combination included in the reported pro forma revenue and earnings. Adoption of the updated guidance, effective for the Company's fiscal year beginning January 1, 2011, had no impact on the Company's consolidated financial position, results of operations or cash flows.

Fair Value Accounting

In January 2010, ASC guidance for fair value measurements and disclosure was updated to require enhanced detail in the level 3 reconciliation. Adoption of the updated guidance, effective for the Company's fiscal year beginning January 1, 2011, had no impact on the Company's consolidated financial position, results of operations or cash flows. Refer to Note 17 for further details regarding the Company's assets and liabilities measured at fair value.

Recently Issued Accounting Pronouncements

Goodwill Impairment

In September 2011, ASC guidance was issued related to goodwill impairment. Under the updated guidance, an entity will have the option to first assess qualitatively whether it is necessary to perform the current two-step goodwill impairment test. If the Company believes, as a result of its qualitative assessment, that it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount, the quantitative impairment test is required. Otherwise, no further testing is required. The update does not change how the Company performs the two-step test under current guidance. The update is effective for the Company's fiscal year beginning January 1, 2012 with early adoption permitted. 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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NEWMONT MINING CORPORATION

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

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

Comprehensive Income

In June 2011, ASC guidance was issued related to comprehensive income. Under the updated guidance, an entity will have the option to present the total of comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. In addition, the update requires certain disclosure requirements when reporting other comprehensive income. The update does not change the items reported in other comprehensive income or when an item of other comprehensive income must be reclassified to income. The update is effective for the Company's fiscal year beginning January 1, 2012. The Company does not expect the updated guidance to have an impact on the consolidated financial position, results of operations or cash flows.

Fair Value Accounting

In May 2011, ASC guidance was issued related to disclosures around fair value accounting. The updated guidance clarifies different components of fair value accounting including the application of the highest and best use and valuation premise concepts, measuring the fair value of an instrument classified in a reporting entity's shareholders equity and disclosing quantitative information about the unobservable inputs used in fair value measurements that are categorized in Level 3 of the fair value hierarchy. The update is effective for the Company's fiscal year beginning January 1, 2012. The Company does not expect the updated guidance to have a significant 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

	Sales	Costs Applicable to Sales	Amortization	Advanced Projects and Exploration	Pre-Tax Income
Three Months Ended September 30, 2011					
Nevada	\$ 712	\$ 267	\$ 69	\$ 39	\$ 333
La Herradura	92	31	6	5	54
Hope Bay			3	51	(54)
Other North America				1	(2)
North America	804	298	78	96	331
Yanacocha	544	194	67	8	280
Other South America				22	(21)
South America	544	194	67	30	259
Boddington:					
Gold	245	112	28	N/A	N/A
Copper	40	28	6	N/A	N/A
Total	285	140	34	3	124
Batu Hijau:					
Gold	198	58	14	N/A	N/A
Copper	233	73	16	N/A	N/A
Total	431	131	30	2	258
Other Australia/New Zealand	437	174	36	14	218
Other Asia Pacific			1	5	3
Asia Pacific	1,153	445	101	24	603
Ahafo	243	71	19	11	134
Other Africa				4	(6)
Africa	243	71	19	15	128

Corporate and Other				5		32		(285)		
Consolidated	\$	2,744	\$	1,008	\$	270	\$	197	\$	1,036

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NEWMONT MINING CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(dollars in millions, except per share, per ounce and per pound amounts)

	Sales	Costs Applicable to Sales	Amortization	Advanced Projects and Exploration	Pre-Tax Income
Three Months Ended September 30, 2010					
Nevada	\$ 568	\$ 259	\$ 68	\$ 27	\$ 204
La Herradura	52	20	5	2	25
Hope Bay			4	20	(23)
Other North America					(1)
North America	620	279	77	49	205
Yanacocha	436	149	42	6	221
Other South America				11	(11)
South America	436	149	42	17	210
Boddington:					
Gold	181	91	25	N/A	N/A
Copper	38	19	5	N/A	N/A
Total	219	110	30	1	46
Batu Hijau:					
Gold	260	47	12	N/A	N/A
Copper	543	96	26	N/A	N/A
Total	803	143	38	1	607
Other Australia/New Zealand	351	153	26	10	149
Other Asia Pacific			1	5	(9)
Asia Pacific	1,373	406	95	17	793
Ahafo	168	57	22	9	87
Other Africa				1	(2)
Africa	168	57	22	10	85
Corporate and Other			6	20	(116)

Consolidated \$ 2,597 \$ 891 \$ 242 \$ 113 \$ 1,177

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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)

	Sales	Costs Applicable to Sales	Amortization	Advanced Projects and Exploration	Pre-Tax Income	Total Assets	Capital Expenditures ⁽¹⁾
Nine Months Ended September 30, 2011							
Nevada	\$ 1,823	\$ 763	\$ 197	\$ 94	\$ 744	\$ 6,820	\$ 380
La Herradura	238	76	15	14	134	308	55
Hope Bay			10	147	(157)	2,163	74
Other North America				2	43	63	
North America	2,061	839	222	257	764	9,354	509
Yanacocha	1,430	537	186	25	661	2,683	244
Other South America				46	(47)	812	448
South America	1,430	537	186	71	614	3,495	692
Boddington:							
Gold	746	329	87	N/A	N/A	N/A	N/A
Copper	147	83	20	N/A	N/A	N/A	N/A
Total	893	412	107	6	368	4,439	122
Batu Hijau:							
Gold	430	122	28	N/A	N/A	N/A	N/A
Copper	844	241	54	N/A	N/A	N/A	N/A
Total	1,274	363	82	3	767	3,690	149
Other Australia/New Zealand							
Other Asia Pacific	1,227	498	102	36	583	1,169	212
Other Asia Pacific			2	11	(31)	415	8
Asia Pacific	3,394	1,273	293	56	1,687	9,713	491
Africa							
Ahafo	708	216	61	26	389	1,103	71
Other Africa				9	(14)	424	127
Africa	708	216	61	35	375	1,527	198

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Corporate and Other				14		83		(584)		5,050		23
Consolidated	\$ 7,593	\$ 2,865	\$ 776	\$ 502	\$ 2,856	\$ 29,139	\$ 1,913					

(1) Includes an increase in accrued capital expenditures of \$132; consolidated capital expenditures on a cash basis were \$1,781.

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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)

	Sales	Costs Applicable to Sales	Amortization	Advanced Projects and Exploration	Pre-Tax Income	Total Assets	Capital Expenditures ⁽¹⁾
Nine Months Ended September 30, 2010							
Nevada	\$ 1,540	\$ 756	\$ 194	\$ 64	\$ 495	\$ 3,306	\$ 200
La Herradura	149	52	13	5	79	198	33
Hope Bay			10	70	(80)	2,046	88
Other North America				1	(4)	51	
North America	1,689	808	217	140	490	5,601	321
Yanacocha	1,321	442	119	17	686	2,645	109
Other South America				26	(26)	256	86
South America	1,321	442	119	43	660	2,901	195
Boddington:							
Gold	582	284	81	N/A	N/A	N/A	N/A
Copper	117	68	18	N/A	N/A	N/A	N/A
Total	699	352	99	5	206	4,181	106
Batu Hijau:							
Gold	595	123	34	N/A	N/A	N/A	N/A
Copper	1,256	261	72	N/A	N/A	N/A	N/A
Total	1,851	384	106	1	1,284	3,281	48
Other Australia/New Zealand	973	446	82	21	417	913	111
Other Asia Pacific			2	15		388	11
Asia Pacific	3,523	1,182	289	42	1,907	8,763	276
Ahafo	459	176	58	15	203	1,039	80
Other Africa				7	(7)	269	49

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Africa	459	176	58	22	196	1,308	129
Corporate and Other			14	65	(368)	5,803	23
Consolidated	\$ 6,992	\$ 2,608	\$ 697	\$ 312	\$ 2,885	\$ 24,376	\$ 944

(1) Includes a decrease in accrued capital expenditures of \$28; consolidated capital expenditures on a cash basis were \$972.

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

NOTE 4 RECLAMATION AND REMEDIATION

At September 30, 2011 and December 31, 2010, \$922 and \$904, respectively, were accrued for reclamation obligations relating to mineral properties. In addition, the Company is involved in several matters concerning environmental obligations associated with former, primarily historic, mining activities. Generally, these matters concern developing and implementing remediation plans at the various sites involved. At September 30, 2011 and December 31, 2010, \$166 and \$144, 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*:

	Nine Months Ended September 30,	
	2011	2010
Balance at beginning of period	\$ 1,048	\$ 859
Additions, changes in estimates and other	20	1
Liabilities settled	(24)	(32)
Accretion expense	44	39
Balance at end of period	\$ 1,088	\$ 867

The current portion of *Reclamation and remediation liabilities* of \$57 and \$64 at September 30, 2011 and December 31, 2010, respectively, are included in *Other current liabilities* (see Note 24).

The Company's reclamation and remediation expenses consisted of:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Reclamation	\$ (9)	\$ 5	\$ 19	\$ 5
Accretion operating	13	11	38	33
Accretion non-operating	2	2	6	6
	\$ 6	\$ 18	\$ 63	\$ 44

NOTE 5 ADVANCED PROJECTS, RESEARCH AND DEVELOPMENT

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Hope Bay	\$ 36	\$ 13	\$ 115	\$ 48
Conga	9	2	15	5
Akyem	2		3	4
Technical and project services	20	12	53	35
Corporate	7	4	16	25
Other	19	15	45	32
	\$ 93	\$ 46	\$ 247	\$ 149

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

NOTE 6 OTHER EXPENSE, NET

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Regional administration	\$ 18	\$ 16	\$ 55	\$ 47
Community development	6	20	46	95
Fronteer acquisition costs	1		22	
Indonesian value added tax settlement			21	
Western Australia power plant	3		12	7
Other	8	14	40	51
	\$ 36	\$ 50	\$ 196	\$ 200

NOTE 7 OTHER INCOME, NET

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Gain on sale of investments, net	\$ 14	\$ 5	\$ 64	\$ 12
Income from developing projects, net	16	13	36	13
Canadian Oil Sands	9	14	25	39
Foreign currency exchange gain (loss), net	39	(44)	10	(48)
Interest income	2	3	8	8
Gain on asset sales, net	1		4	42
Loss on ineffective portion of derivative instruments, net	(10)		(12)	(1)
Impairment of marketable securities	(174)		(175)	
Other	27	14	43	32
	\$ (76)	\$ 5	\$ 3	\$ 97

NOTE 8 EMPLOYEE PENSION AND OTHER BENEFIT PLANS

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Pension benefit costs, net				
Service cost	\$ 7	\$ 5	\$ 19	\$ 16
Interest cost	9	9	29	27
Expected return on plan assets	(10)	(8)	(31)	(24)
Amortization, net	5	5	17	14
	\$ 11	\$ 11	\$ 34	\$ 33

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2011	2010	2011	2010
Other benefit costs, net				
Service cost	\$ 1	\$ 1	\$ 2	\$ 2
Interest cost	2	1	4	4
Amortization, net	(1)		(1)	
	\$ 2	\$ 2	\$ 5	\$ 6

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

NOTE 9 STOCK BASED COMPENSATION

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Stock options	\$ 5	\$ 3	\$ 15	\$ 12
Restricted stock units	4	4	21	12
Performance leveraged stock units	3	1	7	7
Restricted stock		1		2
Deferred stock		2	3	7
	\$ 12	\$ 11	\$ 46	\$ 40

NOTE 10 INCOME AND MINING TAXES

During the third quarter of 2011, the Company recorded estimated income and mining tax expense of \$371 resulting in an effective tax rate of 36%. Estimated income and mining tax expense during the third quarter of 2010 was \$360 for an effective tax rate of 31%. The higher effective tax rate in the third quarter of 2011 resulted from recording a valuation allowance on the deferred tax asset that was generated as a result of the impairment loss on specific marketable equity securities, as well as the change in the jurisdictional blend of the Company's taxable income and the effect of percentage depletion. During the first nine months of 2011, estimated income and mining tax expense was \$863 resulting in an effective tax rate of 30%. Estimated income and mining tax expense during the first nine months of 2010 was \$784 for an effective tax rate of 27%. The higher effective tax rate in the first nine months of 2011 was due to recording a valuation allowance related to the impairment loss on specific marketable equity securities as well as a large benefit in the prior year resulting from the restructuring of the form of the Company's non-US subsidiaries. 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. During the quarter, the U.S. Internal Revenue Service issued a Technical Advice Memorandum (TAM) to the Company regarding the U.S. income tax treatment of the Price Capped Forward Sales Contracts settled in cash in 2007. The TAM provides guidance which is unfavorable to the Company. The Company intends to vigorously defend its positions through all processes available to it and believes it should prevail.

At September 30, 2011, the Company's total unrecognized tax benefit was \$111 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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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		Nine Months Ended	
	September 30,		September 30,	
	2011	2010	2011	2010
<i>Income before income and mining tax and other items</i>	\$ 1,036	\$ 1,177	\$ 2,856	\$ 2,885
United States statutory corporate income tax rate	35%	35%	35%	35%
Income and mining tax expense computed at United States statutory corporate income tax rate	(363)	(412)	(1,000)	(1,010)
Reconciling items:				
Tax benefit generated on change in form of a non-U.S. subsidiary			65	127
Percentage depletion	45	34	156	88
Valuation allowance	(38)		(38)	5
Other	(15)	18	(46)	6
<i>Income and mining tax expense</i>	\$ (371)	\$ (360)	\$ (863)	\$ (784)

NOTE 11 DISCONTINUED OPERATIONS

Discontinued operations include Holloway Mining Company, which owned the Holt-McDermott property (Holt property) and was sold to St. Andrew Goldfields Ltd. (St. Andrew) in 2006. In 2009, the Superior Court issued a decision finding Newmont Canada Corporation (Newmont Canada) liable for a sliding scale royalty on production from the Holt property, which Newmont Canada appealed. In December 2010, the Company recognized a \$28 charge, net of tax benefits of \$12, related to these legal claims. In May 2011, the Ontario Court of Appeal upheld the Superior Court ruling resulting in an additional \$136 charge, net of tax benefits of \$7, in the second quarter.

Net operating cash used in discontinued operations was \$4 and \$13 in the first nine months of 2011 and 2010, respectively. In 2011, Newmont Canada made payments related to the Holt property royalty and the 2010 amount related to the Kori Kollo operation in Bolivia which was sold in 2009.

NOTE 12 NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2011	2010	2011	2010
Batu Hijau	\$ 85	\$ 203	\$ 251	\$ 405
Yanacocha	94	72	226	223
Other	3	2	(2)	1
	\$ 182	\$ 277	\$ 475	\$ 629

At September 30, 2011, Newmont had a 48.5% effective economic interest in PT Newmont Nusa Tenggara (PTNNT). PTNNT operates the Batu Hijau copper and gold mine in Indonesia. Based on ASC guidance for variable interest

entities, Newmont continues to consolidate PTNNT in its Condensed Consolidated Financial Statements. Newmont has a 51.35% ownership interest in Minera Yanacocha S.R.L. (Yanacocha), with the remaining interests held by Compañía de Minas Buenaventura, S.A.A. (43.65%) and the International Finance Corporation (5%).

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NOTE 13 INCOME PER COMMON SHARE

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Net income attributable to Newmont stockholders				
Continuing operations	\$ 493	\$ 537	\$ 1,530	\$ 1,465
Discontinued operations			(136)	
	\$ 493	\$ 537	\$ 1,394	\$ 1,465
Weighted average common shares (millions):				
Basic	494	493	494	492
Effect of employee stock-based awards	2	1	1	1
Effect of convertible notes	8	8	7	5
Diluted	504	502	502	498
Net income attributable to Newmont stockholders per common share				
Basic:				
Continuing operations	\$ 1.00	\$ 1.09	\$ 3.10	\$ 2.98
Discontinued operations			(0.28)	
	\$ 1.00	\$ 1.09	\$ 2.82	\$ 2.98
Diluted:				
Continuing operations	\$ 0.98	\$ 1.07	\$ 3.05	\$ 2.94
Discontinued operations			(0.27)	
	\$ 0.98	\$ 1.07	\$ 2.78	\$ 2.94

Options to purchase 3 and 2 million shares of common stock at average exercise prices of \$57 and \$57 were outstanding at September 30, 2011 and 2010, respectively, but were not included in the computation of diluted weighted average common shares because their effect would have been anti-dilutive.

