NEWMONT MINING CORP /DE/
Form 10-Q
July 29, 2011

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549
Form 10-Q

(Mark One)

þ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the Quarterly Period Ended June 30, 2011
or

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from _____ to _____
Commission File Number: 001-31240
NEWMONT MINING CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	**84-1611629**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**
6363 South Fiddler s Green Circle Greenwood Village, Colorado	**80111**
(Address of Principal Executive Offices)	**(Zip Code)**

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. þ Yes o 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). þ Yes o 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 þ	Accelerated filer o	Non-accelerated filer o (Do not check if a smaller reporting company.)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12-b2 of the Exchange Act). o Yes þ No
There were 487,574,675 shares of common stock outstanding on July 21, 2011 (and 6,603,235 exchangeable shares).

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PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Sales (Note 3)	$ 2,384	$ 2,153	$ 4,849	$ 4,395
Costs and expenses				
Costs applicable to sales [1] (Note 3)	917	848	1,857	1,717
Amortization	250	231	506	455
Reclamation and remediation (Note 4)	43	13	57	26
Exploration	89	53	151	96
Advanced projects, research and development (Note 5)	86	57	154	103
General and administrative	50	43	95	88
Other expense, net (Note 6)	87	61	160	150
	1,522	1,306	2,980	2,635
Other income (expense)				
Other income, net (Note 7)	48	44	79	92
Interest expense, net	(63)	(69)	(128)	(144)
	(15)	(25)	(49)	(52)
Income before income and mining tax and other items	847	822	1,820	1,708
Income and mining tax expense (Note 10)	(187)	(283)	(492)	(424)
Equity income (loss) of affiliates		(2)	2	(4)
Income from continuing operations	660	537	1,330	1,280
Loss from discontinued operations (Note 11)	(136)		(136)	
Net income	524	537	1,194	1,280
Net income attributable to noncontrolling interests (Note 12)	(137)	(155)	(293)	(352)
Net income attributable to Newmont stockholders	$ 387	$ 382	$ 901	$ 928
Net income attributable to Newmont stockholders:				
Continuing operations	$ 523	$ 382	$ 1,037	$ 928
Discontinued operations	(136)		(136)	

	$ 387	$ 382	$ 901	$ 928
Income per common share [2] (Note 13)				
Basic:				
Continuing operations	$ 1.06	$ 0.78	$ 2.10	$ 1.89
Discontinued operations	(0.28)		(0.28)	
	$ 0.78	$ 0.78	$ 1.82	$ 1.89
Diluted:				
Continuing operations	$ 1.04	$ 0.77	$ 2.07	$ 1.87
Discontinued operations	(0.27)		(0.27)	
	$ 0.77	$ 0.77	$ 1.80	$ 1.87
Cash dividends declared per common share	$ 0.20	$ 0.10	$ 0.35	$ 0.20

(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)

	Six Months Ended June 30,	
	2011	**2010**
Operating activities:		
Net income	$ 1,194	$ 1,280
Adjustments:		
Amortization	506	455
Loss from discontinued operations	136	
Reclamation and remediation	57	26
Deferred income taxes	(38)	(86)
Stock based compensation and other non-cash benefits	44	39
Gain on asset sales, net	(53)	(49)
Other operating adjustments and write-downs	97	67
Net change in operating assets and liabilities (Note 25)	(540)	(251)
Net cash provided from continuing operations	1,403	1,481
Net cash used in discontinued operations	(2)	(13)
Net cash provided from operations	1,401	1,468
Investing activities:		
Additions to property, plant and mine development	(1,020)	(628)
Proceeds from sale of marketable securities	55	1
Purchases of marketable securities	(15)	(7)
Acquisitions, net	(2,291)	
Proceeds from sale of other assets	6	52
Other	(15)	(23)
Net cash used in investing activities	(3,280)	(605)
Financing activities:		
Proceeds from debt, net	775	
Repayment of debt	(973)	(263)
Sale of noncontrolling interests		229
Acquisition of noncontrolling interests		(109)
Dividends paid to common stockholders	(173)	(98)
Dividends paid to noncontrolling interests	(17)	(307)
Proceeds from stock issuance, net	8	30
Change in restricted cash and other		48
Net cash used in financing activities	(380)	(470)
Effect of exchange rate changes on cash	58	(6)
Net change in cash and cash equivalents	(2,201)	387

Cash and cash equivalents at beginning of period		4,056		3,215
Cash and cash equivalents at end of period	$	1,855	$	3,602

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

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NEWMONT MINING CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited, in millions)

	At June 30, 2011	At December 31, 2010
ASSETS		
Cash and cash equivalents	$ 1,855	$ 4,056
Trade receivables	418	582
Accounts receivable	135	88
Investments (Note 19)	203	113
Inventories (Note 20)	671	658
Stockpiles and ore on leach pads (Note 21)	696	617
Deferred income tax assets	308	177
Other current assets (Note 22)	1,613	962
Current assets	5,899	7,253
Property, plant and mine development, net	16,663	12,907
Investments (Note 19)	1,675	1,568
Stockpiles and ore on leach pads (Note 21)	1,950	1,757
Deferred income tax assets	1,505	1,437
Other long-term assets (Note 22)	946	741
Total assets	$ 28,638	$ 25,663
LIABILITIES		
Debt (Note 23)	$ 539	$ 259
Accounts payable	490	427
Employee-related benefits	229	288
Income and mining taxes	184	355
Other current liabilities (Note 24)	1,998	1,418
Current liabilities	3,440	2,747
Debt (Note 23)	3,771	4,182
Reclamation and remediation liabilities (Note 4)	1,032	984
Deferred income tax liabilities	2,735	1,488
Employee-related benefits	353	325
Other long-term liabilities (Note 24)	314	221
Total liabilities	11,645	9,947
Commitments and contingencies (Note 28)		
EQUITY		
Common stock	780	778
Additional paid-in capital	8,330	8,279
Accumulated other comprehensive income	1,310	1,108
Retained earnings	3,908	3,180

Newmont stockholders equity	14,328	13,345
Noncontrolling interests	2,665	2,371
Total equity	16,993	15,716
Total liabilities and equity	$ 28,638	$ 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 condensed 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 condensed 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

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 condensed 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)

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 condensed consolidated financial position, results of operations or cash flows.

NOTE 3 SEGMENT INFORMATION

	Sales	Costs Applicable to Sales	Amortization	Advanced Projects and Exploration	Pre-Tax Income
Three Months Ended June 30, 2011					
Nevada	$ 529	$ 224	$ 56	$ 38	$ 195
La Herradura	81	27	5	3	44
Hope Bay			4	52	(55)
Other North America				1	47
North America	610	251	65	94	231
Yanacocha	524	190	66	11	232
Other South America			1	14	(16)
South America	524	190	67	25	216
Boddington:					
Gold	269	117	31	N/A	N/A
Copper	54	27	7	N/A	N/A
Total	323	144	38	2	140
Batu Hijau:					
Gold	92	30	7	N/A	N/A
Copper	242	79	18	N/A	N/A
Total	334	109	25	1	186
Other Australia/New Zealand	375	158	31	10	168
Other Asia Pacific				5	(34)
Asia Pacific	1,032	411	94	18	460

Ahafo	218	65	20	8	119
Other Africa				4	(6)
Africa	218	65	20	12	113
Corporate and Other			4	26	(173)
Consolidated	$ 2,384	$ 917	$ 250	$ 175	$ 847

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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 June 30, 2010					
Nevada	$ 505	$ 246	$ 64	$ 20	$ 164
La Herradura	53	19	5	2	29
Hope Bay			3	33	(36)
Other North America					(1)
North America	558	265	72	55	156
Yanacocha	425	139	40	4	222
Other South America				10	(9)
South America	425	139	40	14	213
Boddington					
Gold	234	113	34	N/A	N/A
Copper	40	25	6	N/A	N/A
Total	274	138	40	3	92
Batu Hijau:					
Gold	170	42	12	N/A	N/A
Copper	258	73	19	N/A	N/A
Total	428	115	31		270
Other Australia/New Zealand	308	136	24	7	142
Other Asia Pacific			1	5	(9)
Asia Pacific	1,010	389	96	15	495
Ahafo	160	55	19	3	74
Other Africa				2	(1)
Africa	160	55	19	5	73
Corporate and Other			4	21	(115)