In February 2009 and July 2007, Newmont issued \$518 and \$1,150, respectively, of Convertible Senior Notes that, if converted in the future, may have a dilutive effect on the Company's weighted average number of common shares. The notes issued in 2009 and 2007 are convertible, at the holder's option, equivalent to a conversion price of \$45.90 and

\$45.86, respectively, per share of common stock. Under the convertible note indenture, Newmont is required to settle the principal amount of the Convertible Senior Notes in cash and may elect to settle the remaining conversion obligation (Newmont average share price in excess of the conversion price), if any, in cash, shares or a combination thereof. The effect of contingently convertible instruments on diluted earnings per share is calculated under the net share settlement method in accordance with ASC guidance. The average price of the Company's common stock exceeded the conversion prices for all periods presented, resulting in additional shares included in the computation of diluted weighted average common shares.

In connection with the 2007 Convertible Senior Notes offering, the Company entered into Call Spread Transactions which included the purchase of call options and the sale of warrants. As a result of the Call Spread Transactions, the conversion price of \$45.86 was effectively increased to \$59.81. Should the warrant transactions become dilutive to the Company's earnings per share (Newmont's average share price exceeds \$59.81) the effect of the warrant transactions on diluted earnings per share will be calculated in accordance with the net share settlement method.

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The *Net income attributable to Newmont stockholders* and transfers with noncontrolling interests was:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Net income attributable to Newmont stockholders	\$ 493	\$ 537	\$ 1,394	\$ 1,465
Transfers with noncontrolling interests:				
Increase (decrease) in Additional paid in capital from PTNNT share transactions, net of tax of \$7 and \$40, respectively		(7)		9
Net income attributable to Newmont stockholders and transfers from noncontrolling interests	\$ 493	\$ 530	\$ 1,394	\$ 1,474

NOTE 14 COMPREHENSIVE INCOME (LOSS)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Net income	\$ 675	\$ 814	\$ 1,869	\$ 2,094
Other comprehensive income (loss), net of tax:				
Unrealized gain (loss) on marketable securities	(270)	58	(345)	30
Foreign currency translation adjustments	(163)	34	(36)	35
Pension and other benefit liability adjustments	3	3	11	8
Change in fair value of cash flow hedge instruments:				
Net change from periodic revaluations	(389)	163	(172)	120
Net amount reclassified to income	(32)	(15)	(104)	(50)
Net unrecognized gain (loss) on derivatives	(421)	148	(276)	70
	(851)	243	(646)	143
Comprehensive income (loss)	\$ (176)	\$ 1,057	\$ 1,223	\$ 2,237
Comprehensive income (loss) attributable to:				
Newmont stockholders	\$ (355)	\$ 779	\$ 748	\$ 1,607
Noncontrolling interests	179	278	475	630

\$ (176) \$ 1,057 \$ 1,223 \$ 2,237

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NOTE 15 CHANGES IN EQUITY

	Nine Months Ended September	
	30,	
	2011	2010
Common stock:		
At beginning of period	\$ 778	\$ 770
Stock based awards	3	4
Shares issued in exchange for exchangeable shares		4
At end of period	781	778
Additional paid-in capital:		
At beginning of period	8,279	8,158
Stock based awards	86	97
Shares issued in exchange for exchangeable shares	(1)	(4)
Sale of noncontrolling interests		9
At end of period	8,364	8,260
Accumulated other comprehensive income:		
At beginning of period	1,108	626
Other comprehensive income	(646)	142
At end of period	462	768
Retained earnings:		
At beginning of period	3,180	1,149
Net income attributable to Newmont stockholders	1,394	1,465
Dividends paid	(321)	(172)
At end of period	4,253	2,442
Noncontrolling interests:		
At beginning of period	2,371	1,910
Net income attributable to noncontrolling interests	475	629
Dividends paid	(2)	(367)
Other comprehensive income		1
Sale of noncontrolling interests, net		98
At end of period	2,844	2,271
Total equity	\$ 16,704	\$ 14,519

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NOTE 16 ACQUISITIONS

On February 3, 2011, we announced an agreement with Fronteer Gold, Inc. (Fronteer) to acquire all of the outstanding common shares of Fronteer. On April 6, 2011, Newmont acquired 153 million common shares of Fronteer pursuant to the Company's offer. Under the Arrangement, shareholders of Fronteer received C\$14.00 in cash and one-fourth common share in Pilot Gold, which retained certain exploration assets of Fronteer, for each common share of Fronteer. Fronteer owns, among other assets, the exploration stage Long Canyon project, which is located approximately one hundred miles from the Company's existing infrastructure in Nevada and provides the potential for significant development and operating synergies.

In connection with the acquisition, Newmont incurred transaction costs of \$22, which were recorded in *Other Expense, net*.

The Fronteer purchase price of \$2,259 was preliminarily allocated based on the estimated fair values of assets acquired and liabilities assumed at the April 6, 2011 acquisition date as follows:

Assets:	
Cash	\$ 2
Property, plant and mine development, net	3,208
Investments	281
Other assets	6
	\$ 3,497
Liabilities:	
Deferred income tax liability	\$ 1,223
Other liabilities	15
	1,238
Net assets acquired	\$ 2,259

The final allocation of the purchase price will be completed in the fourth quarter.

The pro forma impact of the acquisition on *Net Income* was not material as Fronteer was not in production.

NOTE 17 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).

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.

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	Fair Value at September 30, 2011			
	Total	Level 1	Level 2	Level 3
Assets:				
Cash equivalents	\$ 94	\$ 94	\$	\$
Marketable equity securities:				
Extractive industries	1,237	1,237		
Other	6	6		
Marketable debt securities:				
Asset backed commercial paper	18			18
Corporate	9	9		
Auction rate securities	5			5
Trade receivable from provisional copper and gold concentrate sales, net	201	201		
Derivative instruments, net:				
Foreign exchange forward contracts	50		50	
	\$ 1,620	\$ 1,547	\$ 50	\$ 23
Liabilities:				
Derivative instruments, net:				
Forward starting swap contracts	\$ 356	\$	\$ 356	\$
Boddington contingent consideration	61			61
Holt property royalty	179			179
	\$ 596	\$	\$ 356	\$ 240

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

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

The Company's marketable debt securities include investments in auction rate securities and asset backed commercial paper. The Company reviews the fair value for auction rate securities and asset backed commercial paper on at least a quarterly basis. The auction rate securities are traded in markets that are not active, trade infrequently and have little price transparency. The Company estimated the fair value of the auction rate securities based on weighted average risk calculations using probabilistic cash flow assumptions. The Company estimated the fair value of the asset backed commercial paper using a probability of return to each class of notes reflective of information reviewed regarding the separate classes of securities. The auction rate securities and asset backed commercial paper are classified within Level 3 of the fair value hierarchy. The Company's corporate marketable debt securities are valued using quoted market prices in active markets and as such are classified within Level 1 of the fair value hierarchy.

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 Company recorded a contingent consideration liability related to the 2009 acquisition of the final 33.33% interest in Boddington. The estimated value of the contingent consideration was determined using a valuation model which simulates future gold and copper prices and costs applicable to sales. The contingent consideration liability is classified within Level 3 of the fair value hierarchy.

The Company recorded a sliding scale royalty liability related to the divestiture of the Holt property. The estimated fair value of the liability was determined using a Monte Carlo valuation model to simulate future gold prices utilizing a \$1,300 per ounce long-term assumption, various gold production scenarios based on publicly available reserve and resource information for the Holt property and a 4.2% weighted average discount rate. The contingent royalty liability is classified within Level 3 of the fair value hierarchy.

The table below sets forth a summary of changes in the fair value of the Company's Level 3 financial assets and liabilities for the nine months ended September 30, 2011:

	Auction		Asset Backed		Boddington		Holt		Total
	Rate	Commercial			Contingent		Property		
	Securities	Paper	Total Assets		Consideration		Royalty		Liabilities
Balance at beginning of period	\$ 5	\$ 19	\$ 24		\$ 83		\$		\$ 83
Unrealized loss		(1)	(1)						
Settlements					(22)		(4)		(26)
Valuation							183		183
Balance at end of period	\$ 5	\$ 18	\$ 23		\$ 61		\$ 179		\$ 240

Unrealized losses of \$1 were included in *Accumulated other comprehensive income* as a result of changes in C\$ exchange rates from January 1, 2011 to September 30, 2011. At September 30, 2011, assets and liabilities classified within Level 3 of the fair value hierarchy represent 1% and 40%, respectively, of total assets and liabilities measured at fair value.

NOTE 18 DERIVATIVE INSTRUMENTS

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

Cash Flow Hedges

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

Foreign Currency Contracts

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

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

Newmont had the following foreign currency derivative contracts outstanding at September 30, 2011:

	Expected Maturity Date						Total/ Average
	2011	2012	2013	2014	2015	2016	
A\$ Operating Fixed Forward Contracts:							
A\$ notional (millions)	315	1,114	863	576	292	63	3,223
Average rate (\$/A\$)	0.87	0.90	0.91	0.89	0.86	0.90	0.90
Expected hedge ratio	84%	70%	53%	37%	19%	6%	
A\$ Capital Fixed Forward Contracts:							
A\$ notional (millions)	11	57	51	22			141
Average rate (\$/A\$)	1.03	1.01	0.98	0.96			0.99
Expected hedge ratio	55%	41%	28%	23%			
NZ\$ Operating Fixed Forward Contracts:							
NZ\$ notional (millions)	20	53	15				88
Average rate (\$/NZ\$)	0.73	0.75	0.78				0.75
Expected hedge ratio	64%	41%	15%				

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 ranging up to two years from the date of issue.

Newmont had the following diesel derivative contracts outstanding at September 30, 2011:

	Expected Maturity Date			Total/ Average
	2011	2012	2013	
Diesel Fixed Forward Contracts:				
Diesel gallons (millions)	6	18	4	28
Average rate (\$/gallon)	2.61	2.77	2.96	2.76
Expected hedge ratio	58%	39%	10%	

Forward Starting Swap Contracts

During the three months ended September 30, 2011, Newmont increased its forward starting swaps position to a total notional value of \$2,000. These swaps hedge movements in treasury rates related to an expected debt issuance. During the third quarter, the Company revised its expected debt issuance date to the first half of 2012 and extended the terms of the forward starting swap contracts resulting in the recognition of a \$10 charge related to hedge ineffectiveness. At September 30, 2011, the hedge contracts were in a liability position of \$356. The proceeds from the expected debt issuance will be adjusted by the fair value of the swap contracts at the time of issuance.

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Fair Value Hedges*Interest Rate Swap Contracts*

Newmont had \$222 fixed to floating swap contracts designated as a hedge against debt which matured in May 2011.

Derivative Instrument Fair Values

Newmont had the following derivative instruments designated as hedges at September 30, 2011 and December 31, 2010:

	Fair Value At September 30, 2011			
	Other Current Assets	Other Long- Term Assets	Other Current Liabilities	Other Long- Term Liabilities
Foreign currency exchange contracts:				
A\$ operating fixed forward contracts	\$ 88	\$ 51	\$ 51	\$ 29
A\$ capital fixed forward contracts			4	5
NZ\$ operating fixed forward contracts	2		1	1
Diesel fixed forward contracts	5		3	2
Forward starting swap contracts			356	
Total derivative instruments (Note 22 and 24)	\$ 95	\$ 51	\$ 415	\$ 37

	Fair Value At December 31, 2010			
	Other Current Assets	Other Long- Term Assets	Other Current Liabilities	Other Long- Term Liabilities
Foreign currency exchange contracts:				
A\$ operating fixed forward contracts	\$ 181	114		
NZ\$ operating fixed forward contracts	5	1		
Diesel fixed forward contracts	7	1		
Interest rate swap contracts	3			
Total derivative instruments (Note 22 and 24)	\$ 196	\$ 116	\$	\$

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

	Foreign Currency		Diesel Forward		Forward Starting	
	Exchange Contracts		Contracts		Contracts	Swap
	2011	2010	2011	2010	2011	2010
For the three months ended						
September 30,						
Cash flow hedging relationships:						
Gain (loss) recognized in other comprehensive income (effective portion)	\$ (263)	\$ 232	\$ (7)	\$ 5	\$ (345)	\$
Gain reclassified from Accumulated other comprehensive income into income (effective portion) ⁽¹⁾	50	18	3	1		
Loss reclassified from Accumulated other comprehensive income into income (ineffective portion) ⁽²⁾					(10)	
For the nine months ended						
September 30,						
Cash flow hedging relationships:						
Gain (loss) recognized in other comprehensive income (effective portion)	\$ (70)	\$ 174	\$ 3	\$	\$ (356)	\$
Gain reclassified from Accumulated other comprehensive income into income (effective portion) ⁽¹⁾	141	63	12	3		
Loss reclassified from Accumulated other comprehensive income into income (ineffective portion) ⁽²⁾					(10)	

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

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

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	Interest Rate Swap Contracts		8 5/8% Debentures (Hedged Portion)	
	2011	2010	2011	2010
For the three months ended September 30,				
Fair value hedging relationships:				
Gain recognized in income (effective portion) ⁽¹⁾	\$	\$	1	\$ 2
Gain (loss) recognized in income (ineffective portion) ⁽²⁾			(1)	1
For the nine months ended September 30,				
Fair value hedging relationships:				
Gain (loss) recognized in income (effective portion) ⁽¹⁾	\$	3	\$ 4	\$ (6) 4
Gain (loss) recognized in income (ineffective portion) ⁽²⁾		(2)	(3)	2

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

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

The amount to be reclassified from *Accumulated other comprehensive income*, net of tax to income for derivative instruments during the next 12 months is a gain of approximately \$48.

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 \$4.07 per pound during the three months ended September 30, 2011, compared with the Company's recorded average provisional price of \$3.91 per pound before mark-to-market losses and treatment and refining charges. LME copper prices averaged \$4.20 per pound during the nine months ended September 30, 2011, compared with the Company's recorded average provisional price of \$4.17 per pound before mark-to-market losses and treatment and refining charges. During the three and nine months ended September 30, 2011, changes in copper prices resulted in a provisional pricing mark-to-market loss of \$74 (\$0.80 per pound) and \$102 (\$0.37 per pound), respectively. At September 30, 2011, Newmont had copper sales of 102 million pounds priced at an average of \$3.24 per pound, subject to final pricing over the next several months.

The average London P.M. fix for gold was \$1,702 per ounce during the three months ended September 30, 2011, compared with the Company's recorded average provisional price of \$1,691 per ounce before mark-to-market gains and treatment and refining charges. The average London P.M. fix for gold was \$1,534 per ounce during the nine months ended September 30, 2011, compared to the Company's recorded average provisional price of \$1,525 per ounce before mark-to-market gains and treatment and refining charges. During the three and nine months ended September 30, 2011, changes in gold prices resulted in a provisional pricing mark-to-market gain of \$20 (\$14 per ounce) and \$38 (\$9 per ounce), respectively. At September 30, 2011, Newmont had gold sales of 79,000 ounces priced at an average of \$1,621 per ounce, 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)

NOTE 19 INVESTMENTS

	Cost/Equity Basis	At September 30, 2011		Fair/Equity Basis
		Unrealized Gain	Loss	
Current:				
Marketable Equity Securities:				
Paladin Energy Ltd.	\$ 60	\$	\$	\$ 60
Other	21	17	(4)	34
	\$ 81	\$ 17	\$ (4)	\$ 94
Long-term:				
Marketable Debt Securities:				
Asset backed commercial paper	\$ 24	\$	\$ (6)	\$ 18
Auction rate securities	7		(2)	5
Corporate	8	1		9
	39	1	(8)	32
Marketable Equity Securities:				
Canadian Oil Sands Ltd.	296	308		604
Gabriel Resources Ltd.	74	209		283
Regis Resources Ltd.	23	154		177
Other	94	12	(21)	85
	487	683	(21)	1,149
Other investments, at cost	10			10
Investment in Affiliates:				
La Zanja	63			63
	\$ 599	\$ 684	\$ (29)	\$ 1,254

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

	Cost/Equity Basis	At December 31, 2010		Fair/Equity Basis
		Unrealized Gain	Loss	
Current:				
Marketable Equity Securities:				
New Gold Inc.	\$ 5	\$ 54	\$	\$ 59
Other	19	35		54
	\$ 24	\$ 89	\$	\$ 113
Long-term:				
Marketable Debt Securities:				
Asset backed commercial paper	\$ 25	\$	\$ (6)	\$ 19
Auction rate securities	7		(2)	5
Corporate	7	3		10
	39	3	(8)	34
Marketable Equity Securities:				
Canadian Oil Sands Ltd.	308	508		816
Gabriel Resources Ltd.	78	325		403
Regis Resources Ltd.	23	148		171
Other	39	37		76
	448	1,018		1,466
Other investments, at cost	11			11
Investment in Affiliates:				
La Zanja	57			57
	\$ 555	\$ 1,021	\$ (8)	\$ 1,568

Included in *Investments* at September 30, 2011 and December 31, 2010 are \$9 and \$10, respectively, of long-term marketable debt securities and \$6 and \$6 of long-term marketable equity securities, respectively, that are legally pledged for purposes of settling asset retirement obligations related to the San Jose Reservoir at Yanacocha. In conjunction with the April 6, 2011 acquisition of Fronteer, Newmont acquired \$208 of Paladin Energy Ltd. securities and \$73 of other marketable equity securities and warrants. During the first nine months of 2011 and 2010, the Company purchased other marketable securities for \$17 and \$9, respectively. In June 2011, Newmont sold its investment in New Gold Inc. and realized a gain of \$50. In July 2011, Newmont sold its investment in other marketable equity securities and realized a gain of \$14.