Consolidated	$ 2,153	$ 848	$ 231	$ 110	$ 822

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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]
Six Months Ended June 30, 2011							
Nevada	$ 1,111	$ 496	$ 128	$ 55	$ 411	$ 6,797	$ 228
La Herradura	146	45	9	9	80	260	27
Hope Bay			7	96	(103)	2,242	41
Other North America				1	45	52	
North America	1,257	541	144	161	433	9,351	296
Yanacocha	886	343	119	17	381	2,634	127
Other South America			1	24	(26)	599	251
South America	886	343	120	41	355	3,233	378
Boddington:							
Gold	501	217	59	N/A	N/A	N/A	N/A
Copper	107	55	14	N/A	N/A	N/A	N/A
Total	608	272	73	3	244	4,419	75
Batu Hijau:							
Gold	232	64	14	N/A	N/A	N/A	N/A
Copper	611	168	38	N/A	N/A	N/A	N/A
Total	843	232	52	1	509	3,513	88
Other Australia/New Zealand	790	324	66	22	365	1,124	134
Other Asia Pacific			1	6	(34)	625	4
Asia Pacific	2,241	828	192	32	1,084	9,681	301
Ahafo	465	145	42	15	255	1,046	37
Other Africa				5	(8)	348	67
Africa	465	145	42	20	247	1,394	104

Corporate and Other			8	51	(299)	4,979	18
Consolidated	$ 4,849	$ 1,857	$ 506	$ 305	$ 1,820	$ 28,638	$ 1,097

(1) Includes an increase in accrued capital expenditures of $77; consolidated capital expenditures on a cash basis were $1,020.

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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]
Six Months Ended June 30, 2010							
Nevada	$ 972	$ 497	$ 126	$ 37	$ 291	$ 3,309	$ 117
La Herradura	97	32	8	3	54	180	22
Hope Bay			6	50	(57)	1,938	48
Other North America				1	(3)	53	
North America	1,069	529	140	91	285	5,480	187
Yanacocha	885	293	77	11	465	2,532	68
Other South America				15	(15)	194	43
South America	885	293	77	26	450	2,726	111
Boddington							
Gold	401	193	56	N/A	N/A	N/A	N/A
Copper	79	49	13	N/A	N/A	N/A	N/A
Total	480	242	69	4	160	4,136	81
Batu Hijau:							
Gold	335	76	22	N/A	N/A	N/A	N/A
Copper	713	165	46	N/A	N/A	N/A	N/A
Total	1,048	241	68		677	2,911	33
Other Australia/New Zealand	622	293	56	11	268	884	71
Other Asia Pacific			1	10	9	183	3
Asia Pacific	2,150	776	194	25	1,114	8,114	188
Ahafo	291	119	36	6	116	1,005	51
Other Africa				6	(5)	229	22
Africa	291	119	36	12	111	1,234	73

Corporate and Other			8	45	(252)	5,215	11
Consolidated	$ 4,395	$ 1,717	$ 455	$ 199	$ 1,708	$ 22,769	$ 570

(1) Includes a decrease in accrued capital expenditures of $58; consolidated capital expenditures on a cash basis were $628.

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

NOTE 4 RECLAMATION AND REMEDIATION

At June 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 June 30, 2011 and December 31, 2010, $172 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:

	Six Months Ended June 30,	
	2011	**2010**
Balance at beginning of period	$ 1,048	$ 859
Additions, changes in estimates and other	32	(4)
Liabilities settled	(15)	(18)
Accretion expense	29	26
Balance at end of period	$ 1,094	$ 863

The current portion of *Reclamation and remediation liabilities* of $62 and $64 at June 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 June 30,		Six Months Ended June 30,	
	2011	**2010**	**2011**	**2010**
Reclamation	$ 28	$	$ 28	$
Accretion operating	13	11	25	22
Accretion non-operating	2	2	4	4
	$ 43	$ 13	$ 57	$ 26

NOTE 5 ADVANCED PROJECTS, RESEARCH AND DEVELOPMENT

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	**2010**	**2011**	**2010**
Hope Bay	$ 41	$ 25	$ 79	$ 35
Conga	5	2	6	3
Akyem	1	1	1	4
Technical and project services	18	11	33	23
Corporate	6	9	9	21
Other	15	9	26	17
	$ 86	$ 57	$ 154	$ 103

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

NOTE 6 OTHER EXPENSE, NET

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	**2010**	**2011**	**2010**
Community development	$ 23	$ 20	$ 40	$ 75
Regional administration	21	18	37	31
Indonesian value added tax settlement			21	
Fronteer acquisition costs	20		21	
Western Australia power plant	5	1	9	7
Other	18	22	32	37
	$ 87	$ 61	$ 160	$ 150

NOTE 7 OTHER INCOME, NET

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	**2010**	**2011**	**2010**
Gain on sale of investments, net	$ 50	$ 5	$ 50	$ 7
Canadian Oil Sands	10	15	16	25
Interest income	2	2	6	5
Gain on asset sales, net		9	3	42
Foreign currency exchange gain (loss), net	(18)	5	(29)	(4)
Other	4	8	33	17
	$ 48	$ 44	$ 79	$ 92

NOTE 8 EMPLOYEE PENSION AND OTHER BENEFIT PLANS

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	**2010**	**2011**	**2010**
Pension benefit costs, net				
Service cost	$ 6	$ 6	$ 12	$ 11
Interest cost	10	9	20	18
Expected return on plan assets	(11)	(9)	(21)	(16)
Amortization, net	7	5	12	9
	$ 12	$ 11	$ 23	$ 22

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	**2010**	**2011**	**2010**
Other benefit costs, net				

Service cost	$	$	$ 1	$ 1
Interest cost	1	2	2	3
	$ 1	$ 2	$ 3	$ 4

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

NOTE 9 STOCK BASED COMPENSATION

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Stock options	$ 7	$ 6	$ 10	$ 9
Restricted stock units	10	4	17	8
Performance leveraged stock units	1	1	3	4
Common stock		1	1	2
Restricted stock				1
Deferred stock	1	3	3	5
	$ 19	$ 15	$ 34	$ 29

NOTE 10 INCOME AND MINING TAXES

During the second quarter of 2011, the Company recorded estimated income and mining tax expense of $187 resulting in an effective tax rate of 22%. Estimated income and mining tax expense during the second quarter of 2010 was $283 for an effective tax rate of 34%. The lower effective tax rate in the second quarter of 2011 resulted from a tax benefit of $65 recorded in connection with conversion of non-US tax-paying entities to entities currently subject to U.S. income tax which resulted in an increase in net deferred tax assets. During the first half of 2011, estimated income and mining tax expense was $492 resulting in an effective tax rate of 27%. Estimated income and mining tax expense during the first half of 2010 was $424 for an effective tax rate of 25%. In the first half of 2010, a tax benefit of $127 was recorded in connection with conversion of non-U.S. tax-paying entities to entities currently subject to U.S. income tax which resulted in an increase in net deferred tax assets.

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

At June 30, 2011, the Company s total unrecognized tax benefit was $106 for uncertain income tax positions taken or expected to be taken on income tax returns. Of this, $55 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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NEWMONT MINING CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
(dollars in millions, except per share, per ounce and per pound amounts)

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Income before income and mining tax and other items	$ 847	$ 822	$ 1,820	$ 1,708
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	(296)	(288)	(637)	(598)
Reconciling items:				
Tax benefit generated on change in form of a non-U.S. subsidiary	65		65	127
Percentage depletion	56	21	111	54
Other	(12)	(16)	(31)	(7)
Income and mining tax expense	$ (187)	$ (283)	$ (492)	$ (424)

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 (see Note 28). 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 $2 and $13 in the first half of 2011 and 2010, respectively. In 2011, we made an initial payment 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 June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Batu Hijau	$ 64	$ 84	$ 166	$ 202
Yanacocha	76	71	132	151
Other	(3)		(5)	(1)
	$ 137	$ 155	$ 293	$ 352

At June 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 Compañia 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 June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Net income attributable to Newmont stockholders				
Continuing operations	$ 523	$ 382	$ 1,037	$ 928
Discontinued operations	(136)		(136)	
	$ 387	$ 382	$ 901	$ 928
Weighted average common shares (millions):				
Basic	494	492	494	491
Effect of employee stock-based awards	1	1	1	1
Effect of convertible notes	6	6	6	4
Diluted	501	499	501	496
Net income attributable to Newmont stockholders per common share				
Basic:				
Continuing operations	$ 1.06	$ 0.78	$ 2.10	$ 1.89
Discontinued operations	(0.28)		(0.28)	
	$ 0.78	$ 0.78	$ 1.82	$ 1.89
Diluted:				
Continuing operations	$ 1.04	$ 0.77	$ 2.07	$ 1.87
Discontinued operations	(0.27)		(0.27)	
	$ 0.77	$ 0.77	$ 1.80	$ 1.87

Options to purchase 3 and 2 million shares of common stock at average exercise prices of $57 and $57 were outstanding at June 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 $46.04 and

$46.00, 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 for the three and six months ended June 30, 2011 exceeded the conversion price of $46.04 and $46.00 for the notes issued in 2009 and 2007, respectively, and therefore, 6 and 6 million additional shares were included in the computation of diluted weighted average common shares for the three and six months ended June 30, 2011, respectively. The average price of the Company s common stock for the three and six months ended June 30, 2010 exceeded the conversion price of $46.25 and $46.21 for the notes issued in 2009 and 2007, respectively, and therefore, 6 and 4 million additional shares were included in the computation of diluted weighted average common shares for the three and six months ended June 30, 2010, respectively.

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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 $46.00 was effectively increased to $60.00. Should the warrant transactions become dilutive to the Company s earnings per share (Newmont s average share price exceeds $60.00) the effect of the warrant transactions on diluted earnings per share will be calculated in accordance with the net share settlement method.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Net income attributable to Newmont stockholders	$ 387	$ 382	$ 901	$ 928
Transfers from noncontrolling interests:				
Increase in Additional paid in capital from sale of PTNNT shares, net of tax of $33		1		16
Net income attributable to Newmont stockholders and transfers from noncontrolling interests	$ 387	$ 383	$ 901	$ 944

NOTE 14 COMPREHENSIVE INCOME

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Net income	$ 524	$ 537	$ 1,194	$ 1,280
Other comprehensive income (loss), net of tax:				
Unrealized loss on marketable securities	(243)	(77)	(75)	(28)
Foreign currency translation adjustments	38	(55)	127	1
Pension and other benefit liability adjustments	4	3	8	5
Change in fair value of cash flow hedge instruments:				
Net change from periodic revaluations	162	(72)	217	(43)
Net amount reclassified to income	(39)	(16)	(72)	(35)
Net unrecognized gain (loss) on derivatives	123	(88)	145	(78)
	(78)	(217)	205	(100)
Comprehensive income	$ 446	$ 320	$ 1,399	$ 1,180
Comprehensive income attributable to:				
Newmont stockholders	$ 308	$ 165	$ 1,103	$ 828

Noncontrolling interests	138	155	296	352
	$ 446	$ 320	$ 1,399	$ 1,180

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NOTE 15 CHANGES IN EQUITY

	Six Months Ended June 30,	
	2011	**2010**
Common stock:		
At beginning of period	$ 778	$ 770
Stock based awards	2	2
Shares issued in exchange for exchangeable shares		3
At end of period	780	775
Additional paid-in capital:		
At beginning of period	8,279	8,158
Stock based awards	52	64
Shares issued in exchange for exchangeable shares	(1)	(3)
Sale of noncontrolling interests		16
At end of period	8,330	8,235
Accumulated other comprehensive income:		
At beginning of period	1,108	626
Other comprehensive income	202	(100)
At end of period	1,310	526
Retained earnings:		
At beginning of period	3,180	1,149
Net income attributable to Newmont stockholders	901	928
Dividends paid	(173)	(98)
At end of period	3,908	1,979
Noncontrolling interests:		
At beginning of period	2,371	1,910
Net income attributable to noncontrolling interests	293	352
Dividends paid	(2)	(320)
Other comprehensive income	3	
Sale of noncontrolling interests, net		98
At end of period	2,665	2,040
Total equity	$ 16,993	$ 13,555

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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 $21, 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 allocation of the purchase price will be completed later in the year.

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).

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

	Fair Value at June 30, 2011			
	Total	Level 1	Level 2	Level 3
Assets:				
Cash equivalents	$ 36	$ 36	$	$
Marketable equity securities:				
Extractive industries	1,757	1,757		
Other	6	6		
Marketable debt securities:				
Asset backed commercial paper	20			20
Corporate	9	9		
Auction rate securities	5			5
Trade receivable from provisional copper and gold concentrate sales, net	306	306		
Derivative instruments, net:				
Foreign exchange forward contracts	376		376	
Diesel forward contracts	11		11	
	$ 2,526	$ 2,114	$ 387	$ 25
Liabilities:				
Derivative instruments, net:				
Forward starting swap contracts	$ 11	$	$ 11	$
Boddington contingent consideration	70			70
Holt property royalty	181			181
	$ 262	$	$ 11	$ 251

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 six months ended June 30, 2011:

	Auction Rate Securities	Asset Backed Commercial Paper	Total Assets	Boddington Contingent Consideration	Holt Property Royalty	Total Liabilities
Balance at beginning of period	$ 5	$ 19	$ 24	$ 83	$	$ 83
Unrealized gain		1	1			
Settlements				(13)		(13)
Valuation					181	181
Balance at end of period	$ 5	$ 20	$ 25	$ 70	$ 181	$ 251

Unrealized gains of $1 were included in *Accumulated other comprehensive income* as a result of changes in C$ exchange rates from January 1, 2011 to June 30, 2011. At June 30, 2011, assets and liabilities classified within Level 3 of the fair value hierarchy represent 1% and 96%, 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.

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Beginning in June 2011, Newmont utilizes 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. The hedging instruments are fixed forward contracts with expiration dates up to two years.

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

	Expected Maturity Date						
	2011	2012	2013	2014	2015	2016	Total/ Average
A$ Operating Fixed Forward Contracts:							
A$ notional (millions)	594	947	665	436	204	25	2,871
Average rate ($/A$)	0.86	0.88	0.90	0.87	0.84	0.88	0.88
Expected hedge ratio	82%	64%	44%	30%	14%	3%	
A$ Akyem Capital Fixed Forward Contracts:							
A$ notional (millions)	10	18					28
Average rate ($/A$)	1.04	1.02					1.03
Expected hedge ratio	34%	41%					
NZ$ Operating Fixed Forward Contracts:							
NZ$ notional (millions)	37	41	6				84
Average rate ($/NZ$)	0.71	0.73	0.77				0.72
Expected hedge ratio	66%	35%	10%				

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 June 30, 2011:

	Expected Maturity Date			
	2011	2012	2013	Total/ Average
Diesel Fixed Forward Contracts:				
Diesel gallons (millions)	11	11	1	23
Average rate ($/gallon)	2.51	2.68	3.19	2.62
Expected hedge ratio	53%	25%	5%	

Forward Starting Swap Contracts

During the three months ended June 30, 2011, Newmont entered into forward starting swaps with a total notional value of $1,000. Newmont entered into these swaps as a hedge against adverse movements in treasury rates related to a potential debt issuance in the second half of 2011. At June 30, 2011, the hedge contracts were in a net liability position of $11.

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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 June 30, 2011 and December 31, 2010:

	Fair Value At June 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	$ 204	$ 165	$ 1	$
A$ Akyem capital fixed forward contracts				
NZ$ operating fixed forward contracts	7	1		
Diesel fixed forward contracts	11	1	1	
Forward starting swap contracts	4		15	
Total derivative instruments (Note 22)	$ 226	$ 167	$ 17	$

	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)	$ 196	$ 116	$	$

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

	Foreign Currency Exchange Contracts		Diesel Forward Contracts	
	2011	2010	2011	2010
For the three months ended June 30,				
Cash flow hedging relationships:				
Gain (loss) recognized in other comprehensive income (effective portion)	$ 126	$ (99)	$ (5)	$ (6)
Gain (loss) reclassified from Accumulated other comprehensive income into income (effective portion) [1]	49	21	5	1
For the six months ended June 30,				
Cash flow hedging relationships:				
Gain (loss) recognized in other comprehensive income (effective portion)	$ 193	$ (58)	$ 10	$ (5)
Gain (loss) reclassified from Accumulated other comprehensive income into income (effective portion) [1]	91	45	9	2

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

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

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

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

The amount to be reclassified from *Accumulated other comprehensive income*, net of tax to income for derivative instruments during the next 12 months is a gain of approximately $146.