During the third quarter of 2011, the Company recognized impairments for other-than-temporary declines in value in accordance with ASC guidance of \$148 for Paladin Energy Ltd. and \$26 for other marketable equity securities acquired in the Fronteer acquisition.

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

	Less than 12 Months Unrealized		12 Months or Greater Unrealized		Total Unrealized	
	Fair Value	Losses	Fair Value	Losses	Fair Value	Losses
At September 30, 2011						
Marketable equity securities	\$ 27	\$ 25	\$	\$	\$ 27	\$ 25
Asset backed commercial paper			18	6	18	6
Auction rate securities			5	2	5	2
	\$ 27	\$ 25	\$ 23	\$ 8	\$ 50	\$ 33

	Less than 12 Months Unrealized		12 Months or Greater Unrealized		Total Unrealized	
	Fair Value	Losses	Fair Value	Losses	Fair Value	Losses
At December 31, 2010						
Asset backed commercial paper	\$	\$	\$ 19	\$ 6	\$ 19	\$ 6
Auction rate securities			5	2	5	2
	\$	\$	\$ 24	\$ 8	\$ 24	\$ 8

Included in the tables above are the unrealized losses of \$33 and \$8 at September 30, 2011 and December 31, 2010, respectively, related to the Company's investments in asset backed commercial paper, auction rate securities and marketable equity securities as listed in the tables above. While the fair values of these investments 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 20 INVENTORIES

	At September 30, 2011	At December 31, 2010
In-process	\$ 110	\$ 142
Concentrate	121	111
Precious metals	40	4
Materials, supplies and other	449	401
	\$ 720	\$ 658

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

NOTE 21 STOCKPILES AND ORE ON LEACH PADS

	At September 30, 2011	At December 31, 2010
Current:		
Stockpiles	\$ 426	\$ 389
Ore on leach pads	201	228
	\$ 627	\$ 617
Long-term:		
Stockpiles	\$ 1,787	\$ 1,397
Ore on leach pads	309	360
	\$ 2,096	\$ 1,757
	At September 30, 2011	At December 31, 2010
Stockpiles and ore on leach pads:		
Nevada	\$ 518	\$ 479
La Herradura	9	6
Yanacocha	460	496
Boddington	407	248
Batu Hijau	1,035	879
Other Australia/New Zealand	146	145
Ahafo	148	121
	\$ 2,723	\$ 2,374

NOTE 22 OTHER ASSETS

	At September 30, 2011	At December 31, 2010
Other current assets:		
Refinery metal inventory and receivable	\$ 1,445	\$ 617
Prepaid assets	155	65
Derivative instruments	95	196
Other	93	84
	\$ 1,788	\$ 962

Other long-term assets:				
Goodwill	\$	188	\$	188
Intangible assets		149		91
Income tax receivable		141		119
Debt issuance costs		60		39
Derivative instruments		51		116
Restricted cash		22		25
Other		170		163
	\$	781	\$	741

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NEWMONT MINING CORPORATION
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NOTE 23 DEBT

	At September 30, 2011		At December 31, 2010	
	Current	Non-Current	Current	Non-Current
Sale-leaseback of refractory ore treatment plant	\$ 61	\$ 73	\$ 30	\$ 134
8 5/8% debentures, net of discount (due 2011)			217	
2012 Convertible Senior Notes, net of discount	507			488
2014 Convertible Senior Notes, net of discount		506		489
2017 Convertible Senior Notes, net of discount		448		434
2019 Senior Notes, net of discount		896		896
2035 Senior Notes, net of discount		598		598
2039 Senior Notes, net of discount		1,087		1,087
Ahafo project facility	10	50	10	55
Other capital leases		1	2	1
	\$ 578	\$ 3,659	\$ 259	\$ 4,182

In May 2011, Newmont repaid the \$223 balance outstanding on the 8 5/8% debentures. Scheduled minimum debt repayments are \$5 for the remainder of 2011, \$578 in 2012, \$42 in 2013, \$550 in 2014, \$18 in 2015 and \$3,044 thereafter.

Corporate Revolving Credit Facility

Effective May 20, 2011, the Company entered into a new uncollateralized \$2,500 revolving credit facility with a syndicate of commercial banks. This new revolving credit facility replaced the existing revolving credit facility which was cancelled upon the effectiveness of the new facility. The new facility provides for borrowings in U.S. dollars and contains a letter of credit sub-facility. The new facility matures in May 2016. Interest rates and facility fees vary based on the credit ratings of the Company's senior, uncollateralized, long-term debt. Borrowings under the facility bear interest at a market based rate plus a margin determined by the Company's credit. Facility fees currently accrue at an annual rate of 0.175% of the aggregate commitments. At September 30, 2011, there were no borrowings outstanding and \$241 outstanding in letters of credit.

Subsidiary Financings**PTNNT Revolving Credit Facility**

Effective May 27, 2011, PTNNT entered into a new \$600 reducing revolving credit facility with a syndicate of banks. This new reducing revolving credit facility provides for borrowings in U.S. dollars. The facility matures in March 2017. The facility is non-recourse to Newmont and substantially all of PTNNT's assets are pledged as collateral. Borrowings under the facility bear interest at a rate per annum equal to LIBOR plus a margin of 4.00%. Commitment fees currently accrue on the daily average unused amount of the commitment of each lender at an annual rate of 2.00%. There were no borrowings outstanding under the facility at September 30, 2011.

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

NOTE 24 OTHER LIABILITIES

	At September 30, 2011	At December 31, 2010
Other current liabilities:		
Refinery metal payable	\$ 1,445	\$ 617
Derivative instruments	415	
Accrued operating costs	245	217
Accrued capital expenditures	208	83
Interest	86	66
Taxes other than income and mining	80	135
Reclamation and remediation liabilities	57	64
Boddington contingent consideration	51	32
Royalties	42	90
Deferred income tax	15	54
Holt property royalty	13	
Other	48	60
	\$ 2,705	\$ 1,418
Other long-term liabilities:		
Holt property royalty	\$ 166	\$ 40
Power supply agreements	43	45
Derivative instruments	37	
Income and mining taxes	34	36
Boddington contingent consideration	10	51
Other	38	49
	\$ 328	\$ 221

NOTE 25 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:

	Nine Months Ended September 30,	
	2011	2010
Decrease (increase) in operating assets:		
Trade and accounts receivable	\$ 125	\$ (63)
Inventories, stockpiles and ore on leach pads	(332)	(297)
EGR refinery assets	(855)	(200)
Other assets	(109)	(50)
Increase (decrease) in operating liabilities:		
Accounts payable and other accrued liabilities	(3)	(144)

EGR refinery liabilities	855	200
Reclamation liabilities	(24)	(32)
	\$ (343)	\$ (586)

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

NOTE 26 SUPPLEMENTAL CASH FLOW INFORMATION

	Nine Months Ended September 30,	
	2011	2010
Income and mining taxes, net of refunds	\$ 1,301	\$ 926
Pension plan and other benefits and contributions	\$ 12	\$ 72
Interest, net of amounts capitalized	\$ 117	\$ 138

NOTE 27 CONDENSED CONSOLIDATING FINANCIAL STATEMENTS

Newmont USA, a 100% owned subsidiary of Newmont Mining Corporation, has fully and unconditionally guaranteed the 2019, 2035 and 2039 senior notes, the 2012, 2014 and 2017 convertible senior notes and the corporate revolving credit facility. The following consolidating financial statements are provided for Newmont USA, as guarantor, and for Newmont Mining Corporation, as issuer, as an alternative to providing separate financial statements for the guarantor. The accounts of Newmont Mining Corporation are presented using the equity method of accounting for investments in subsidiaries.

Three Months Ended September 30, 2011

Condensed Consolidating Statement of Income	Newmont Mining Corporation	Newmont USA	Other Subsidiaries	Eliminations	Newmont Mining Corporation Consolidated
Sales	\$	\$ 1,779	\$ 965	\$	\$ 2,744
Costs and expenses					
Costs applicable to sales ⁽¹⁾		623	393	(8)	1,008
Amortization		175	96	(1)	270
Reclamation and remediation		2	4		6
Exploration		52	52		104
Advanced projects, research and development		47	46		93
General and administrative		41		9	50
Other expense, net		17	19		36
		957	610		1,567
Other income (expense)					
Other income, net	(161)	31	54		(76)
Interest income intercompany	39	2	7	(48)	
Interest expense intercompany	(8)		(40)	48	
Interest expense, net	(55)	(6)	(4)		(65)
	(185)	27	17		(141)
	(185)	849	372		1,036

Income before income and mining tax and other items					
Income and mining tax expense	30	(288)	(113)		(371)
Equity income (loss) of affiliates	648	(19)	81	(700)	10
Net income	493	542	340	(700)	675
Net income attributable to noncontrolling interests		(186)	(17)	21	(182)
Net income attributable to Newmont stockholders	\$ 493	\$ 356	\$ 323	\$ (679)	\$ 493

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

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NEWMONT MINING CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
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Three Months Ended September 30, 2010

Condensed Consolidating Statement of Income	Newmont Mining Corporation	Newmont USA	Other Subsidiaries	Eliminations	Newmont Mining Corporation Consolidated
Sales	\$	\$ 1,860	\$ 737	\$	\$ 2,597
Costs and expenses					
Costs applicable to sales ⁽¹⁾		571	326	(6)	891
Amortization		159	83		242
Reclamation and remediation		13	5		18
Exploration		41	26		67
Advanced projects, research and development		26	21	(1)	46
General and administrative		37	1	7	45
Other expense, net		41	9		50
		888	471		1,359
Other income (expense)					
Other income, net		1	4		5
Interest income intercompany	35	2		(37)	
Interest expense intercompany	(3)		(34)	37	
Interest expense, net	(61)	(3)	(2)		(66)
	(29)		(32)		(61)
Income before income and mining tax and other items	(29)	972	234		1,177
Income and mining tax expense	(1)	(309)	(50)		(360)
Equity income (loss) of affiliates	567	1	79	(650)	(3)
Net income	537	664	263	(650)	814
Net income attributable to noncontrolling interests		(346)	25	44	(277)
Net income attributable to Newmont stockholders	\$ 537	\$ 318	\$ 288	\$ (606)	\$ 537

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

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NEWMONT MINING CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
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Nine Months Ended September 30, 2011

Condensed Consolidating Statement of Income	Newmont Mining Corporation	Newmont USA	Other Subsidiaries	Eliminations	Newmont Mining Corporation Consolidated
Sales	\$	\$ 4,765	\$ 2,828	\$	\$ 7,593
Costs and expenses					
Costs applicable to sales ⁽¹⁾		1,740	1,152	(27)	2,865
Amortization		490	287	(1)	776
Reclamation and remediation		50	13		63
Exploration		133	122		255
Advanced projects, research and development		115	133	(1)	247
General and administrative		114	2	29	145
Other expense, net		138	58		196
		2,780	1,767		4,547
Other income (expense)					
Other income, net	(169)	98	74		3
Interest income intercompany	115	6	11	(132)	
Interest expense intercompany	(14)		(118)	132	
Interest expense, net	(168)	(18)	(7)		(193)
	(236)	86	(40)		(190)
Income before income and mining tax and other items	(236)	2,071	1,021		2,856
Income and mining tax expense	45	(607)	(301)		(863)
Equity income (loss) of affiliates	1,585	(16)	220	(1,777)	12
Income from continuing operations	1,394	1,448	940	(1,777)	2,005
Loss from discontinued operations		7	(143)		(136)
Net income	1,394	1,455	797	(1,777)	1,869
Net income attributable to noncontrolling interests		(551)	(7)	83	(475)
Net income attributable to Newmont stockholders	\$ 1,394	\$ 904	\$ 790	\$ (1,694)	\$ 1,394

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

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NEWMONT MINING CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
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Nine Months Ended September 30, 2010

Condensed Consolidating Statement of Income	Newmont Mining Corporation	Newmont USA	Other Subsidiaries	Eliminations	Newmont Mining Corporation Consolidated
Sales	\$	\$ 4,862	\$ 2,130	\$	\$ 6,992
Costs and expenses					
Costs applicable to sales ⁽¹⁾		1,635	990	(17)	2,608
Amortization		445	253	(1)	697
Reclamation and remediation		32	12		44
Exploration		97	66		163
Advanced projects, research and development		80	70	(1)	149
General and administrative		112	2	19	133
Other expense, net		156	44		200
		2,557	1,437		3,994
Other income (expense)					
Other income, net		15	82		97
Interest income intercompany	106	6	2	(114)	
Interest expense intercompany	(8)		(106)	114	
Interest expense, net	(187)	(19)	(4)		(210)
	(89)	2	(26)		(113)
Income before income and mining tax and other items	(89)	2,307	667		2,885
Income and mining tax expense	149	(775)	(158)		(784)
Equity income (loss) of affiliates	1,405	2	209	(1,623)	(7)
Net income	1,465	1,534	718	(1,623)	2,094
Net income attributable to noncontrolling interests		(774)	20	125	(629)
Net income attributable to Newmont stockholders	\$ 1,465	\$ 760	\$ 738	\$ (1,498)	\$ 1,465

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

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NEWMONT MINING CORPORATION
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Nine Months Ended September 30, 2011

Condensed Consolidating Statement of Cash Flows	Newmont Mining Corporation	Newmont USA	Other Subsidiaries	Elimination	Newmont Mining Corporation Consolidated
Operating activities:					
Net income (loss)	\$ 1,394	\$ 1,455	\$ 797	\$ (1,777)	\$ 1,869
Adjustments	193	542	(1,372)	1,777	1,140
Net change in operating assets and liabilities	(5)	(375)	37		(343)
Net cash provided from (used in) continuing operations	1,582	1,622	(538)		2,666
Net cash used in discontinued operations			(4)		(4)
Net cash provided from (used in) operations	1,582	1,622	(542)		2,662
Investing activities:					
Additions to property, plant and mine development		(1,190)	(591)		(1,781)
Proceeds from sale of marketable securities		62	12		74
Purchases of marketable securities			(17)		(17)
Acquisitions, net			(2,301)		(2,301)
Proceeds from sale of other assets		(56)	62		6
Other			(9)		(9)
Net cash used in investing activities		(1,184)	(2,844)		(4,028)
Financing activities:					
Net borrowings (repayments)	(7)	(276)	(5)		(288)
Net intercompany borrowings (repayments)	(1,289)	(2,240)	3,529		
Dividends paid to common stockholders	(321)				(321)
Dividends paid to noncontrolling interests		(17)			(17)
Proceeds from stock issuance, net	35				35
Change in restricted cash and other			3		3
Net cash provided from (used in) financing activities	(1,582)	(2,533)	3,527		(588)
Effect of exchange rate changes on cash		(3)	36		33
Net change in cash and cash equivalents		(2,098)	177		(1,921)
Cash and cash equivalents at beginning of period		3,877	179		4,056
Cash and cash equivalents at end of period	\$	\$ 1,779	\$ 356	\$	\$ 2,135