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.

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LME copper prices averaged $4.14 per pound during the three months ended June 30, 2011, compared with the Company s recorded average provisional price of $4.22 per pound before mark-to-market losses and treatment and refining charges. LME copper prices averaged $4.26 per pound during the six months ended June 30, 2011, compared with the Company s recorded average provisional price of $4.31 per pound before mark-to-market losses and treatment and refining charges. During the three and six months ended June 30, 2011, changes in copper prices resulted in a provisional pricing mark-to-market loss of $16 ($0.21 per pound) and $28 ($0.16 per pound), respectively. At June 30, 2011, Newmont had copper sales of 84 million pounds priced at an average of $4.22 per pound, subject to final pricing over the next several months.

The average London P.M. fix for gold was $1,506 per ounce during the three months ended June 30, 2011, compared with the Company s recorded average provisional price of $1,500 per ounce before mark-to-market gains and treatment and refining charges. The average London P.M. fix for gold was $1,445 per ounce during the six months ended June 30, 2011, compared to the Company s recorded average provisional price of $1,441 per ounce before mark-to-market gains and treatment and refining charges. During the three and six months ended June 30, 2011, changes in gold prices resulted in a provisional pricing mark-to-market gain of $10 ($7 per ounce) and $18 ($6 per ounce), respectively. At June 30, 2011, Newmont had gold sales of 105,000 ounces priced at an average of $1,506 per ounce, subject to final pricing over the next several months.

NOTE 19 INVESTMENTS

	At June 30, 2011			
	Cost/Equity Basis	Unrealized Gain	Unrealized Loss	Fair/Equity Basis
Current:				
Marketable Equity Securities:				
Paladin Energy Ltd.	$ 208	$	$ (67)	$ 141
Other	28	36	(2)	62
	$ 236	$ 36	$ (69)	$ 203
Long-term:				
Marketable Debt Securities:				
Asset backed commercial paper	$ 26	$	$ (6)	$ 20
Auction rate securities	7		(2)	5
Corporate	7	2		9
	40	2	(8)	34
Marketable Equity Securities:				
Canadian Oil Sands Ltd.	320	570		890
Gabriel Resources Ltd.	80	270		350
Regis Resources Ltd.	23	163		186
Other	125	29	(20)	134
	548	1,032	(20)	1,560

Other investments, at cost	9			9
Investment in Affiliates:				
La Zanja	72			72
	$ 669	$ 1,034	$ (28)	$ 1,675

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	At December 31, 2010			
	Cost/Equity Basis	Unrealized Gain	Unrealized Loss	Fair/Equity Basis
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 June 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 half of 2011 and 2010, the Company purchased other marketable securities for $15 and $7, respectively. In June 2011, Newmont sold its investment in New Gold Inc. and realized a gain of $50.

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

	Less than 12 Months		12 Months or Greater		Total	
At June 30, 2011	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Marketable equity securities	$ 62	$ 22	$	$	$ 62	$ 22
Paladin Energy Ltd.	141	67			141	67
Asset backed commercial paper			20	6	20	6
Auction rate securities			5	2	5	2
	$ 203	$ 89	$ 25	$ 8	$ 228	$ 97

	Less than 12 Months		12 Months or Greater		Total	
At December 31, 2010	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
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 $97 and $8 at June 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 June 30, 2011	At December 31, 2010
In-process	$ 101	$ 142
Concentrate	110	111
Precious metals	15	4
Materials, supplies and other	445	401
	$ 671	$ 658

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

NOTE 21 STOCKPILES AND ORE ON LEACH PADS

	At June 30, 2011	At December 31, 2010
Current:		
Stockpiles	$ 443	$ 389
Ore on leach pads	253	228
	$ 696	$ 617
Long-term:		
Stockpiles	$ 1,640	$ 1,397
Ore on leach pads	310	360
	$ 1,950	$ 1,757

	At June 30, 2011	At December 31, 2010
Stockpiles and ore on leach pads:		
Nevada	$ 497	$ 479
La Herradura	9	6
Yanacocha	503	496
Boddington	357	248
Batu Hijau	995	879
Other Australia/New Zealand	152	145
Ahafo	133	121
	$ 2,646	$ 2,374

NOTE 22 OTHER ASSETS

	At June 30, 2011	At December 31, 2010
Other current assets:		
Refinery metal inventory and receivable	$ 1,166	$ 617
Derivative instruments	226	196
Prepaid assets	141	65
Other	80	84
	$ 1,613	$ 962

Other long-term assets:		
Goodwill	$ 188	$ 188
Income tax receivable	176	119
Derivative instruments	167	116
Intangible assets	151	91
Debt issuance costs	62	39
Restricted cash	26	25
Other receivables	19	19
Other	157	144
	$ 946	$ 741

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

NOTE 23 DEBT

	At June 30, 2011		At December 31, 2010	
	Current	Non-Current	Current	Non-Current
Sale-leaseback of refractory ore treatment plant	$ 28	$ 106	$ 30	$ 134
8 5/8% debentures, net of discount (due 2011)			217	
2012 convertible senior notes, net of discount	501			488
2014 convertible senior notes, net of discount		500		489
2017 convertible senior notes, net of discount		443		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
Corporate revolving credit facility		90		
Ahafo project facility	10	50	10	55
Other capital leases		1	2	1
	$ 539	$ 3,771	$ 259	$ 4,182

In May 2011, Newmont repaid the $223 balance outstanding on the 8 5/8% Senior Notes. Scheduled minimum debt repayments are $5 for the remainder of 2011, $572 in 2012, $42 in 2013, $544 in 2014, $18 in 2015 and $3,129 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 currently bear interest at a rate per annum equal to LIBOR plus a margin of 1.075%. Facility fees currently accrue at an annual rate of 0.175% of the aggregate commitments. At June 30, 2011, there were $90 in borrowings outstanding and $239 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 June 30, 2011.

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

NOTE 24 OTHER LIABILITIES

	At June 30, 2011	At December 31, 2010
Other current liabilities:		
Refinery metal payable	$ 1,166	$ 617
Accrued operating costs	249	217
Accrued capital expenditures	156	83
Taxes other than income and mining	105	135
Reclamation and remediation liabilities	62	64
Interest	57	66
Royalties	44	90
Boddington contingent consideration	42	32
Deferred income tax	18	54
Holt property royalty	14	
Other	85	60
	$ 1,998	$ 1,418
Other long-term liabilities:		
Holt property royalty	$ 167	$ 40
Power supply agreements	47	45
Income and mining taxes	29	36
Boddington contingent consideration	28	51
Other	43	49
	$ 314	$ 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:

	Six Months Ended June 30, 2011	2010
Decrease (increase) in operating assets:		
Trade and accounts receivable	$ 121	$ 74
Inventories, stockpiles and ore on leach pads	(230)	(187)
EGR refinery assets	(437)	138
Other assets	(67)	(30)
Increase (decrease) in operating liabilities:		
Accounts payable and other accrued liabilities	(349)	(90)
EGR refinery liabilities	437	(138)
Reclamation liabilities	(15)	(18)

	$	(540)	$ (251)

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

NOTE 26 SUPPLEMENTAL CASH FLOW INFORMATION

	Six Months Ended June 30,	
	2011	**2010**
Income and mining taxes, net of refunds	$ 892	$ 546
Interest, net of amounts capitalized	$ 92	$ 116

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 June 30, 2011				
Condensed Consolidating Statement of Income	**Newmont Mining Corporation**	**Newmont USA**	**Other Subsidiaries**	**Eliminations**	**Newmont Mining Corporation Consolidated**
Sales	$	$ 1,468	$ 916	$	$ 2,384
Costs and expenses					
Costs applicable to sales [1]		551	375	(9)	917
Amortization		156	94		250
Reclamation and remediation		37	6		43
Exploration		47	42		89
Advanced projects, research and development		41	46	(1)	86
General and administrative		39	1	10	50
Other expense, net		67	20		87
		938	584		1,522
Other income (expense)					
Other income, net	(2)	41	9		48
Interest income intercompany	40	2	2	(44)	
Interest expense intercompany	(3)		(41)	44	
Interest expense, net	(59)	(3)	(1)		(63)
	(24)	40	(31)		(15)
Income before income and mining tax and other items	(24)	570	301		847
Income and mining tax expense	5	(111)	(81)		(187)

Equity income (loss) of affiliates	406	2	50	(458)	
Income from continuing operations	387	461	270	(458)	660
Loss from discontinued operations		7	(143)		(136)
Net income	387	468	127	(458)	524
Net income attributable to noncontrolling interests		(173)	30	6	(137)
Net income attributable to Newmont stockholders	$ 387	$ 295	$ 157	$ (452)	$ 387

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

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

	Three Months Ended June 30, 2010				
Condensed Consolidating Statement of Income	**Newmont Mining Corporation**	**Newmont USA**	**Other Subsidiaries**	**Eliminations**	**Newmont Mining Corporation Consolidated**
Sales	$	$ 1,410	$ 743	$	$ 2,153
Costs and expenses					
Costs applicable to sales [1]		519	335	(6)	848
Amortization		143	89	(1)	231
Reclamation and remediation		10	3		13
Exploration		32	21		53
Advanced projects, research and development		25	32		57
General and administrative		37		6	43
Other expense, net		39	21	1	61
		805	501		1,306
Other income (expense)					
Other income, net		13	31		44
Interest income intercompany	35	2	1	(38)	
Interest expense intercompany	(3)		(35)	38	
Interest expense, net	(64)	(4)	(1)		(69)
	(32)	11	(4)		(25)
Income before income and mining tax and other items	(32)	616	238		822
Income and mining tax expense	9	(227)	(65)		(283)
Equity income (loss) of affiliates	405	1	63	(471)	(2)
Net income (loss)	382	390	236	(471)	537
Net loss (income) attributable to noncontrolling interests		(185)	(10)	40	(155)
Net income (loss) attributable to Newmont stockholders	$ 382	$ 205	$ 226	$ (431)	$ 382

[1] Excludes *Amortization* and *Reclamation and remediation*.

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

	Six Months Ended June 30, 2011				
Condensed Consolidating Statement of Income	**Newmont Mining Corporation**	**Newmont USA**	**Other Subsidiaries**	**Eliminations**	**Newmont Mining Corporation Consolidated**
Sales	$	$ 2,986	$ 1,863	$	$ 4,849
Costs and expenses					
Costs applicable to sales [1]		1,117	759	(19)	1,857
Amortization		315	191		506
Reclamation and remediation		48	9		57
Exploration		81	70		151
Advanced projects, research and development		68	87	(1)	154
General and administrative		73	2	20	95
Other expense, net		121	39		160
		1,823	1,157		2,980
Other income (expense)					
Other income, net	(8)	67	20		79
Interest income intercompany	76	4	4	(84)	
Interest expense intercompany	(6)		(78)	84	
Interest expense, net	(113)	(12)	(3)		(128)
	(51)	59	(57)		(49)
Income before income and mining tax and other items	(51)	1,222	649		1,820
Income and mining tax expense	15	(319)	(188)		(492)
Equity income (loss) of affiliates	937	3	139	(1,077)	2
Income from continuing operations	901	906	600	(1,077)	1,330
Loss from discontinued operations		7	(143)		(136)
Net income	901	913	457	(1,077)	1,194
Net income attributable to noncontrolling interests		(365)	10	62	(293)
Net income attributable to Newmont stockholders	$ 901	$ 548	$ 467	$ (1,015)	$ 901

[1] Excludes *Amortization* and *Reclamation and remediation*.

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

	Six Months Ended June 30, 2010				
Condensed Consolidating Statement of Income	**Newmont Mining Corporation**	**Newmont USA**	**Other Subsidiaries**	**Eliminations**	**Newmont Mining Corporation Consolidated**
Sales	$	$ 3,002	$ 1,393	$	$ 4,395
Costs and expenses					
Costs applicable to sales [1]		1,064	664	(11)	1,717
Amortization		286	170	(1)	455
Reclamation and remediation		19	7		26
Exploration		56	40		96
Advanced projects, research and development		54	49		103
General and administrative		75	1	12	88
Other expense, net		115	35		150
		1,669	966		2,635
Other income (expense)					
Other income, net		14	78		92
Interest income intercompany	71	4	2	(77)	
Interest expense intercompany	(5)		(72)	77	
Interest expense, net	(126)	(16)	(2)		(144)
	(60)	2	6		(52)
Income before income and mining tax and other items	(60)	1,335	433		1,708
Income and mining tax expense	150	(466)	(108)		(424)
Equity income (loss) of affiliates	838	1	130	(973)	(4)
Net income (loss)	928	870	455	(973)	1,280
Net loss (income) attributable to noncontrolling interests		(428)	(5)	81	(352)
Net income (loss) attributable to Newmont stockholders	$ 928	$ 442	$ 450	$ (892)	$ 928

[1] Excludes *Amortization* and *Reclamation and remediation*.

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

	Six Months Ended June 30, 2011				
Condensed Consolidating Statement of Cash Flows	**Newmont Mining Corporation**	**Newmont USA**	**Other Subsidiaries**	**Eliminations**	**Newmont Mining Corporation Consolidated**
Operating activities:					
Net income (loss)	$ 901	$ 913	$ 457	$ (1,077)	$ 1,194
Adjustments	39	362	(729)	1,077	749
Net change in operating assets and liabilities	(27)	(509)	(4)		(540)
Net cash provided from (used in) continuing operations	913	766	(276)		1,403
Net cash used in discontinued operations			(2)		(2)
Net cash provided from (used in) operations	913	766	(278)		1,401
Investing activities:					
Additions to property, plant and mine development		(671)	(349)		(1,020)
Proceeds from sale of marketable securities		55			55
Purchases of marketable securities			(15)		(15)
Acquisitions, net			(2,291)		(2,291)
Proceeds from sale of other assets		(56)	62		6
Other			(15)		(15)
Net cash used in investing activities		(672)	(2,608)		(3,280)
Financing activities:					
Net borrowings (repayments)	83	(276)	(5)		(198)
Net intercompany borrowings (repayments)	(831)	(2,018)	2,849		
Dividends paid to common stockholders	(173)				(173)
Dividends paid to noncontrolling interests		(17)			(17)
Proceeds from stock issuance, net	8				8
Change in restricted cash and other		1	(1)		
Net cash provided from (used in) financing activities	(913)	(2,310)	2,843		(380)
Effect of exchange rate changes on cash		1	57		58
Net change in cash and cash equivalents		(2,215)	14		(2,201)
Cash and cash equivalents at beginning of period		3,877	179		4,056
Cash and cash equivalents at end of period	$	$ 1,662	$ 193	$	$ 1,855

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

	Six Months Ended June 30, 2010				
Condensed Consolidating Statement of Cash Flows	**Newmont Mining Corporation**	**Newmont USA**	**Other Subsidiaries**	**Eliminations**	**Newmont Mining Corporation Consolidated**
Operating activities:					
Net income (loss)	$ 928	$ 870	$ 455	$ (973)	$ 1,280
Adjustments	(115)	319	(725)	973	452
Net change in operating assets and liabilities	(2)	(160)	(89)		(251)
Net cash provided from (used in) continuing operations	811	1,029	(359)		1,481
Net cash used in discontinued operations		(13)			(13)
Net cash provided from (used in) operations	811	1,016	(359)		1,468
Investing activities:					
Additions to property, plant and mine development		(283)	(345)		(628)
Proceeds from sale of marketable securities			1		1
Purchases of marketable securities			(7)		(7)
Proceeds from sale of other assets		8	44		52
Other			(23)		(23)
Net cash used in investing activities		(275)	(330)		(605)
Financing activities:					
Net repayments		(257)	(6)		(263)
Net intercompany borrowings (repayments)	(751)	(23)	855	(81)	
Sale of noncontrolling interests		229			229
Acquisition of noncontrolling interests			(109)		(109)
Dividends paid to common stockholders	(98)				(98)
Dividends paid to noncontrolling interests		(388)		81	(307)
Proceeds from stock issuance, net	30				30
Change in restricted cash and other		48			48
Net cash provided from (used in) financing activities	(819)	(391)	740		(470)
Effect of exchange rate changes on cash			(6)		(6)
Net change in cash and cash equivalents	(8)	350	45		387
Cash and cash equivalents at beginning of period	8	3,067	140		3,215