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Nine Months Ended September 30, 2010

Condensed Consolidating Statement of Cash Flows	Newmont Mining Corporation	Newmont USA	Other Subsidiaries	Elimination	Newmont Mining Corporation Consolidated
Operating activities:					
Net income (loss)	\$ 1,465	\$ 1,534	\$ 718	\$ (1,623)	\$ 2,094
Adjustments	(98)	496	(1,194)	1,623	827
Net change in operating assets and liabilities	(43)	(415)	(128)		(586)
Net cash provided from (used in) continuing operations	1,324	1,615	(604)		2,335
Net cash used in discontinued operations		(13)			(13)
Net cash provided from (used in) operations	1,324	1,602	(604)		2,322
Investing activities:					
Additions to property, plant and mine development		(478)	(494)		(972)
Proceeds from sale of marketable securities			1		1
Purchases of marketable securities			(9)		(9)
Acquisitions, net			(2)		(2)
Proceeds from sale of other assets		8	45		53
Other			(73)		(73)
Net cash used in investing activities		(470)	(532)		(1,002)
Financing activities:					
Net repayments		(269)	(5)		(274)
Net intercompany borrowings (repayments)	(1,216)	(11)	1,325	(98)	
Sale of noncontrolling interests		229			229
Acquisition of noncontrolling interests			(109)		(109)
Dividends paid to common stockholders	(172)				(172)
Dividends paid to noncontrolling interests		(458)		98	(360)
Proceeds from stock issuance, net	56				56
Change in restricted cash and other		47	(1)		46
Net cash provided from (used in) financing activities	(1,332)	(462)	1,210		(584)
Effect of exchange rate changes on cash		2	(2)		
Net change in cash and cash equivalents	(8)	672	72		736
Cash and cash equivalents at beginning of period	8	3,067	140		3,215
Cash and cash equivalents at end of period	\$	\$ 3,739	\$ 212	\$	\$ 3,951

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(dollars in millions, except per share, per ounce and per pound amounts)

	At September 30, 2011				
Condensed Consolidating Balance Sheet	Newmont Mining Corporation	Newmont USA	Other Subsidiaries	Eliminations	Newmont Mining Corporation Consolidated
Assets					
Cash and cash equivalents	\$	\$ 1,779	\$ 356	\$	\$ 2,135
Trade receivables		273	39		312
Accounts receivable	1,458	3,152	773	(5,124)	259
Investments	60	8	26		94
Inventories		370	350		720
Stockpiles and ore on leach pads		547	80		627
Deferred income tax assets	121	253	51		425
Other current assets		149	1,639		1,788
Current assets	1,639	6,531	3,314	(5,124)	6,360
Property, plant and mine development, net		6,351	10,690	(22)	17,019
Investments		21	1,233		1,254
Investments in subsidiaries	15,535	43	2,789	(18,367)	
Stockpiles and ore on leach pads		1,475	621		2,096
Deferred income tax assets	685	690	254		1,629
Other long-term assets	3,765	615	865	(4,464)	781
Total assets	\$ 21,624	\$ 15,726	\$ 19,766	\$ (27,977)	\$ 29,139
Liabilities					
Debt	\$ 507	\$ 61	\$ 10	\$	\$ 578
Accounts payable	3,024	1,257	1,375	(5,114)	542
Employee-related benefits		197	72		269
Income and mining taxes	8	131	242		381
Other current liabilities	436	399	3,842	(1,972)	2,705
Current liabilities	3,975	2,045	5,541	(7,086)	4,475
Debt	3,534	74	51		3,659
Reclamation and remediation liabilities		721	310		1,031
Deferred income tax liabilities		525	2,067		2,592
Employee-related benefits	5	256	89		350
Other long-term liabilities	563	60	4,192	(4,487)	328
Total liabilities	8,077	3,681	12,250	(11,573)	12,435
Equity					
Preferred stock			61	(61)	
Common stock	781				781

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Additional paid-in capital	8,051	3,017	5,730	(8,434)	8,364
Accumulated other comprehensive income	462	(121)	843	(722)	462
Retained earnings	4,253	5,754	(317)	(5,437)	4,253
Newmont stockholders' equity	13,547	8,650	6,317	(14,654)	13,860
Noncontrolling interests		3,395	1,199	(1,750)	2,844
Total equity	13,547	12,045	7,516	(16,404)	16,704
Total liabilities and equity	\$ 21,624	\$ 15,726	\$ 19,766	\$ (27,977)	\$ 29,139

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

	At December 31, 2010				
Condensed Consolidating Balance Sheet	Newmont Mining Corporation	Newmont USA	Other Subsidiaries	Eliminations	Newmont Mining Corporation Consolidated
Assets					
Cash and cash equivalents	\$	\$ 3,877	\$ 179	\$	\$ 4,056
Trade receivables		501	81		582
Accounts receivable	2,222	802	265	(3,201)	88
Investments		72	41		113
Inventories		388	270		658
Stockpiles and ore on leach pads		513	104		617
Deferred income tax assets		170	7		177
Other current assets		77	885		962
Current assets	2,222	6,400	1,832	(3,201)	7,253
Property, plant and mine development, net		5,364	7,562	(19)	12,907
Investments		25	1,543		1,568
Investments in subsidiaries	12,295	35	1,909	(14,239)	
Stockpiles and ore on leach pads		1,347	410		1,757
Deferred income tax assets	638	690	109		1,437
Other long-term assets	2,675	496	584	(3,014)	741
Total assets	\$ 17,830	\$ 14,357	\$ 13,949	\$ (20,473)	\$ 25,663
Liabilities					
Debt	\$	\$ 249	\$ 10	\$	\$ 259
Accounts payable	355	1,269	1,996	(3,193)	427
Employee-related benefits		222	66		288
Income and mining taxes	19	261	75		355
Other current liabilities	56	373	2,959	(1,970)	1,418
Current liabilities	430	2,374	5,106	(5,163)	2,747
Debt	3,991	135	56		4,182
Reclamation and remediation liabilities		676	308		984
Deferred income tax liabilities		513	975		1,488
Employee-related benefits	5	244	76		325
Other long-term liabilities	375	56	2,824	(3,034)	221
Total liabilities	4,801	3,998	9,345	(8,197)	9,947
Equity					
Preferred stock			61	(61)	
Common stock	778				778

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Additional paid-in capital	7,963	2,722	3,894	(6,300)	8,279
Accumulated other comprehensive income	1,108	(75)	1,180	(1,105)	1,108
Retained earnings	3,180	4,850	(1,109)	(3,741)	3,180
Newmont stockholders' equity	13,029	7,497	4,026	(11,207)	13,345
Noncontrolling interests		2,862	578	(1,069)	2,371
Total equity	13,029	10,359	4,604	(12,276)	15,716
Total liabilities and equity	\$ 17,830	\$ 14,357	\$ 13,949	\$ (20,473)	\$ 25,663

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NOTE 28 COMMITMENTS AND CONTINGENCIES**General**

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

Operating Segments

The Company's operating segments are identified in Note 3. Except as noted in this paragraph, all of the Company's commitments and contingencies specifically described in this Note 28 relate to the Corporate and Other reportable segment. The PT Newmont Minahasa Raya and PTNNT matters relate to the Asia Pacific reportable segment. The Yanacocha matters relate to the South America reportable segment.

Environmental Matters

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

Estimated future reclamation costs are based principally on legal and regulatory requirements. At September 30, 2011 and December 31, 2010, \$922 and \$904, 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 \$40 and \$46 at September 30, 2011 and December 31, 2010, 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, \$166 and \$144 were accrued for such obligations at September 30, 2011 and December 31, 2010, 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 141% greater or 4% lower than the amount accrued at September 30, 2011. 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.

Dawn Mining Company LLC (Dawn) 51% Newmont Owned

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

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

On January 28, 2005, the EPA filed a lawsuit against Dawn and Newmont under CERCLA in the U.S. District Court for the Eastern District of Washington. The EPA has asserted that Dawn and Newmont are liable for reclamation or remediation work and costs at the mine. Dawn does not have sufficient funds to pay for the reclamation plan it proposed or for any alternate plan, or for any additional remediation work or costs at the mine.

On July 14, 2008, after a bench trial, the Court held Newmont liable under CERCLA as an operator of the Midnite Mine. The Court previously ruled on summary judgment that both the U.S. Government and Dawn were liable under CERCLA. On October 17, 2008, the Court issued its written decision in the bench trial. The Court found Dawn and Newmont jointly and severally liable under CERCLA for past and future response costs, and ruled that each of Dawn and Newmont are responsible to pay one-third of such costs. The Court also found the U.S. Government liable on Dawn's and Newmont's contribution claim, and ruled that the U.S. Government is responsible to pay one-third of all past and future response costs. In November 2008, all parties appealed the Court's ruling. Also in November 2008, the EPA issued an Administrative Order pursuant to Section 106 of CERCLA ordering Dawn and Newmont to conduct water treatment, testing and other preliminary remedial actions. Newmont has initiated those preliminary remedial actions.

As of September 30, 2011, Newmont, Dawn, the Department of Interior, the EPA and the Department of Justice entered into a Consent Decree for remediation of the Midnite Mine site, and filed the Consent Decree with the U.S. District Court for the Eastern District of Washington. All parties moved to dismiss the appeal of the trial court findings. The Court shall elicit public comments regarding the Consent Decree. If the Court approves the Consent Decree following the public comment process: 1) Newmont and Dawn will design, construct and implement the cleanup plan selected by the EPA in 2006 for the Midnite Mine site; 2) Newmont and Dawn will reimburse the EPA for its costs associated with overseeing the work; 3) the Department of the Interior will contribute a lump sum of approximately \$54 toward past EPA costs and future costs related to the cleanup of the Midnite Mine site; and 4) Newmont and Dawn will be responsible for all other EPA oversight costs and Midnite Mine site cleanup costs.

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

Newmont USA Limited 100% Newmont Owned

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

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.

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PT Newmont Minahasa Raya (PTNMR) 80% Newmont Owned

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

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

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

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

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 Pukaafu 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 to be offered for sale to the Indonesian parties is the highest of the then-current replacement cost, the price at which shares would be accepted for listing on the Indonesian Stock Exchange, or the fair market value of such interest as a going concern, as agreed with the Indonesian

government.

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In accordance with the Contract of Work, an offer to sell a 3% interest was made to the Indonesian government in 2006 and an offer for an additional 7% interest was made in each of 2007, 2008, 2009 and 2010. While the central government declined to participate in the 2006 and 2007 offers, local governments in the area in which the Batu Hijau mine is located expressed interest in acquiring shares, as did various Indonesian nationals. After disagreement with the government over whether the government's first right to purchase had expired and receipt of Notices of Default from the government claiming breach and threatening termination of the Contract of Work, on March 3, 2008, the Indonesian government filed for international arbitration as provided under the Contract of Work, as did PTNNT. In the arbitration proceeding, PTNNT sought a declaration that the Indonesian government was not entitled to terminate the Contract of Work and additional declarations pertaining to the procedures for divesting the shares. For its part, the Indonesian government sought declarations that PTNNT was in default of its divestiture obligations, that the government may terminate the Contract of Work and recover damages for breach of the Contract of Work, and that PTNNT must cause shares subject to divestiture to be sold to certain local governments.

An international arbitration panel (the Panel) was appointed to resolve these claims and other claims that had arisen in relation to divestment and a hearing was held in Jakarta in December 2008. On March 31, 2009, the Panel issued its final award and decision on the matter. In its decision, the Panel determined that PTNNT's foreign shareholders had not complied with the divestiture procedure required by the Contract of Work in 2006 and 2007, but the Panel ruled that the Indonesian government was not entitled to immediately terminate the Contract of Work and rejected the Indonesian government's claim for damages. The Panel granted PTNNT 180 days from the date of notification of the final award to effect transfer of the 2006 3% interest and the 2007 7% interest in PTNNT to the local governments or their respective nominees. The Panel also applied a 180-day cure period to the 2008 7% interest, requiring that PTNNT effect the offer of the 2008 7% interest to the Indonesian government or its nominee within such 180-day period, and ensure the transfer of such shares if, after agreement on the transfer price, the Indonesian government invoked its right of first refusal under the Contract of Work. On July 14, 2009, the Company reached agreement with the Indonesian government on the price of the 2008 7% interest and the 2009 7% interest. PTNNT effected the reoffer of the 2008 7% interest and the 2009 7% interest to the Indonesian government at this newly agreed price. In November and December 2009, sale agreements were concluded pursuant to which the 2006, 2007 and 2008 shares were transferred to PT Multi Daerah Bersaing (PTMDB), the nominee of the local governments, and the 2009 shares were transferred to PTMDB in February 2010, resulting in PTMDB owning a 24% interest in PTNNT.

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

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

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

Effective as of 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.

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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. PTNNT will defend its submarine tailings permit and is confident that the Ministry of Environment acted properly in renewing PTNNT's permit.

Newmont Mining Corporation claim relating to PTNNT divestiture

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

PT Pukuafu Indah Litigation

In October 2009, PTPI filed a lawsuit in the Central Jakarta District Court against PTNNT and the Indonesian government seeking to cancel the March 2009 arbitration award pertaining to the manner in which divestiture of shares in PTNNT should proceed (refer to the discussion of PTNNT above for the arbitration results). On October 11, 2010, the District Court ruled in favor of PTNNT and the Indonesian government finding, among other things, that PTPI lacks standing to contest the validity of the arbitration award. PTPI has filed a notice of appeal of the court's ruling.

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

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

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

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

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

On April 7, 2011, the arbitral tribunal issued a final award, while keeping the proceedings open to allow NIL and NVL to seek further relief as necessary, finding PTPI and its shareholders in breach of various provisions of the financing agreements, including the release agreement. The tribunal, for the second time, ordered PTPI and its agents to restrain from proceeding with the Indonesian lawsuits or filing new lawsuits relating to the same subject matter. In addition, the tribunal ordered PTPI and other shareholder defendants, collectively, to pay more than \$11 in damages, costs and expenses. The Company has aggressively sought enforcement of the interim award and will continue to do so with regard to the April 7, 2011 award in Indonesian and Singapore courts.

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

NWG Investments Inc. v. Fronteer Gold, Inc.

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

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

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

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

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Other Commitments and Contingencies

Tax contingencies are provided for in accordance with ASC income tax guidance (see Note 10).

The Company has minimum royalty obligations on one of its producing mines in Nevada for the life of the mine. Amounts paid as a minimum royalty (where production royalties are less than the minimum obligation) in any year are recoverable in future years when the minimum royalty obligation is exceeded. Although the minimum royalty requirement may not be met in a particular year, the Company expects that over the mine life, gold production will be sufficient to meet the minimum royalty requirements. Minimum royalty payments payable are \$28 in 2011, \$28 in 2012 through 2015 and \$251 thereafter.

As part of its ongoing business and operations, the Company and its affiliates are required to provide surety bonds, bank letters of credit and bank guarantees as financial support for various purposes, including environmental reclamation, exploration permitting, workers compensation programs and other general corporate purposes. At September 30, 2011 and December 31, 2010, there were \$1,341 and \$1,191, respectively, of outstanding letters of credit, surety bonds and bank guarantees. The surety bonds, letters of credit and bank guarantees reflect fair value as a condition of their underlying purpose and are subject to fees competitively determined in the market place. The obligations associated with these instruments are generally related to performance requirements that the Company addresses through its ongoing operations. As the specific requirements are met, the beneficiary of the associated instrument cancels and/or returns the instrument to the issuing entity. Certain of these instruments are associated with operating sites with long-lived assets and will remain outstanding until closure. Generally, bonding requirements associated with environmental regulation are becoming more restrictive. However, the Company believes it is in compliance with all applicable bonding obligations and will be able to satisfy future bonding requirements, through existing or alternative means, as they arise.

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

NOTE 29 SUPPLEMENTARY DATA

Ratio of Earnings to Fixed Charges

The ratio of earnings to fixed charges for the nine months ended September 30, 2011 was 13.1. The ratio of earnings to fixed charges represents income before income and mining tax expense, equity income (loss) of affiliates, loss from discontinued operations and net income attributable to noncontrolling interests, divided by interest expense. Interest expense includes amortization of capitalized interest and the portion of rent expense representative of interest. Interest expense does not include interest on income tax liabilities. The computation of the ratio of earnings to fixed charges can be found in Exhibit 12.1.

Table of Contents**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION** (dollars in millions, except per share, per ounce and per pound amounts)

The following discussion provides information that management believes is relevant to an assessment and understanding of the consolidated financial condition and results of operations of Newmont Mining Corporation and its subsidiaries (collectively, Newmont, the Company, our and we). We use certain non-GAAP financial performance measures in our MD&A. For a detailed description of each of the non-GAAP financial measures used in this MD&A, please see the discussion under *Non-GAAP Financial Performance Measures* beginning on page 64. References to A\$ refer to Australian currency, C\$ to Canadian currency, NZ\$ to New Zealand currency and \$ to United States currency. This item should be read in conjunction with our interim unaudited Condensed Consolidated Financial Statements and the notes thereto included in this quarterly report. Additionally, the following discussion and analysis should be read in conjunction with *Management's Discussion and Analysis of Consolidated Financial Condition and Results of Operations* and the consolidated financial statements included in Part II of our Annual Report on Form 10-K for the year ended December 31, 2010 filed February 24, 2011.

Overview

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

Our vision is to be the most valued and respected mining company through industry leading performance. We remain focused on the development of our next generation of mining projects. Approximately 40% of our 2011 capital expenditures are being invested in these projects and the development of our project pipeline, as we continue to deliver solid leverage to the gold price. Third quarter 2011 highlights are included below and discussed further in *Results of Consolidated Operations*.

Delivering strong operating performance

Record *Sales* of \$2,744 and \$7,593 for the third quarter and first nine months of 2011, respectively;

Record *Net cash provided from continuing operations* of \$2,666 for the first nine months of 2011;

Record average realized gold price of \$1,695 and \$1,526 per ounce for the third quarter and first nine months of 2011, respectively;

Average realized copper price of \$2.94 and \$3.58 per pound for the third quarter and first nine months of 2011, respectively;

Attributable gold production of 1.3 million and 3.9 million ounces at consolidated *Costs applicable to sales* of \$622 and \$587 per ounce, for the third quarter and first nine months of 2011, respectively;

Attributable copper production of 58 million and 159 million pounds at consolidated *Costs applicable to sales* of \$1.10 and \$1.17 per pound, for the third quarter and first nine months of 2011, respectively; and

Maintaining 2011 Outlook for attributable gold and copper production, costs applicable to sales and capital expenditures.

Table of Contents**Advancing our project pipeline**

As previously disclosed, our current plans reflect the intended development of assets within our global development portfolio that would increase annual attributable gold production to approximately 7 million ounces by 2017. This production target represents a potential aggregate increase of approximately 35% in anticipated 2017 annual production from the Company's previously announced 2011 attributable gold production outlook of 5.1 to 5.3 million ounces. We also 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 development opportunities that have advanced to full funding approval during 2011 and comprise a significant part of the Company's growth strategy include Akyem in Ghana, Conga in Peru and the Tanami Shaft in Australia, as described further below.

Akyem, Ghana Since full funding approval by the Board of Directors (the Board) in March 2011, the project has continued to advance with confirmation of the main civil and mechanical construction contracts, commencement of bulk earthworks and civil activities, the first structural concrete pour and the establishment of the first set of resettlement villages. First production is anticipated in late 2013 to early 2014 with approximately three to six months expected for ramp-up to commercial production. Gold production is expected to average approximately 350,000 to 450,000 ounces per year at *Costs applicable to sales* of \$450 to \$550 per ounce for the first five years of the mine's operating life of approximately 16 years (based on current gold reserves). Capital costs are estimated at \$850 to \$1,100. At December 31, 2010, we had 7.2 million ounces of gold reserves at Akyem.

Conga, Peru Following the full funding approval by the Board in July 2011, the project has continued to progress infrastructure works, earthworks construction, drilling, detailed engineering, procurement of materials and equipment and securing remaining permits needed for construction. First production is expected in late 2014 to early 2015 with approximately six months expected for ramp-up to commercial production. Average annual estimated attributable gold production of approximately 300,000 to 350,000 ounces per year are expected during the first five years of production at average *Costs applicable to sales* of \$400 to \$450 per ounce. Average annual estimated attributable copper production of approximately 80 to 120 million pounds per year are expected during the first five years of production at average *Costs applicable to sales* of \$1.25 to \$1.75 per pound. The project has an anticipated mine life of approximately 19 years, with additional district exploration potential. Capital costs are estimated at \$4,000 to \$4,800 (\$2,000 to \$2,400 attributable to Newmont). At December 31, 2010, we reported 6.1 million attributable ounces of gold reserves and 1.7 billion attributable pounds of copper reserves at Conga.

Tanami Shaft, Australia - Following the full funding approval by the Board in July 2011, development efforts have progressed according to plans. The project will support underground expansion at the Callie and Auron ore bodies, reduce cut-off grade, enhance productivity and facilitate possible additional mine expansion. The project is expected to add average annual attributable gold production of approximately 60,000 to 90,000 ounces during the first five years of production while lowering *Costs applicable to sales* for the first five years by approximately \$100 per ounce. First production is expected in late 2014 to early 2015. Capital costs are expected to be approximately \$400 to \$450 million based on the recent average Australian dollar exchange rate.

In addition to the projects receiving full funding decisions in 2011, as described above, we advanced approximately 20 earlier stage development assets through our project pipeline in each of our four operating regions. The exploration, construction and operation of these earlier stage development assets may require significant funding, some of which are described further below:

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

Long Canyon, Nevada Since completing the acquisition of Fronteer Gold, Inc. in April 2011, the project entered into the pre-feasibility stage as we further develop our understanding of what we expect could be another Carlin-type trend at Long Canyon. We have received an expanded exploration area permit allowing access to project targets. We continue to make progress on the drilling program, to date we have completed 40 kilometers of drilling with an expected additional 10 kilometers in the remainder of 2011. We have engaged engineering firms to assist in developing our plan of operations. Our intention is to bring the project into production in 2017 with initial estimated gold production of approximately 300,000 ounces per year.

Hope Bay, Canada Hope Bay is a Canadian Arctic greenstone district with a strike length of approximately 80 kilometers by 20 kilometers. Early stage exploration has identified numerous targets within the district. Drilling results to date, including approximately 70 kilometers of diamond drilling completed in 2011, continue to support our view of the approximately 10 million ounce exploration resource potential, none of which are currently in reserves. Diamond drill operations are ongoing in addition to the exploration decline at Doris North which commenced in late 2010. We continue to evaluate development options and economic feasibility for Hope Bay comparatively with other development opportunities within the Company's wider project pipeline.

Enhanced Gold Price-Linked Dividend

Under the enhanced gold price-linked dividend policy announced in September 2011, our annual dividend has the potential to increase to \$4.70 per share if the Company's average realized gold price exceeds \$2,500 per ounce.

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The enhanced policy will continue to link the quarterly dividend rate to changes in the gold price but will also provide an additional step up of 7.5 cents per share when the Company's realized gold price for a quarter exceeds \$1,700 per ounce and a further step up of 2.5 cents per share when the Company's realized gold price for a quarter exceeds \$2,000 per ounce. At average realized gold prices below \$1,700 per ounce, the dividend policy remains unchanged. Under the policy, unless otherwise determined by the Board, the dividend will be calculated based upon the average realized gold price during the preceding quarter in the manner highlighted in the table below:

Average Realized Gold Price	Quarterly Dividend		Annualized Dividend	
	Prior	Enhanced	Prior	Enhanced
\$1,100 - \$1,199	\$ 0.100	\$ 0.100	\$ 0.400	\$ 0.400
\$1,200 - \$1,299	\$ 0.150	\$ 0.150	\$ 0.600	\$ 0.600
\$1,300 - \$1,399	\$ 0.200	\$ 0.200	\$ 0.800	\$ 0.800
\$1,400 - \$1,499	\$ 0.250	\$ 0.250	\$ 1.000	\$ 1.000
\$1,500 - \$1,599	\$ 0.300	\$ 0.300	\$ 1.200	\$ 1.200
\$1,600 - \$1,699	\$ 0.350	\$ 0.350	\$ 1.400	\$ 1.400
\$1,700 - \$1,799	\$ 0.400	\$ 0.425	\$ 1.600	\$ 1.700
\$1,800 - \$1,899	\$ 0.450	\$ 0.500	\$ 1.800	\$ 2.000
\$1,900 - \$1,999	\$ 0.500	\$ 0.575	\$ 2.000	\$ 2.300
\$2,000 - \$2,099	\$ 0.550	\$ 0.675	\$ 2.200	\$ 2.700
\$2,100 - \$2,199	\$ 0.600	\$ 0.775	\$ 2.400	\$ 3.100
\$2,200 - \$2,299	\$ 0.650	\$ 0.875	\$ 2.600	\$ 3.500
\$2,300 - \$2,399	\$ 0.700	\$ 0.975	\$ 2.800	\$ 3.900
\$2,400 - \$2,499	\$ 0.750	\$ 1.075	\$ 3.000	\$ 4.300
\$2,500 - \$2,599	\$ 0.800	\$ 1.175	\$ 3.200	\$ 4.700

The fourth quarter 2011 dividend under this policy of \$0.35 per share (based on a third quarter 2011 average realized gold price of \$1,695 per ounce) represents an increase of 17% over the \$0.30 dividend paid in the third quarter of 2011, and an increase of 133% over the fourth quarter 2010 dividend. This dividend policy is intended as a non-binding guideline which will be periodically reviewed and reassessed by the Board. The declaration and payment of future dividends remains at the discretion of the Board and will depend on the Company's financial results, cash requirements, future prospects and other factors deemed relevant by the Board.

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2011	2010	2011	2010
Sales	\$ 2,744	\$ 2,597	\$ 7,593	\$ 6,992
Income from continuing operations	\$ 675	\$ 814	\$ 2,005	\$ 2,094
Net income	\$ 675	\$ 814	\$ 1,869	\$ 2,094
Net income attributable to Newmont stockholders	\$ 493	\$ 537	\$ 1,394	\$ 1,465
Per common share, basic:				
Income from continuing operations attributable to Newmont stockholders	\$ 1.00	\$ 1.09	\$ 3.10	\$ 2.98
Net income attributable to Newmont stockholders	\$ 1.00	\$ 1.09	\$ 2.82	\$ 2.98
Adjusted net income ⁽¹⁾	\$ 635	\$ 533	\$ 1,593	\$ 1,319
Adjusted net income per share ⁽¹⁾	\$ 1.29	\$ 1.08	\$ 3.23	\$ 2.68
Consolidated gold ounces (thousands)				
Produced ⁽²⁾	1,519	1,689	4,433	4,862
Sold	1,458	1,651	4,327	4,778
Consolidated copper pounds (millions)				
Produced ⁽³⁾	102	156	278	463
Sold	92	158	276	434
Average price received, net:				
Gold (per ounce)	\$ 1,695	\$ 1,221	\$ 1,526	\$ 1,176
Copper (per pound)	\$ 2.94	\$ 3.67	\$ 3.58	\$ 3.17
Costs applicable to sales:				
Gold (per ounce)	\$ 622	\$ 470	\$ 587	\$ 477
Copper (per pound)	\$ 1.10	\$ 0.73	\$ 1.17	\$ 0.76

(1) See Non-GAAP Financial Measures on page 64.

(2) Contained basis. (Attributable production after smelter recoveries was 1,306 and 1,403 thousand gold ounces for the third quarter 2011 and 2010, respectively. Attributable production after smelter recoveries was 3,867 and 4,022 thousand gold ounces for the first nine months 2011 and 2010, respectively.)

(3) Contained basis. (Attributable production after smelter recoveries was 55 and 80 million copper pounds for the third quarter 2011 and 2010, respectively. Attributable production after smelter recoveries was 152 and 243 million copper pounds for the first nine months 2011 and 2010, respectively.)

Consolidated Financial Results

Net income attributable to Newmont stockholders for the third quarter of 2011 was \$493 (\$1.00 per share) compared to \$537 (\$1.09 per share) for the third quarter of 2010. Results for the third quarter of 2011 compared to the third quarter of 2010 were impacted by higher realized gold prices, partially offset by lower copper prices, lower sales volumes, higher production costs, and a \$174 impairment of marketable equity securities. *Net income attributable to Newmont stockholders* for the first nine months of 2011 was \$1,394 (\$2.82 per share) compared to \$1,465 (\$2.98 per

share) for the first nine months of 2010. Results for the first nine months of 2011 compared to the first nine months of 2010 were impacted by higher realized gold and copper prices, partially offset by lower sales volumes, higher production costs and income taxes, a \$175 impairment of marketable equity securities, a \$136 *Loss from discontinued operations*, acquisition related expenses and a large tax benefit resulting from the restructuring of the form of the Company's non-US subsidiaries realized in 2010.

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Gold Sales increased 23% and 17% in the third quarter and first nine months of 2011, respectively, compared to the same periods in 2010 due to higher realized prices, partially offset by lower sales volumes. The following analysis summarizes the change in consolidated gold sales:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Consolidated gold sales:				
Gross before provisional pricing	\$ 2,468	\$ 2,028	\$ 6,607	\$ 5,632
Provisional pricing mark-to-market	20	5	38	27
Gross after provisional pricing	2,488	2,033	6,645	5,659
Treatment and refining charges	(17)	(17)	(43)	(40)
Net	\$ 2,471	\$ 2,016	\$ 6,602	\$ 5,619
Consolidated gold ounces sold (thousands):				
	1,458	1,651	4,327	4,778
Average realized gold price (per ounce):				
Gross before provisional pricing	\$ 1,693	\$ 1,229	\$ 1,527	\$ 1,179
Provisional pricing mark-to-market	14	3	9	6
Gross after provisional pricing	1,707	1,232	1,536	1,185
Treatment and refining charges	(12)	(11)	(10)	(9)
Net	\$ 1,695	\$ 1,221	\$ 1,526	\$ 1,176

The change in consolidated gold sales is due to:

	Three Months Ended September 30, 2011 vs. 2010	Nine Months Ended September 30, 2011 vs. 2010
Change in consolidated ounces sold	\$ (237)	\$ (533)
Change in average realized gold price	692	1,519
Change in treatment and refining charges		(3)
	\$ 455	\$ 983

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Copper *Sales* decreased 53% in the third quarter of 2011 compared to the third quarter of 2010 due to lower sales volumes and lower realized prices. Copper *Sales* decreased 28% in the first nine months of 2011 compared to the same period in 2010 due to lower sales volumes, partially offset by higher realized prices. The following analysis summarizes the change in consolidated copper sales:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Consolidated copper sales:				
Gross before provisional pricing	\$ 363	\$ 539	\$ 1,154	\$ 1,433
Provisional pricing mark-to-market	(74)	78	(102)	30
Gross after provisional pricing	289	617	1,052	1,463
Treatment and refining charges	(16)	(36)	(61)	(90)
Net	\$ 273	\$ 581	\$ 991	\$ 1,373
Consolidated copper pounds sold (millions)				
	92	158	276	434
Average realized copper price (per pound):				
Gross before provisional pricing	\$ 3.91	\$ 3.41	\$ 4.17	\$ 3.31
Provisional pricing mark-to-market	(0.80)	0.49	(0.37)	0.07
Gross after provisional pricing	3.11	3.90	3.80	3.38
Treatment and refining charges	(0.17)	(0.23)	(0.22)	(0.21)
Net	\$ 2.94	\$ 3.67	\$ 3.58	\$ 3.17

The change in consolidated copper sales is due to:

	Three Months Ended September 30, 2011 vs. 2010	Nine Months Ended September 30, 2011 vs. 2010
Change in consolidated pounds sold	\$ (254)	\$ (528)
Change in average realized copper price	(74)	117
Change in treatment and refining charges	20	29
	\$ (308)	\$ (382)

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Gold				
North America:				
Nevada	\$ 712	\$ 568	\$ 1,823	\$ 1,540
La Herradura	92	52	238	149
	804	620	2,061	1,689
South America:				
Yanacocha	544	436	1,430	1,321
Asia Pacific:				
Boddington	245	181	746	582
Batu Hijau	198	260	430	595
Other Australia/New Zealand	437	351	1,227	973
	880	792	2,403	2,150
Africa:				
Ahafo	243	168	708	459
	2,471	2,016	6,602	5,619
Copper				
Asia Pacific:				
Batu Hijau	233	543	844	1,256
Boddington	40	38	147	117
	273	581	991	1,373
	\$ 2,744	\$ 2,597	\$ 7,593	\$ 6,992

Costs applicable to sales for gold increased in the third quarter and first nine months of 2011 compared to the same periods in 2010 due to higher waste mining activities, higher milling and royalty costs, higher diesel prices, a stronger Australian dollar and a higher co-product allocation of costs to gold, partially offset by lower workers participation costs. *Costs applicable to sales* for copper decreased in the third quarter and first nine months of 2011 compared to the same periods in 2010 due to a lower co-product allocation of costs to copper, partially offset by higher waste mining costs at Batu Hijau and higher mill maintenance costs at Boddington. For a complete discussion regarding variations in operations, see *Results of Consolidated Operations* below.