Cash and cash equivalents at end of period	$	$ 3,417	$ 185	$	$ 3,602

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NEWMONT MINING CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)
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	At June 30, 2011				
Condensed Consolidating Balance Sheet	**Newmont Mining Corporation**	**Newmont USA**	**Other Subsidiaries**	**Eliminations**	**Newmont Mining Corporation Consolidated**
Assets					
Cash and cash equivalents	$	$ 1,662	$ 193	$	$ 1,855
Trade receivables		355	63		418
Accounts receivable	1,608	2,497	1,356	(5,326)	135
Investments	141	16	46		203
Inventories		363	308		671
Stockpiles and ore on leach pads		591	105		696
Deferred income tax assets	3	254	51		308
Other current assets	6	144	1,463		1,613
Current assets	1,758	5,882	3,585	(5,326)	5,899
Property, plant and mine development, net		5,687	10,997	(21)	16,663
Investments		22	1,653		1,675
Investments in subsidiaries	16,569	33	2,692	(19,294)	
Stockpiles and ore on leach pads		1,413	537		1,950
Deferred income tax assets	661	685	159		1,505
Other long-term assets	2,617	653	829	(3,153)	946
Total assets	$ 21,605	$ 14,375	$ 20,452	$ (27,794)	$ 28,638
Liabilities					
Debt	$ 501	$ 28	$ 10	$	$ 539
Accounts payable	3,008	920	1,877	(5,315)	490
Employee-related benefits		159	70		229
Income and mining taxes		15	169		184
Other current liabilities	66	388	3,517	(1,973)	1,998
Current liabilities	3,575	1,510	5,643	(7,288)	3,440
Debt	3,614	107	50		3,771
Reclamation and remediation liabilities		719	313		1,032
Deferred income tax liabilities	6	554	2,175		2,735
Employee-related benefits	5	255	93		353
Other long-term liabilities	389	47	3,053	(3,175)	314
Total liabilities	7,589	3,192	11,327	(10,463)	11,645
Equity					
Preferred stock			61	(61)	
Common stock	780				780

Additional paid-in capital	8,018	2,721	6,991	(9,400)	8,330
Accumulated other comprehensive income	1,310	(107)	1,545	(1,438)	1,310
Retained earnings	3,908	5,394	(637)	(4,757)	3,908
Newmont stockholders equity	14,016	8,008	7,960	(15,656)	14,328
Noncontrolling interests		3,175	1,165	(1,675)	2,665
Total equity	14,016	11,183	9,125	(17,331)	16,993
Total liabilities and equity	$ 21,605	$ 14,375	$ 20,452	$ (27,794)	$ 28,638

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	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

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

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 June 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 $43 and $46 at June 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, $172 and $144 were accrued for such obligations at June 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 137% greater or 3% lower than the amount accrued at June 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.

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

Dawn Mill Site. Dawn also owns a uranium mill site facility, located on private land near Ford, Washington, which is subject to state and federal regulation. In late 1999, Dawn sought and later received 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 Canada Corporation (Newmont Canada) 100% Newmont Owned

On November 11, 2008, St. Andrew Goldfields Ltd. (St. Andrew) filed an Application in the Superior Court of Justice in Ontario, Canada, seeking a declaration to clarify St. Andrew s royalty obligations regarding certain mineral rights and property formerly owned by Newmont Canada and now owned by St. Andrew.

Newmont Canada purchased the property, called the Holt-McDermott property (Holt Property), from Barrick Gold Corporation (Barrick) in October 2004. At that time, Newmont Canada entered into a royalty agreement with Barrick (the Barrick Royalty), allowing Barrick to retain a royalty on the Holt Property. In August 2006, Newmont Canada sold all of its interests in the Holt Property to Holloway Mining Company (Holloway) in exchange for common stock issued by Holloway. In September 2006, Newmont Canada entered into a purchase and sale agreement with St. Andrew (the 2006 Agreement), under which St. Andrew acquired all the common stock of Holloway. In 2008, Barrick sold its Barrick Royalty to Royal Gold, Inc. (Royal Gold).

In the court proceedings, St. Andrew alleged that in the 2006 Agreement it only agreed to assume royalty obligations equal to 0.013% of net smelter returns from operations on the Holt Property. Such an interpretation of the 2006 Agreement would make Newmont responsible for any royalties exceeding that amount payable to Royal Gold pursuant to the Barrick Royalty, which is a royalty determined by multiplying 0.013% by the quarterly average gold price. On July 23, 2009, the Superior Court issued a decision finding in favor of St. Andrews interpretation. On August 21, 2009, Newmont Canada appealed the decision. On May 13, 2011, the Ontario Court of Appeal upheld the

lower court ruling, finding Newmont liable for the sliding scale royalty, which equals 0.013% of net smelter returns multiplied by the quarterly average gold price, minus a 0.013% of net smelter returns. There is no cap on the sliding scale royalty and it increases or decreases with the gold price.

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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.

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 and Mineral Resources and Ministry for the Environment, alleging pollution from the disposal of mine tailings into Buyat Bay, and seeking a court order requiring PTNMR to fund a 25-year monitoring program in relation to Buyat Bay. In December 2007, the court ruled in PTNMR 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.

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PT Newmont Nusa Tenggara (PTNNT) 31.5% Newmont Direct Ownership

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

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. 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.

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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.

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 June 30, 2011 and December 31, 2010, there were $1,365 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 six months ended June 30, 2011 was 12.9. 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.

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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 performan 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 60. 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 progressing the development of our next generation of mining projects. Approximately 40% of our 2011 capital expenditures will be invested in these projects and the development of our project pipeline, as we continue to deliver solid leverage to the gold price. Second quarter 2011 highlights are included below and discussed further in *Results of Consolidated Operations*.

Delivered strong operating performance

- Attributable gold production of 1.2 million and 2.6 million ounces for the second quarter and first half of 2011, respectively, compared to 1.3 million and 2.6 million ounces for the same periods in 2010;
- Consolidated *Costs applicable to sales* of $583 and $570 per ounce, for the second quarter and first half of 2011, respectively, compared to $485 and $481 per ounce for the same periods in 2010;
- Attributable copper production of 44 million and 101 million pounds for the second quarter and first half of 2011, respectively, compared to 80 million and 170 million pounds for the same periods in 2010;
- Consolidated *Costs applicable to sales* of $1.34 and $1.21 per pound, for the second quarter and first half of 2011, respectively, compared to $0.77 and $0.78 per pound for the same periods in 2010;
- *Sales* of $2,384 and $4,849 for the second quarter and first half of 2011, respectively, an increase of 11% and 10% over the same periods in 2010;
- Average realized gold price of $1,501 and $1,440 per ounce for the second quarter and first half of 2011, respectively, compared to $1,200 and $1,152 per ounce for the same periods in 2010;
- Average realized copper price of $3.78 and $3.91 per pound for the second quarter and first half of 2011, respectively, compared to $2.33 and $2.87 per pound for the same periods in 2010; and
- Maintaining 2011 Outlook for attributable gold and copper production, costs applicable to sales and capital expenditures.

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Advancing our project pipeline

We previously disclosed our comprehensive plan for the development of our current portfolio of assets to potentially increase annual attributable gold production to approximately 7 million ounces by 2017. This production target represents an aggregate increase of approximately 35% from our current 2011 attributable gold production outlook of 5.1 to 5.3 million ounces. A progress update on the advancement of some of our projects follows:

Conga, Peru We continue to advance additional drilling, engineering, procurement of long lead items, early infrastructure works and securing remaining permits needed for construction. Full funds approval by the Board of Directors (the Board) was received on July 27, 2011. If all permits are secured, first production is expected in late 2014 to early 2015 with approximately six months for ramp-up to commercial production. We expect annual estimated attributable production of approximately 300,000 to 350,000 gold ounces (at *Costs applicable to sales* of $400 to $450 per ounce) and 80 to 120 million copper pounds (at *Costs applicable to sales* of $1.25 to $1.75 per pound) per year for the first five years with a life of mine of approximately 19 years. 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 pounds of copper reserves at Conga.