Amortization increased in the third quarter of 2011 compared to the third quarter of 2010 due to higher mine development and asset retirement costs at Yanacocha and higher mine development costs at Other Australia/New

Zealand. *Amortization* increased in the first nine months of 2011 compared to the first nine months of 2010 due to higher mine development and asset retirement costs at Yanacocha and higher mine development costs at Other Australia/New Zealand, partially offset by lower production from Batu Hijau. We continue to expect *Amortization* to be approximately \$1,025 to \$1,035 in 2011.

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

	Costs Applicable to Sales Three Months Ended September 30,		Amortization Three Months Ended September 30,		Costs Applicable to Sales Nine Months Ended September 30,		Amortization Nine Months Ended September 30,	
	2011	2010	2011	2010	2011	2010	2011	2010
Gold								
North America:								
Nevada	\$ 267	\$ 259	\$ 69	\$ 68	\$ 763	\$ 756	\$ 197	\$ 194
La Herradura	31	20	6	5	76	52	15	13
	298	279	75	73	839	808	212	207
South America:								
Yanacocha	194	149	67	42	537	442	186	119
Asia Pacific:								
Boddington	112	91	28	25	329	284	87	81
Batu Hijau	58	47	14	12	122	123	28	34
Other Australia/New Zealand	174	153	36	26	498	446	102	82
	344	291	78	63	949	853	217	197
Africa:								
Ahafo	71	57	19	22	216	176	61	58
	907	776	239	200	2,541	2,279	676	581
Copper								
Asia Pacific:								
Batu Hijau	73	96	16	26	241	261	54	72
Boddington	28	19	6	5	83	68	20	18
	101	115	22	31	324	329	74	90
Other								
Hope Bay			3	4			10	10
Asia Pacific			1	1			2	2
Corporate and other			5	6			14	14
			9	11			26	26
	\$ 1,008	\$ 891	\$ 270	\$ 242	\$ 2,865	\$ 2,608	\$ 776	\$ 697

Exploration expense increased \$37 in the third quarter of 2011 compared to the third quarter of 2010 due to additional expenditures in all regions, with the largest increases at Long Canyon and Hope Bay. *Exploration* expense increased \$92 in the first nine months of 2011 compared to the first nine months of 2010 due to additional expenditures in all

regions, with the largest increases at Long Canyon and other operations at Nevada, Hope Bay, Ahafo and Jundee. We continue to expect *Exploration* expense to be approximately \$335 to \$345 in 2011.

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Advanced projects, research and development expense in the third quarter and first nine months of 2011 and 2010 are summarized as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Hope Bay	\$ 36	\$ 13	\$ 115	\$ 48
Conga	9	2	15	5
Akyem	2		3	4
Technical and project services	20	12	53	35
Corporate	7	4	16	25
Other	19	15	45	32
	\$ 93	\$ 46	\$ 247	\$ 149

We continue to expect *Advanced projects, research and development* expenses to be approximately \$405 to \$415 in 2011.

General and administrative expenses increased by \$5 and \$12 for the third quarter and first nine months of 2011, respectively, compared to the same periods of 2010 due to higher compensation and benefit costs resulting mainly from a larger workforce to support our growth plans. We continue to expect *General and administrative* expenses to be approximately \$190 to \$200 in 2011.

Other expense, net decreased by \$14 in the third quarter of 2011 compared to the third quarter of 2010 mainly due to lower community development costs. *Other expense, net* decreased by \$4 in the first nine months of 2011 compared to the first nine months of 2010 due to lower community development costs, partially offset by the Indonesian value added tax settlement and Fronteer acquisition costs.

Other income, net decreased by \$81 in the third quarter of 2011 compared to the third quarter of 2010 due to the impairment loss on Paladin Energy Ltd. (Paladin) of \$148 and other marketable equity securities of \$26, partially offset by the gain on the sale of other marketable equity securities and foreign currency exchange gains in 2011 compared to losses in 2010. Paladin is a uranium producer and our investment was acquired with the Fronteer acquisition. The value of the Paladin securities has declined since Japan's nuclear crisis in March 2011. *Other income, net* decreased by \$94 in the first nine months of 2011 compared to the first nine months of 2010 due to the impairment loss on Paladin of \$148 and other marketable equity securities of \$27 and the sale of non-core assets in 2010 partially offset by the gain on the sale of New Gold, Inc. and other marketable equity securities and foreign currency exchange gains in 2011 compared to losses in 2010.

Interest expense, net decreased by \$1 and \$17 in the third quarter and first nine months of 2011, respectively, compared to the same periods in 2010 due to the prepayment of the Yanacocha senior notes and credit facility in 2010 and higher capitalized interest, partially offset by commitment fees on the PTNNT revolving credit facility.

Capitalized interest increased by \$9 and \$19 in the third quarter and first nine months of 2011, respectively, compared to the same periods in 2010 due to higher capitalized costs related to the advancement of our Conga and Akyem projects. We continue to expect *Interest expense, net* to be approximately \$235 to \$245 in 2011.

Income and mining tax expense during the third quarter of 2011 was \$371 resulting in an effective tax rate of 36%.

Income and mining tax expense during the third quarter of 2010 was \$360 for an effective tax rate of 31%. The higher effective rate in 2011 resulted from recording a valuation allowance on the deferred tax asset generated as a result of the impairment loss on specific marketable equity securities and the change in the jurisdictional blend of our taxable income and the effect it has on the overall rate impact from percentage depletion. *Income and mining tax expense* during the first nine months of 2011 was \$863 resulting in an effective tax rate of 30%. *Income and mining tax expense* during the first nine months of 2010 was \$784 for an effective tax rate of 27%. The higher effective tax rate in the first nine months of 2011 was due to recording a valuation allowance related to the impairment loss on specific marketable equity securities as well as a large benefit in the prior year resulting from the restructuring of the form of

the Company's non-US subsidiaries. The effective tax rates are different from the United States statutory rate of 35% primarily due to the above mentioned tax benefits 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, 2010 filed February 24, 2011.

During the quarter, the U.S. Internal Revenue Services issued a Technical Advice Memorandum (TAM) to us regarding the income tax treatment of the 2007 cash settlement of the Price Capped Forward Sales Contracts. The TAM provides unfavorable guidance and we intend to vigorously defend our positions through all available processes.

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During the quarter, Peru enacted four new tax laws. The enactment of the new Peruvian taxes is not anticipated to necessitate adjustment to deferred tax assets or deferred tax liabilities. The new tax laws are not anticipated to have a material impact on the Company's *Income and mining tax expense*.

We expect the 2011 consolidated tax rate to be approximately 29% to 31%, assuming an average realized gold price of \$1,600 per ounce in the remainder of the year.

Net income attributable to noncontrolling interests decreased to \$182 in the third quarter of 2011 compared to \$277 in the third quarter of 2010 as a result of decreased earnings at Batu Hijau, partially offset by increased earnings at Yanacocha. *Net income attributable to noncontrolling interests* decreased to \$475 in the first nine months of 2011 compared to \$629 in the first nine months of 2010 as a result of decreased earnings at Batu Hijau.

Loss from discontinued operations includes the accrual of St. Andrew Goldfields Ltd.'s Holt property royalty in the second quarter of 2011. In 2009, the Superior Court issued a decision finding Newmont Canada Corporation (Newmont Canada) liable for a sliding scale royalty on production from the Holt property, which Newmont Canada appealed. In May 2011, the Ontario Court of Appeal upheld the Superior Court ruling resulting in a \$136 charge, net of tax benefits of \$7.

Results of Consolidated Operations

Three Months Ended September 30,	Gold or Copper Produced ⁽¹⁾		Costs Applicable to Sales ⁽²⁾		Amortization	
	2011	2010	2011	2010	2011	2010
Gold	(ounces in thousands)		(\$ per ounce)		(\$ per ounce)	
North America	482	495	\$ 633	\$ 549	\$ 158	\$ 144
South America	328	355	610	420	211	118
Asia Pacific	563	683	652	445	146	96
Africa	146	156	501	422	140	160
Total/Weighted-Average	1,519	1,689	\$ 622	\$ 470	\$ 164	\$ 121
Attributable to Newmont ⁽³⁾⁽⁴⁾	1,311	1,408	\$ 628	\$ 496		
Net Attributable to Newmont ⁽⁴⁾			\$ 556	\$ 323		
Copper	(pounds in millions)		(\$ per pound)		(\$ per pound)	
Asia Pacific	102	156	\$ 1.10	\$ 0.73	\$ 0.24	\$ 0.20
Attributable to Newmont ⁽⁴⁾	58	83	\$ 1.25	\$ 0.79		

Nine Months Ended September 30,	Gold or Copper Produced ⁽¹⁾		Costs Applicable to Sales ⁽²⁾		Amortization	
	2011	2010	2011	2010	2011	2010
Gold	(ounces in thousands)		(\$ per ounce)		(\$ per ounce)	
North America	1,374	1,431	\$ 624	\$ 565	\$ 157	\$ 145
South America	958	1,131	578	392	200	106
Asia Pacific	1,623	1,892	597	464	136	107
Africa	478	408	465	456	133	151
Total/Weighted-Average	4,433	4,862	\$ 587	\$ 477	\$ 156	\$ 122

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Attributable to Newmont ⁽⁴⁾⁽⁵⁾	3,881	4,038	\$	593	\$	503
Net Attributable to Newmont ⁽⁴⁾			\$	497	\$	366

Copper	(pounds in millions)		(\$ per pound)		(\$ per pound)					
Asia Pacific	278	463	\$	1.17	\$	0.76	\$	0.27	\$	0.21
Attributable to Newmont ⁽⁴⁾	159	253	\$	1.30	\$	0.84				

(1) Contained basis (Attributable production after smelter recoveries was 1,306 and 1,403 thousand gold ounces and 55 and 80 million copper pounds for third quarter 2011 and 2010, respectively. Attributable production after smelter recoveries was 3,867 and 4,022 thousand gold ounces and 152 and 243 million copper pounds for first nine months 2011 and 2010, respectively.)

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- (2) Excludes *Amortization* and *Reclamation and remediation*.
- (3) Includes 19 and 5 thousand ounces in 2011 and 2010, respectively from our non-consolidated interest in La Zanja and 4 thousand ounces in 2011 from our non-consolidated interests in Duketon.
- (4) See *Non-GAAP Financial Measures* on page 64.
- (5) Includes 49 and 5 thousand ounces in 2011 and 2010, respectively from our non-consolidated interest in La Zanja and 12 thousand ounces in 2011 from our non-consolidated interests in Duketon.

Third quarter 2011 compared to 2010

Consolidated gold production decreased 10% due to processing lower grade stockpiles at Batu Hijau, lower leach placement at Yanacocha and lower mill grade at Nevada and Ahafo. Consolidated copper production decreased 35% due to processing lower grade stockpiles at Batu Hijau.

Costs applicable to sales per consolidated gold ounce sold increased 33% due to lower production, higher waste mining, milling, labor and royalty costs and a higher co-product allocation of costs to gold. *Costs applicable to sales* per consolidated copper pound sold increased 51% due to lower production at Batu Hijau, partially offset by lower co-product allocation of costs to copper.

Amortization increased 35% per consolidated gold ounce sold and 20% per consolidated copper pound sold due to lower production and higher mine development and asset retirement costs, partially offset by an increase in reserves.

First nine months 2011 compared to 2010

Consolidated gold production decreased 9% due to processing lower grade stockpiles at Batu Hijau, lower mill grade at Nevada and lower leach placement at Yanacocha, partially offset by higher mill grade and recovery at Ahafo.

Consolidated copper production decreased 40% due to processing lower grade stockpiles at Batu Hijau.

Costs applicable to sales per consolidated gold ounce sold increased 23% due to lower production from Batu Hijau, Yanacocha and Nevada, higher waste mining, milling, labor and royalty costs and higher commodity prices, partially offset by higher silver by-product credits and lower workers participation costs. *Costs applicable to sales* per consolidated copper pound sold increased 54% due to lower production at Batu Hijau.

Amortization increased 28% per consolidated gold ounce sold and 29% per consolidated copper pound sold due to lower production and higher mine development and asset retirement costs.

We continue to expect gold production of 5.1 to 5.3 million ounces attributable to Newmont at consolidated *Costs applicable to sales* per ounce of approximately \$560 to \$590. Potentially lower grades due to mine sequencing at Gold Quarry and lower grades at Exodus in Nevada could result in the Company's attributable gold production for the year to be near the bottom of this range. Potentially lower production in Nevada as well as higher operating costs at Boddington, and a higher co-product allocation of costs to gold could result in the Company's *Costs applicable to sales* for the year to be near the top of this range. Our *Costs applicable to sales* for the year are expected to change by approximately \$2 per ounce for every \$10 change in the oil price and by approximately \$1 per ounce for every \$0.10 change in the A\$ exchange rate. We continue to expect copper production of approximately 190 to 220 million pounds attributable to Newmont at consolidated *Costs applicable to sales* per pound of approximately \$1.25 to \$1.50 in 2011. A lower co-product allocation of costs to copper could result in the Company's *Costs applicable to sales* for the year to be below or near the bottom of this range.

Table of Contents**North America Operations**

Three Months Ended September 30,	Gold Ounces Produced		Costs Applicable to Sales ⁽¹⁾		Amortization	
	2011 (in thousands)	2010	2011 (\$ per ounce)	2010	2011 (\$ per ounce)	2010
Nevada	428	453	\$ 641	\$ 556	\$ 166	\$ 146
La Herradura ⁽²⁾	54	42	575	464	95	115
Total/Weighted-Average	482	495	\$ 633	\$ 549	\$ 158	\$ 144
Attributable to Newmont	482	495				

Nine Months Ended September 30,	Gold Ounces Produced		Costs Applicable to Sales ⁽¹⁾		Amortization	
	2011 (in thousands)	2010	2011 (\$ per ounce)	2010	2011 (\$ per ounce)	2010
Nevada	1,218	1,306	\$ 640	\$ 579	\$ 165	\$ 149
La Herradura ⁽²⁾	156	125	498	415	95	106
Total/Weighted-Average	1,374	1,431	\$ 624	\$ 565	\$ 157	\$ 145
Attributable to Newmont	1,374	1,431				

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

(2) Our proportionately consolidated 44%.

Third quarter 2011 compared to 2010

Nevada, USA. Gold production decreased 6% due to lower mill grade and throughput, partially offset by higher leach placement and recoveries. Open pit ore tons mined increased 167% as the remediation of the Gold Quarry pit slope failure was completed and additional ore tons were mined from Twin Creeks due to mine sequencing. Leeville experienced ground movement resulting in damage to the ventilation shaft and other infrastructure. While not impacting current year production, further underground development is being deferred until required repairs are completed in the first quarter of 2012. *Costs applicable to sales* per ounce increased 15% due to lower production, lower silver and copper by-product credits and higher royalty costs. *Amortization* per ounce increased 14% due to lower production and higher mine development costs.

La Herradura, Mexico. Gold production increased 29% due to higher leach placement at Soledad-Dipolos. *Costs applicable to sales* per ounce increased 24% due to higher mining, leaching and employee profit sharing costs, partially offset by higher production and silver by-product credits. *Amortization* per ounce decreased 17% due to higher production.

First nine months 2011 compared to 2010

Nevada, USA. Gold production decreased 7% due to mining and processing lower grade ore and lower leach recoveries, partially offset by the commencement of underground mining at Exodus and Pete Bajo. *Costs applicable to sales* per ounce increased 11% due to lower production, higher diesel costs and higher royalties, partially offset by higher silver and copper by-product credits. *Amortization* per ounce increased 11% due to lower production and equipment additions.