Akyem, Ghana Board approval was obtained in the first quarter of 2011 and project and contractor teams continue to mobilize. We are completing detailed engineering and continue with the procurement of long lead items. We expect first production to begin in late 2013 or early 2014 with approximately three months for ramp-up to commercial production. Gold production is expected to be approximately 350,000 to 450,000 ounces (at *Costs applicable to sales* of $450 to $550 per ounce) per year for the first five years. Capital costs are estimated at $950 $1,100. At December 31, 2010 we had 7.2 million ounces of gold reserves at Akyem.

Hope Bay, Canada Hope Bay is a Canadian Arctic greenstone district with a strike length of 80 kilometers by 20 kilometers. Early stage exploration has identified numerous targets in the district and the 2009/2010 drilling programs have continued to support our view of the approximately 10 million ounce resource potential. Diamond drill operations are ongoing in 2011 with an expanded drill program of approximately 95 kilometers. An exploration decline at Doris North commenced in late 2010 and current development continues in favorable ground conditions. The decline should reach an ore face in the third quarter of 2011.

Long Canyon, Nevada We completed the acquisition of Fronteer Gold, Inc. on April 6, 2011 and control the discovery of what we expect could be another Carlin-type trend at Long Canyon. We have commenced an initial 40 kilometer drilling program expected to be completed in 2011. Our intention is to bring the project into production in 2017 with initial estimated gold production of approximately 300,000 ounces per year.

Gold price-linked dividend

Our gold price-linked dividend policy contemplates a quarterly dividend based on our average realized gold price for the preceding quarter. 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 (subject to certain adjustments) in the manner contemplated by the table below:

Prior Quarter Average Realized Gold Price		Associated Quarterly Dividend Payout/share	Associated Annualized Equivalent Payout/ share
$1,100	$1,199	$ 0.10	$ 0.40
$1,200	$1,299	$ 0.15	$ 0.60
$1,300	$1,399	$ 0.20	$ 0.80
$1,400	$1,499	$ 0.25	$ 1.00
$1,500	$1,599	$ 0.30	$ 1.20
$1,600	$1,699	$ 0.35	$ 1.40
$1,700	$1,799	$ 0.40	$ 1.60

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As noted above, the quarterly payout is anticipated to increase at a rate of $0.05 per share for each $100 per ounce rise in the average realized gold price for the preceding quarter. The third quarter 2011 dividend under this policy of $0.30 per share (based on a second quarter 2011 average realized gold price of $1,501 per ounce) represents an increase of 50% over the $0.20 dividend paid in the second quarter of 2011, and an increase of 100% over the third of 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.

Selected Financial and Operating Results

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Sales	$ 2,384	$ 2,153	$ 4,849	$ 4,395
Income from continuing operations	$ 660	$ 537	$ 1,330	$ 1,280
Net income	$ 524	$ 537	$ 1,194	$ 1,280
Net income attributable to Newmont stockholders	$ 387	$ 382	$ 901	$ 928
Per common share, basic:				
Income from continuing operations attributable to Newmont stockholders	$ 1.06	$ 0.78	$ 2.10	$ 1.89
Net income attributable to Newmont stockholders	$ 0.78	$ 0.78	$ 1.82	$ 1.89
Adjusted net income [1]	$ 445	$ 377	$ 958	$ 786
Adjusted net income per share [1]	$ 0.90	$ 0.77	$ 1.94	$ 1.60
Consolidated gold ounces (thousands)				
Produced [2]	1,398	1,557	2,914	3,173
Sold	1,391	1,546	2,869	3,127
Consolidated copper pounds (millions)				
Produced [3]	74	148	176	307
Sold	79	128	184	275
Average price received, net:				
Gold (per ounce)	$ 1,501	$ 1,200	$ 1,440	$ 1,152
Copper (per pound)	$ 3.78	$ 2.33	$ 3.91	$ 2.87
Costs applicable to sales:				
Gold (per ounce)	$ 583	$ 485	$ 570	$ 481
Copper (per pound)	$ 1.34	$ 0.77	$ 1.21	$ 0.78

(1) See Non-GAAP Financial Measures on page 60.

(2) Contained basis (Attributable production after smelter recoveries were 1,223 and 1,292 thousand gold ounces for second quarter 2011 and 2010, respectively. Attributable production after smelter recoveries were 2,561 and 2,619 thousand gold ounces for first half 2011 and 2010, respectively).

(3) Contained basis (Attributable production after smelter recoveries were 43 and 77 million copper pounds for second quarter 2011 and 2010, respectively. Attributable production after smelter recoveries were 97 and 163 million copper pounds for first half 2011 and 2010, respectively).

Consolidated Financial Results

Net income attributable to Newmont stockholders for the second quarter of 2011 was $387 ($0.78 per share) compared to $382 ($0.78 per share) for the second quarter of 2010. Results for the second quarter of 2011 compared to the second quarter of 2010 were impacted by higher realized gold and copper prices, lower income taxes and a gain on sale of marketable securities, mostly offset by lower sales volumes, higher production costs, a $136 *Loss from discontinued operations* and costs related to the acquisition of Fronteer Gold, Inc. *Net income attributable to Newmont stockholders* for the first half of 2011 was $901 ($1.82 per share) compared to $928 ($1.89 per share) for the first half of 2010. Results for the first half of 2011 compared to the first half of 2010 were impacted by lower sales volumes, higher production costs and income taxes, a $136 *Loss from discontinued operations* and acquisition related expenses, partially offset by higher realized gold and copper prices.

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Gold *Sales* increased 13% and 15% in the second quarter and first half of 2011, respectively, compared to the same periods in 2010 due to higher realized prices, partially offset by decreased sales volumes. The following analysis summarizes the change in consolidated gold sales:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Consolidated gold sales:				
Gross before provisional pricing	$ 2,089	$ 1,845	$ 4,139	$ 3,604
Provisional pricing mark-to-market gain	10	20	18	22
Gross after provisional pricing	2,099	1,865	4,157	3,626
Less: Treatment and refining charges	(11)	(10)	(26)	(23)
Net	$ 2,088	$ 1,855	$ 4,131	$ 3,603
Consolidated gold ounces sold (thousands):	1,391	1,546	2,869	3,127
Average realized gold price (per ounce):				
Gross before provisional pricing	$ 1,502	$ 1,193	$ 1,443	$ 1,152
Provisional pricing mark-to-market gain	7	13	6	7
Gross after provisional pricing	1,509	1,206	1,449	1,159
Less: Treatment and refining charges	(8)	(6)	(9)	(7)
Net	$ 1,501	$ 1,200	$ 1,440	$ 1,152

The change in consolidated gold sales is due to:

	Three Months Ended June 30, 2011 vs. 2010	Six Months Ended June 30, 2011 vs. 2010
Decrease in consolidated ounces sold	$ (187)	$ (299)
Increase in average realized gold price	421	830
Increase in treatment and refining charges	(1)	(3)
	$ 233	$ 528

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Copper *Sales* decreased 1% and 9% in the second quarter and first half of 2011, respectively, compared to the same periods in 2010 due to decreased sales volumes, mostly offset by higher realized prices. The following analysis summarizes the change in consolidated copper sales:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Consolidated copper sales:				
Gross before provisional pricing	$ 330	$ 401	$ 791	$ 894
Provisional pricing mark-to-market loss	(16)	(79)	(28)	(48)
Gross after provisional pricing	314	322	763	846
Less: Treatment and refining charges	(18)	(24)	(45)	(54)
Net	$ 296	$ 298	$ 718	$ 792
Consolidated copper pounds sold (millions)	79	128	184	275
Average realized copper price (per pound):				
Gross before provisional pricing	$ 4.22	$ 3.13	$ 4.31	$ 3.24
Provisional pricing mark-to-market loss	(0.21)	(0.62)	(0.16)	(0.17)
Gross after provisional pricing	4.01	2.51	4.15	3.07
Less: Treatment and refining charges	(0.23)	(0.18)	(0.24)	(0.20)
Net	$ 3.78	$ 2.33	$ 3.91	$ 2.87