La Herradura, Mexico. Gold production increased 25% due to higher ore tons mined and higher leach placement at Soledad-Dipolos. *Costs applicable to sales* per ounce increased 20% due to higher mining, leaching and employee profit sharing costs, partially offset by higher production and silver by-product credits. *Amortization* per ounce decreased 10% due to higher production.

As a result of lower grades due to mine sequencing at Gold Quarry, temporary lack of access to the Chukar mine and lower tonnage and grades at Exodus, we now expect gold production in North America of approximately 1.9 to 2.0 million ounces at *Costs applicable to sales* per ounce of approximately \$560 to \$600 in 2011.

Table of Contents**South America Operations**

Three Months Ended September 30,	Gold Ounces Produced		Costs Applicable to Sales ⁽¹⁾		Amortization	
	2011 (in thousands)	2010	2011 (\$ per ounce)	2010	2011 (\$ per ounce)	2010
Yanacocha (51.35% owned)	328	355	\$ 610	\$ 420	\$ 211	\$ 118
Attributable to Newmont ⁽²⁾	188	187				

Nine Months Ended September 30,	Gold Ounces Produced		Costs Applicable to Sales ⁽¹⁾		Amortization	
	2011 (in thousands)	2010	2011 (\$ per ounce)	2010	2011 (\$ per ounce)	2010
Yanacocha (51.35% owned)	958	1,131	\$ 578	\$ 392	\$ 200	\$ 106
Attributable to Newmont ⁽²⁾	541	585				

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

(2) Includes 19 and 49 thousand ounces in the third quarter and first nine months of 2011, respectively, and 5 thousand ounces in the third quarter and first nine months of 2010, respectively, from our 46.94% non-consolidated interest in La Zanja.

Third quarter 2011 compared to 2010

Yanacocha, Peru. Gold production decreased 8% due to lower leach placement at Carachugo and La Quinoa as a result of mine sequencing and lower equipment availability, partially offset by higher mill grade. Ore tons mined decreased 29% due to mine sequencing at El Tapado. *Costs applicable to sales* per ounce increased 45% due to lower production, higher diesel, workers participation and royalty costs, lower silver by-product credits and an unfavorable leach pad recovery estimate adjustment. *Amortization* per ounce increased 79% due to lower production and higher mine development and asset retirement costs.

First nine months 2011 compared to 2010

Yanacocha, Peru. Gold production decreased 15% due to lower leach placement at Yanacocha, La Quinoa and Carachugo as a result of mine sequencing and lower equipment availability, partially offset by higher mill grade. Ore tons mined decreased 34% due to mine sequencing and adverse working conditions at El Tapado. *Costs applicable to sales* per ounce increased 47% due to lower production, higher waste mining, diesel and royalty costs and an unfavorable leach pad recovery estimate adjustment, partially offset by higher silver by-product credits and lower workers participation costs. *Amortization* per ounce increased 89% due to lower production and higher mine development and asset retirement costs.

As a result of lower leach placement at Yanacocha, partially offset by better than expected performance at La Zanja, we now expect attributable gold production in South America of approximately 700,000 to 730,000 ounces at consolidated *Costs applicable to sales* per ounce of approximately \$560 to \$600 in 2011.

Table of Contents**Asia Pacific Operations**

Three Months Ended September 30,	Gold or Copper		Costs Applicable to Sales ⁽²⁾		Amortization	
	Produced ⁽¹⁾		2011	2010	2011	2010
	(ounces in thousands)		(\$ per ounce)		(\$ per ounce)	
Gold						
Boddington	166	180	\$ 743	\$ 617	\$ 182	\$ 166
Batu Hijau ⁽³⁾	138	219	476	211	108	56
Other Australia/New Zealand	259	284	684	539	144	91
Total/Weighted-Average	563	683	\$ 652	\$ 445	\$ 146	\$ 96
Attributable to Newmont ⁽⁴⁾	495	570				
	(pounds in millions)		(\$ per pound)		(\$ per pound)	
Copper						
Boddington	17	14	\$ 2.25	\$ 1.81	\$ 0.47	\$ 0.52
Batu Hijau ⁽³⁾	85	142	0.90	0.65	0.20	0.18
Total/Weighted-Average	102	156	\$ 1.10	\$ 0.73	\$ 0.24	\$ 0.20
Attributable to Newmont	58	83				
	Gold or Copper		Costs Applicable to Sales ⁽²⁾		Amortization	
Nine Months Ended September 30,	Produced ⁽¹⁾		2011	2010	2011	2010
	(ounces in thousands)		(\$ per ounce)		(\$ per ounce)	
Gold						
Boddington	536	522	\$ 657	\$ 577	\$ 173	\$ 164
Batu Hijau ⁽³⁾	285	554	423	235	95	65
Other Australia/New Zealand	802	816	623	543	128	100
Total/Weighted-Average	1,623	1,892	\$ 597	\$ 464	\$ 136	\$ 107
Attributable to Newmont ⁽⁴⁾	1,488	1,614				
	(pounds in millions)		(\$ per pound)		(\$ per pound)	
Copper						
Boddington	47	43	\$ 2.12	\$ 1.80	\$ 0.51	\$ 0.48
Batu Hijau ⁽³⁾	231	420	1.01	0.66	0.23	0.18
Total/Weighted-Average	278	463	\$ 1.17	\$ 0.76	\$ 0.27	\$ 0.21
Attributable to Newmont	159	253				

- (1) Contained basis. (Attributable production after smelter recoveries was 490 and 565 thousand gold ounces and 55 and 80 million copper pounds for third quarter 2011 and 2010, respectively. Attributable production after smelter recoveries was 1,474 and 1,598 thousand gold ounces and 152 and 243 million copper pounds for first nine months 2011 and 2010, respectively.)
- (2) Excludes *Amortization* and *Reclamation and remediation*.
- (3) Our economic interest in Batu Hijau was 48.5% for all periods presented except the first nine months of 2010 during when our interest was 49.86%.
- (4) Includes 4 and 12 thousand ounces in the third quarter and first nine months of 2011, respectively, from our 16.17% non-consolidated interest in Duketon.

Third quarter 2011 compared to 2010

Boddington, Australia. Gold production decreased 8% due to lower mill grade, partially offset with higher mill throughput. Copper production increased 21% due to higher mill throughput, partially offset by lower recovery. Gold *Costs applicable to sales* increased 20% per ounce and due to lower gold production, higher royalty costs and higher diesel prices, partially offset by higher silver by-product credits. Copper *Costs applicable to sales* increased 24% per pound due to higher royalty costs and higher diesel prices, partially offset by higher silver by-product credits and higher copper production. *Costs applicable to sales* per ounce and per pound were also impacted by a stronger Australian dollar, net of hedging gains. *Amortization* increased 10% per ounce due to lower production and decreased 10% per pound due to higher production.

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Batu Hijau, Indonesia. Gold and copper production decreased 37% and 40%, respectively, due to lower throughput and recovery as a result of processing more stockpiled material compared to higher grade Phase 5 ore in 2010, and the completion of mill motor replacements in 2011. Waste tons mined increased 104% as Phase 6 waste removal continues as planned. *Costs applicable to sales* increased 126% per ounce and 38% per pound due to lower production and higher waste mining costs, partially offset by higher silver by-product credits. *Costs applicable to sales* per ounce and per pound were also impacted by a higher allocation of costs to gold. *Amortization* increased 93% per ounce and 11% per pound due to lower production.

Other Australia/New Zealand. Gold production decreased 9% due to lower mill throughput at Tanami, Jundee and Kalgoorlie, lower grade at Waihi and a build-up of in process inventory at Kalgoorlie, partially offset by higher grade at Tanami and Jundee and a drawdown of inventory at Jundee. *Costs applicable to sales* per ounce increased 27% due to lower production and higher operating costs which were driven by higher power and diesel prices and a stronger Australian dollar, net of hedging gains. *Amortization* per ounce increased 58% due to higher mine development costs at Jundee.

First nine months 2011 compared to 2010

Boddington, Australia. Gold production and copper production increased 3% and 9%, respectively, due to higher mill throughput, partially offset by lower recoveries and lower mill gold grade. *Costs applicable to sales* increased 14% per ounce and 18% per pound due to higher maintenance, contract services, diesel and royalty costs and a stronger Australian dollar, net of hedging gains, partially offset by higher production and higher silver by-product credits. *Amortization* increased 5% per ounce and 6% per pound due to higher asset retirement costs, partially offset by higher production.

Batu Hijau, Indonesia. Gold and copper production decreased 49% and 45%, respectively, due to lower grade, throughput and recovery as a result of processing more stockpiled material compared to higher grade Phase 5 ore in 2010 and mill motor replacements during the second and third quarters of 2011. Waste tons mined increased 193% as Phase 6 waste removal continues as planned. The Company expects to reach Phase 6 ore in the last half of 2013. *Costs applicable to sales* increased 80% per ounce and 53% per pound due to lower production and higher waste mining costs, partially offset by higher silver by-product credits. *Costs applicable to sales* per ounce and per pound were impacted by higher allocation of costs to gold. *Amortization* increased 46% per ounce and 28% per pound due to lower production.

Other Australia/New Zealand. Gold production decreased 2% due to lower mill throughput and recovery at Kalgoorlie, partially offset by higher grade at Jundee and Tanami. *Costs applicable to sales* per ounce increased 15% due to lower production and higher operating costs which were driven by higher power and diesel prices and a stronger Australian dollar, net of hedging gains. *Amortization* per ounce increased 28% due to lower production and higher mine development costs at Jundee.

We continue to expect attributable gold production for Asia Pacific of approximately 1.9 to 2.0 million ounces at consolidated *Costs applicable to sales* per ounce of approximately \$600 to \$675 and attributable copper production of approximately 190 to 220 million pounds at consolidated *Costs applicable to sales* per pound of approximately \$1.25 to \$1.50 in 2011.

On May 6, 2011 we announced that a definitive agreement was signed with an agency of the Indonesian Government's Ministry of Finance for the sale of the final 7% divestiture stake in PT Newmont Nusa Tenggara (PTNNT), as required under the terms of PTNNT's Contract of Work with the Indonesian Government. PTNNT operates the Batu Hijau copper and gold mine in Indonesia. Nusa Tenggara Partnership B.V. (NTPBV), which holds Newmont's shares in PTNNT together with shares held by a subsidiary of Sumitomo Corporation of Japan, entered into the agreement with Pusat Investasi Pemerintah (PIP). The Government of Indonesia designated PIP as the buyer for the final 7% interest by exercising a right of first refusal set out in the Contract of Work. Upon closing of the transaction, NTPBV's interest in Batu Hijau will be reduced to 49%, as required under the Contract of Work. The price agreed for the 7% stake is approximately \$247.

Newmont's economic interest in PTNNT following the closing of the transaction will be 44.56%, which includes direct ownership of 27.56% and a 17% effective economic interest through financing arrangements with existing shareholders. We have identified VIEs in connection with our economic interests in PTNNT due to certain funding

arrangements and shareholder commitments. We have financing arrangements with PT Pukuafu Indah and PT Indonesia Masbaga Investama, whereby we agreed to advance certain funds to them in exchange for (i) a pledge of their combined 20% share of PTNNT, (ii) an assignment of dividends payable on the shares, net of withholding tax, (iii) a commitment from them to support the application of our standards to the operation of the Batu Hijau mine, and (iv) as of September 16, 2011 in respect of PT Pukuafu Indah only, powers of attorney to vote and sell PTNNT shares in support of the pledge, enforceable in an event of default as further security for the funding.

Table of Contents**Africa Operations**

Three Months Ended September 30,	Gold Ounces Produced		Costs Applicable to Sales ⁽¹⁾		Amortization	
	2011 (in thousands)	2010	2011 (\$ per ounce)	2010	2011 (\$ per ounce)	2010
Ahafo	146	156	\$ 501	\$ 422	\$ 140	\$ 160
Attributable to Newmont	146	156				

Nine Months Ended September 30,	Gold Ounces Produced		Costs Applicable to Sales ⁽¹⁾		Amortization	
	2011 (in thousands)	2010	2011 (\$ per ounce)	2010	2011 (\$ per ounce)	2010
Ahafo	478	408	\$ 465	\$ 456	\$ 133	\$ 151
Attributable to Newmont	478	408				

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

Third quarter 2011 compared to 2010

Ahafo, Ghana. Gold production decreased 6% due to lower mill grade, partially offset by higher recovery. *Costs applicable to sales* per ounce increased 19% due to lower production and higher labor, diesel and royalty costs.

First nine months 2011 compared to 2010

Ahafo, Ghana. Gold production increased 17% due to higher mill throughput, grade and recovery. *Costs applicable to sales* per ounce increased 2% due to higher commodity prices, royalty and mining equipment maintenance costs, partially offset by higher production.

As a result of slightly higher than expected grades and recoveries, we now expect gold production in Africa of approximately 560,000 to 590,000 ounces at *Costs applicable to sales* per ounce of approximately \$470 and \$500 in 2011.

Foreign Currency Exchange Rates

Our foreign operations sell their gold and copper production based on U.S. dollar metal prices. Approximately 45% and 36% of our *Costs applicable to sales* were paid in local currencies during the third quarter of 2011 and 2010, respectively. Approximately 43% and 36% of our *Costs applicable to sales* were paid in local currencies during the first nine months of 2011 and 2010, respectively. Variations in the local currency exchange rates in relation to the U.S. dollar at our foreign mining operations increased consolidated *Costs applicable to sales* per ounce by approximately \$15, net of hedging gains, during the third quarter and first nine months of 2011 compared to the same periods in 2010.

Liquidity and Capital Resources**Cash Provided from Operating Activities**

Net cash provided from continuing operations was \$2,666 in the first nine months of 2011, an increase of \$331 from the first nine months of 2010 primarily due to higher realized gold and copper prices of \$1,519 and \$117, respectively, and a net reduction in working capital of \$243, partially offset by lower gold and copper sales volume impacts of \$533 and \$528, respectively, as discussed above in *Consolidated Financial Results*, higher costs applicable to sales of \$257, higher research and development costs of \$98 and higher exploration costs of \$92.

Table of Contents**Investing Activities**

Net cash used in investing activities increased to \$4,028 during the first nine months of 2011 compared to \$1,002 during the same period of 2010, due largely to the acquisition of Fronteer and increased capital spending. Additions to property, plant and mine development were as follows:

	Nine Months Ended September 30,	
	2011	2010
North America:		
Nevada	\$ 380	\$ 200
Hope Bay	74	88
La Herradura	55	33
	509	321
South America:		
Yanacocha	244	109
Conga	448	86
	692	195
Asia Pacific:		
Boddington	122	106
Batu Hijau	149	48
Other Australia/New Zealand	212	111
Other Asia Pacific	8	11
	491	276
Africa:		
Ahafo	71	80
Akyem	127	49
	198	129
Corporate and Other	23	23
Accrual basis	1,913	944
Decrease (increase) in accrued capital expenditures	(132)	28
Cash basis	\$ 1,781	\$ 972

Capital expenditures in North America during the first nine months of 2011 were primarily related to development at the Turf/Leeville, Midas, Exodus and Pete Bajo underground projects in Nevada, infrastructure at the Hope Bay project in Canada and sustaining mine development. Capital expenditures in South America were primarily related to Conga and leach pad and surface mine development at Yanacocha. The majority of capital expenditures in Asia

Pacific were for surface and underground development, equipment, tailings facility construction and infrastructure improvements. Capital expenditures in Africa were primarily related to Akyem and the Subika expansion project at Ahafo. We continue to expect 2011 capital expenditures to be approximately \$2,700 to \$3,000.

Capital expenditures in North America during the first nine months of 2010 were primarily related to infrastructure at the Hope Bay project in Canada, development at the Turf/Leeville underground project in Nevada and sustaining mine development. Capital expenditures in South America were primarily related to Conga and leach pad development at Yanacocha. The majority of capital expenditures in Asia Pacific were for surface and underground development, mining equipment, tailings facility construction and infrastructure improvements. Capital expenditures in Africa were primarily related to the development of Akyem and the Amoma pit, tailings dam construction and infrastructure improvements at Ahafo.

Proceeds from sale of marketable securities. During the first nine months of 2011, we received \$74 for the sale of our investments in New Gold, Inc. and other marketable securities.

Purchases of marketable securities. During the first nine months of 2011 and 2010, we purchased marketable securities of \$17 and \$9, respectively.

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Acquisitions, net. On February 3, 2011, we announced an agreement with Fronteer Gold, Inc. (Fronteer) to acquire all of the outstanding common shares of Fronteer. On April 6, 2011, Newmont acquired 153 million common shares of Fronteer for total consideration of \$2,259 less cash received from the acquisition of \$2 for a net payment of \$2,257. In connection with the acquisition, Newmont incurred transaction costs of \$22 during the first nine months of 2011, which were recorded in *Other Expense, net*. We also paid \$22 of contingent payments in accordance with the 2009 Boddington acquisition agreement.

Proceeds from sale of other assets. During the first nine months of 2011, we received \$6 primarily from the sale of investments. During the first nine months of 2010 proceeds included \$13 from the sale of our 40% interest in AGR Matthey Joint Venture (AGR) and \$5 for the sale of our joint venture exploration property in Armenia. We also received \$34 from the sale of other assets including non-core assets held at Tanami.

Financing Activities

Net cash used in financing activities was \$588 and \$584 during the first nine months of 2011 and 2010, respectively.

Proceeds from and repayment of debt. During the first nine months of 2011, we borrowed \$1,826 under our revolving credit facility and paid debt issuance costs of \$28. We repaid \$2,086 of debt, including repayment of \$1,826 under our revolving credit facility and scheduled debt repayments of \$223 for our 8 5/8% debentures, \$30 related to the sale-leaseback of the refractory ore treatment plant (classified as a capital lease) and \$7 on other credit facilities and capital leases. At September 30, 2011, \$241 of the \$2,500 revolving credit facility was used to secure the issuance of letters of credit, primarily supporting reclamation obligations (see *Off-Balance Sheet Arrangements* below). During the first nine months of 2010, we repaid \$274 of debt, including pre-payment of the \$220 balance under the PTNNT project financing facility, scheduled debt repayments of \$24 related to the sale-leaseback of the refractory ore treatment plant and \$30 on other credit facilities and capital leases.

Scheduled minimum debt repayments are \$5 for the remainder of 2011, \$578 in 2012, \$42 in 2013, \$550 in 2014, \$18 in 2015, and \$3,044 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, available credit facilities and an expected \$2,000 debt issuance in the first half of 2012.

At September 30, 2011 and 2010, we were in compliance with all required debt covenants and other restrictions related to debt agreements.

Sale of noncontrolling interests. In March 2010, Nusa Tenggara Partnership (NTP) completed the sale of 7% of shares in PTNNT to a third party buyer. Cash proceeds from the sale were \$229, with our 56.25% share being \$129 and the balance of \$100 was paid to our NTP partner.

Acquisition of noncontrolling interests. During the first nine months of 2010, we increased our economic interest in PTNNT by advancing \$109 to noncontrolling interests.

Dividends paid to common stockholders. We declared regular quarterly dividends totaling \$0.65 and \$0.35 per common share for the nine months ended September 30, 2011 and 2010, respectively. Additionally, Newmont Mining Corporation of Canada Limited, a subsidiary of the Company, declared regular quarterly dividends on its exchangeable shares totaling C\$0.6245 per share through September 30, 2011 and C\$0.3612 through September 30, 2010. We paid dividends of \$321 and \$172 to common stockholders in the first nine months of 2011 and 2010, respectively.

Dividends paid to noncontrolling interests. We paid dividends of \$17 and \$360 to noncontrolling interests during the first nine months of 2011 and 2010, respectively. The payments in 2011 included \$15 of Indonesian withholding taxes related to dividends paid to noncontrolling interests in December 2010. The dividends paid during the first nine months of 2010 included \$100 for our NTP partner's share of the sale of the 7% interest in Batu Hijau and \$258 for our partners' share of a \$576 PTNNT dividend.

Proceeds from stock issuance. We received proceeds of \$35 and \$56 during the first nine months of 2011 and 2010, respectively, from the issuance of common stock.

Discontinued Operations

Net operating cash used in discontinued operations was \$4 and \$13 in the first nine months of 2011 and 2010, respectively. Discontinued operations in 2011 relate to payments on the Holt property royalty. The 2010 amount related to the Kori Kollo operation in Bolivia which was sold in 2009.

Table of Contents**Off-Balance Sheet Arrangements**

We have the following off-balance sheet arrangements: operating leases (as discussed in Note 29 to the Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2010, filed on February 24, 2011) and \$1,341 of outstanding letters of credit, surety bonds and bank guarantees (see Note 28 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):

	2011	2012	2013	2014	2015	Thereafter
Batu Hijau	96	359	344	518		
Boddington	77	259	243	254	231	672
Nevada	61	75				
	234	693	587	772	231	672

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 September 30, 2011 and December 31, 2010, \$922 and \$904, 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, \$166 and \$144 were accrued for such obligations at September 30, 2011 and December 31, 2010, respectively. We spent \$6 and \$15 during the first nine months of 2011 and 2010, respectively, for environmental obligations related to the former, primarily historic, mining activities and have classified \$17 as a current liability at September 30, 2011.

During the first nine months of 2011 and 2010, capital expenditures were approximately \$110 and \$54, 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 28 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.

Table of Contents**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

Management of the Company uses *Adjusted net income* to evaluate the Company's operating performance, and for planning and forecasting future business operations. The Company believes the use of *Adjusted net income* 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* are evaluated periodically and based, in part, on a review of non-GAAP financial measures used by mining industry analysts. *Net income attributable to Newmont stockholders* is reconciled to *Adjusted net income* as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Net income attributable to Newmont stockholders	\$ 493	\$ 537	\$ 1,394	\$ 1,465
Impairments/asset sales, net	142	(4)	110	(32)
Loss from discontinued operations			136	
Fronteer acquisition costs			18	
PTNNT community contribution				13
Income tax benefit from internal restructuring			(65)	(127)
Adjusted net income	\$ 635	\$ 533	\$ 1,593	\$ 1,319
Adjusted net income per share ⁽¹⁾	\$ 1.29	\$ 1.08	\$ 3.23	\$ 2.68

(1) Calculated using weighted average number of shares outstanding, basic.

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.

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.

Table of Contents**Costs applicable to sales per ounce**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Costs applicable to sales:				
Consolidated per financial statements	\$ 907	\$ 776	\$ 2,541	\$ 2,279
Noncontrolling interests ⁽¹⁾	(128)	(99)	(333)	(285)
Attributable to Newmont	\$ 779	\$ 677	\$ 2,208	\$ 1,994
Gold sold (thousand ounces):				
Consolidated	1,458	1,651	4,327	4,778
Noncontrolling interests ⁽¹⁾	(218)	(287)	(601)	(811)
Attributable to Newmont	1,240	1,364	3,726	3,967
Costs applicable to sales per ounce:				
Consolidated	\$ 622	\$ 470	\$ 587	\$ 477
Attributable to Newmont	\$ 628	\$ 496	\$ 593	\$ 503

Costs applicable to sales per pound

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Costs applicable to sales:				
Consolidated per financial statements	\$ 101	\$ 115	\$ 324	\$ 329
Noncontrolling interests ⁽¹⁾	(37)	(50)	(124)	(131)
Attributable to Newmont	\$ 64	\$ 65	\$ 200	\$ 198
Copper sold (million pounds):				
Consolidated	92	158	276	434
Noncontrolling interests ⁽¹⁾	(41)	(76)	(122)	(198)
Attributable to Newmont	51	82	154	236
Costs applicable to sales per pound:				
Consolidated	\$ 1.10	\$ 0.73	\$ 1.17	\$ 0.76
Attributable to Newmont	\$ 1.25	\$ 0.79	\$ 1.30	\$ 0.84

Net attributable costs applicable to sales per ounce

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Attributable costs applicable to sales:				
Gold	\$ 779	\$ 677	\$ 2,208	\$ 1,994
Copper	64	65	200	198
	843	742	2,408	2,192
Copper revenue:				
Consolidated	(273)	(581)	(991)	(1,373)
Noncontrolling interests ⁽¹⁾	119	279	434	631
	(154)	(302)	(557)	(742)
Net attributable costs applicable to sales	\$ 689	\$ 440	\$ 1,851	\$ 1,450
Attributable gold ounces sold (thousands)	1,240	1,364	3,726	3,967
Net attributable costs applicable to sales per ounce	\$ 556	\$ 323	\$ 497	\$ 366

⁽¹⁾ Relates to partners' interests in Batu Hijau and Yanacocha

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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, 2010, 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. 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.

Table of Contents**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.

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.

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 also utilize foreign currency contracts to hedge a portion of the Company's A\$ denominated capital expenditures related to the construction of the Akyem project in Africa and the Tanami mine shaft in Australia. The hedging instruments are fixed forward contracts with expiration dates ranging up to three years. We use diesel contracts to reduce the variability of our operating cost exposure related to diesel prices of fuel consumed at our Nevada operations. We utilize forward starting swap contracts to hedge against adverse movements in interest rates related to an expected debt issuance. 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.

Table of Contents**Foreign Currency Exchange Risk**

We had the following foreign currency derivative contracts outstanding at September 30, 2011:

	Expected Maturity Date						Total Average
	2011	2012	2013	2014	2015	2016	
A\$ Operating Fixed							
Forward Contracts:							
A\$ notional (millions)	315	1,114	863	576	292	63	3,223
Average rate (\$/A\$)	0.87	0.90	0.91	0.89	0.86	0.90	0.90
Expected hedge ratio	84%	70%	53%	37%	19%	6%	
A\$ Capital Fixed							
Forward Contracts:							
A\$ notional (millions)	11	57	51	22			141
Average rate (\$/A\$)	1.03	1.01	0.98	0.96			0.99
Expected hedge ratio	55%	41%	28%	23%			
NZ\$ Operating Fixed							
Forward Contracts:							
NZ\$ notional (millions)	20	53	15				88
Average rate (\$/NZ\$)	0.73	0.75	0.78				0.75
Expected hedge ratio	64%	41%	15%				

The fair value of the A\$ foreign currency operating derivative contracts was a net asset position of \$59 and \$295 at September 30, 2011 and December 31, 2010, respectively. The fair value of the NZ\$ foreign currency derivative contracts was a net asset position of \$nil and \$6 at September 30, 2011 and December 31, 2010, respectively. The fair value of the A\$ capital foreign currency contracts was a net liability position of \$9 at September 30, 2011.

Diesel Price Risk

We had the following diesel derivative contracts outstanding at September 30, 2011:

	Expected Maturity Date			Total Average
	2011	2012	2013	
Diesel Fixed Forward Contracts:				
Diesel gallons (millions)	6	18	4	28
Average rate (\$/gallon)	2.61	2.77	2.96	2.76
Expected hedge ratio	58%	39%	10%	

The fair value of the diesel derivative contracts was a net asset position of \$nil and \$8 at September 30, 2011 and December 31, 2010, respectively.

Forward Starting Swaps

During the three months ended September 30, 2011, we increased our forward starting swaps position to a total notional value of \$2,000. These swaps hedge movements in treasury rates related to an expected debt issuance. During the third quarter 2011, we revised our expected debt issuance date to the first half of 2012 and extended the terms of the forward starting swap contracts resulting in the recognition of a \$10 charge related to hedge ineffectiveness. At September 30, 2011, the hedge contracts were in a liability position of \$356. The proceeds from the expected debt issuance will be adjusted by the fair value of the swap contracts at the time of issuance.

Fair Value Hedges**Interest Rate Risk**

We had \$222 fixed to floating swap contracts designated as a hedge against debt which matured in May 2011.

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 \$4.07 per pound during the three months ended September 30, 2011, compared with our recorded average provisional price of \$3.91 per pound before mark-to-market losses and treatment and refining charges. LME copper prices averaged \$4.20 per pound during the nine months ended September 30, 2011, compared with our recorded average provisional price of \$4.17 per pound before mark-to-market losses and treatment and refining charges. During the three and nine months ended September 30, 2011, changes in copper prices resulted in a provisional pricing mark-to-market loss of \$74 (\$0.80 per pound) and \$102 (\$0.37 per pound), respectively. At September 30, 2011, we had copper sales of 102 million pounds priced at an average of \$3.24 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 \$4 effect on our *Net income attributable to Newmont stockholders*. The LME closing settlement price at September 30, 2011 for copper was \$3.15 per pound.

The average London P.M. fix for gold was \$1,702 per ounce during the three months ended September 30, 2011, compared with our recorded average provisional price of \$1,691 per ounce before mark-to-market gains and treatment and refining charges. The average London P.M. fix for gold was \$1,534 per ounce during the nine months ended September 30, 2011, compared with our recorded average provisional price of \$1,525 per ounce before mark-to-market gains and treatment and refining charges. During the three and nine months ended September 30, 2011, changes in gold prices resulted in a provisional pricing mark-to-market gain of \$20 (\$14 per ounce) and \$38 (\$9 per ounce), respectively. At September 30, 2011, we had gold sales of 79,000 ounces priced at an average of \$1,621 per ounce, subject to final pricing over the next several months. Each \$10 change in the price for provisionally priced gold sales would have an insignificant effect on our *Net income attributable to Newmont stockholders*. The London P.M. closing settlement price at September 30, 2011 for gold was \$1,624 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.

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

Information regarding legal proceedings is contained in Note 28 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, 2010, as filed with the SEC on February 24, 2011.

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
July 1, 2011 through July 31, 2011				N/A
August 1, 2011 through August 31, 2011				N/A
September 1, 2011 through September 30, 2011				N/A

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 5. OTHER INFORMATION.**Mine Safety Disclosure**

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 superior safe and healthy environment and are intended as a means 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 an established Rapid Response process to mitigate and prevent the escalation of adverse consequences in the event that existing risk management controls fail, particularly in the event of an incident that 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, minimizes the impact by considering the environmental, strategic, legal, financial and public image aspects of the incident, ensures communications are being carried out in accordance with legal and ethical requirements and identifies actions that need to be taken on a broader scale than can be predicted by those involved in overcoming the immediate hazards. 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.

Newmont is required to report certain mine safety violations in this Quarterly Report on Form 10-Q pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and that required information is

included in exhibit 99.1 and is incorporated by reference into this Quarterly Report.

Table of Contents**Executive Severance Plan**

On October 25, 2011, the Board of Directors and the Compensation Committee of the Board adopted an Executive Severance Plan applicable to the Senior Director and above levels of the Company. Under the new plan, any eligible employee who is subject to involuntary termination of employment for any reason other than cause is entitled to severance benefits. Cause is defined as engagement in illegal conduct or gross negligence, or willful misconduct or any dishonest or fraudulent activity, breach of any contract, agreement or representation with the Company, or violation of Newmont's Code of Business Ethics and Conduct. Severance benefits consist of: 1) a fixed number of months of base salary; 2) target pro-rated bonus; 3) medical benefits for the severance period, not to exceed 18 months, and 4) outplacement services for up to 12 months. The range of fixed number of months of base salary is as follows:

Salary Grade		Benefit
CEO	E1	24 months of Salary
EVP	E2	15 months of Salary + 1 month of Salary for every year of Service up to a maximum of 18 months of Salary
	E3	
SVP	E4	12 months of Salary + 1 month of Salary for every year of Service up to a maximum of 15 months of Salary
VP	E5	12 months of Salary
Group Executive	E6	9 months of Salary + 1 month of Salary for every year of Service up to a maximum of 12 months of Salary
Senior Director	109	6 months of Salary + 1 month of Salary for every year of Service up to a maximum of 9 months of Salary

For equity grants made in 2012 and going forward, in the case of separation of employment under the Executive Severance Plan, there shall be no acceleration of unvested options and a pro-rata percent of restricted stock units (under the Financial Performance Share and the Performance Share Unit programs) in the event of involuntary separation under the new Executive Severance Plan. The foregoing description is qualified in its entirety by reference to the complete text of the Executive Severance Plan attached as Exhibit 10.1 to this report.

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.

Newmont Mining Corporation
(Registrant)

Date: October 27, 2011

/s/ RUSSELL BALL
Russell Ball
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Date: October 27, 2011

/s/ DAVID OTTEWELL
David Ottewell
Vice President and Controller
(Principal Accounting Officer)

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**NEWMONT MINING CORPORATION
EXHIBIT INDEX**

Exhibit Number	Description
10.1	Executive Severance Plan of Newmont, Effective October 26, 2011, 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 Principal Executive Officer, filed herewith. ⁽¹⁾
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 Chief Financial Officer, filed herewith. ⁽¹⁾
99.1	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

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