The change in consolidated copper sales is due to:

	Three Months Ended June 30, 2011 vs. 2010	Six Months Ended June 30, 2011 vs. 2010
Decrease in consolidated pounds sold	$ (127)	$ (282)
Increase in average realized copper price	119	199
Decrease in treatment and refining charges	6	9
	$ (2)	$ (74)

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Gold				
North America:				
Nevada	$ 529	$ 505	$ 1,111	$ 972
La Herradura	81	53	146	97
	610	558	1,257	1,069
South America:				
Yanacocha	524	425	886	885
Asia Pacific:				
Boddington	269	234	501	401
Batu Hijau	92	170	232	335
Other Australia/New Zealand	375	308	790	622
	736	712	1,523	1,358
Africa:				
Ahafo	218	160	465	291
	2,088	1,855	4,131	3,603
Copper				
Asia Pacific:				
Batu Hijau	242	258	611	713
Boddington	54	40	107	79
	296	298	718	792
	$ 2,384	$ 2,153	$ 4,849	$ 4,395

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

Amortization increased in the second quarter of 2011 compared to the second quarter 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 at Nevada. *Amortization* increased in the first half of 2011 compared to

the first half 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 June 30,		Amortization Three Months Ended June 30,		Costs Applicable to Sales Six Months Ended June 30,		Amortization Six Months Ended June 30,	
	2011	2010	2011	2010	2011	2010	2011	2010
Gold								
North America:								
Nevada	$ 224	$ 246	$ 56	$ 64	$ 496	$ 497	$ 128	$ 126
La Herradura	27	19	5	5	45	32	9	8
	251	265	61	69	541	529	137	134
South America:								
Yanacocha	190	139	66	40	343	293	119	77
Asia Pacific:								
Boddington	117	113	31	34	217	193	59	56
Batu Hijau	30	42	7	12	64	76	14	22
Other Australia/New Zealand	158	136	31	24	324	293	66	56
	305	291	69	70	605	562	139	134
Africa:								
Ahafo	65	55	20	19	145	119	42	36
	811	750	216	198	1,634	1,503	437	381
Copper								
Asia Pacific:								
Batu Hijau	79	73	18	19	168	165	38	46
Boddington	27	25	7	6	55	49	14	13
	106	98	25	25	223	214	52	59
Other								
Hope Bay			4	3			7	6
Asia Pacific				1			1	1
Corporate and other			5	4			9	8
			9	8			17	15
	$ 917	$ 848	$ 250	$ 231	$ 1,857	$ 1,717	$ 506	$ 455

Exploration expense increased $36 in the second quarter of 2011 compared to the second quarter of 2010 due to additional near mine expenditures in all regions, with the largest increases in Nevada and Africa. *Exploration* expense increased $55 in the first half of 2011 compared to the first half of 2010 due to additional near mine expenditures in

all regions, with the largest increases in Nevada, Africa and Australia. 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 second quarter and first half of 2011 and 2010 are summarized as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Hope Bay	$ 41	$ 25	$ 79	$ 35
Conga	5	2	6	3
Akyem	1	1	1	4
Technical and project services	18	11	33	23
Corporate	6	9	9	21
Other	15	9	26	17
	$ 86	$ 57	$ 154	$ 103

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

General and administrative expenses increased by $7 for both the second quarter and first half of 2011 compared to the same periods of 2010 due to higher compensation and benefit costs. We continue to expect *General and administrative* expenses to be approximately $190 to $200 in 2011.

Other expense, net increased by $26 in the second quarter of 2011 compared to the second quarter of 2010 mainly due to Fronteer acquisition costs. *Other expense, net* increased by $10 in the first half of 2011 compared to the first half of 2010 due to the Indonesian value added tax settlement and Fronteer acquisition costs, partially offset by lower community development costs in 2011.

Other income, net increased by $4 in the second quarter of 2011 compared to the second quarter of 2010 due to the sale of our investment in New Gold, Inc., partially offset by foreign currency exchange losses and a decrease in Canadian Oil Sands dividends. *Other income, net* decreased by $13 in the first half of 2011 compared to the first half of 2010 due to the sale of non-core assets in 2010, foreign currency exchange losses and a decrease in Canadian Oil Sands dividends, partially offset by the sale of our investment in New Gold, Inc.

Interest expense, net decreased by $6 and $16 in the second quarter and first half 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. Capitalized interest increased by $6 and $10 in the second quarter and first half of 2011, respectively, compared to the same periods in 2010 due to higher capitalized costs related to the advancement of our project pipeline. We continue to expect *Interest expense, net* to be approximately $235 to $245 in 2011.

Income and mining tax expense during the second quarter of 2011 was $187 resulting in an effective tax rate of 22%. *Income and mining tax expense* during the second quarter of 2010 was $283 for an effective tax rate of 34%. The lower effective rate in 2011 resulted from the conversion of non-US tax-paying entities to entities currently subject to U.S. income tax 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 half of 2011 was $492 resulting in an effective tax rate of 27%. *Income tax expense* during the first half of 2010 was $424 for an effective tax rate of 25%. In the first half of 2010, a tax benefit of $127 was recorded in connection with conversion of non-U.S. tax-paying entities to entities currently subject to U.S. income tax resulting in an increase in net deferred tax assets. 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. We expect the 2011 tax rate to be approximately 26% to 30%, assuming an average realized gold price of $1,450 per ounce.

Net income attributable to noncontrolling interests decreased to $137 in the second quarter of 2011 compared to $155 in the second 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 $293 in the first half of 2011 compared to $352 in the first half of 2010 as a result of decreased earnings at Batu Hijau and Yanacocha.

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.

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Results of Consolidated Operations

	Gold or Copper Produced[1]		Costs Applicable to Sales[2]		Amortization	
	2011	2010	2011	2010	2011	2010
	(ounces in thousands)		($ per ounce)		($ per ounce)	
Three Months Ended June 30,						
Gold						
North America	410	463	$ 620	$ 570	$ 151	$ 149
South America	342	353	545	389	187	113
Asia Pacific	500	609	620	491	141	119
Africa	146	132	446	416	138	147
Total/Weighted-Average	1,398	1,557	$ 583	$ 485	$ 155	$ 129
Attributable to Newmont[3][4]	1,228	1,298	$ 588	$ 507		
Net Attributable to Newmont[4]			$ 499	$ 426		
	(pounds in millions)		($ per pound)		($ per pound)	
Copper						
Asia Pacific	74	148	$ 1.34	$ 0.77	$ 0.33	$ 0.20
Attributable to Newmont[4]	44	80	$ 1.41	$ 0.86		

	Gold or Copper Produced[1]		Costs Applicable to Sales[2]		Amortization	
	2011	2010	2011	2010	2011	2010
	(ounces in thousands)		($ per ounce)		($ per ounce)	
Six Months Ended June 30,						
Gold						
North America	892	936	$ 619	$ 573	$ 157	$ 145
South America	630	776	561	380	194	100
Asia Pacific	1,060	1,209	570	475	131	113
Africa	332	252	449	475	129	146
Total/Weighted-Average	2,914	3,173	$ 570	$ 481	$ 152	$ 122
Attributable to Newmont[4][5]	2,570	2,630	$ 575	$ 506		
Net Attributable to Newmont[4]			$ 467	$ 385		
	(pounds in millions)		($ per pound)		($ per pound)	

Copper								
Asia Pacific	176	307	$ 1.21	$ 0.78	$ 0.28	$ 0.21		
Attributable to Newmont[4]	101	170	$ 1.32	$ 0.88				

(1) Contained basis (Attributable production after smelter recoveries were 1,223 and 1,292 thousand gold ounces and 43 and 77 million copper pounds for second quarter 2011 and 2010, respectively. Attributable production after smelter recoveries were 2,561 and 2,619 thousand gold ounces and 97 and 163 million copper pounds for first half 2011 and 2010, respectively.)

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

(3) Includes 18 and 4 thousand ounces in 2011 from our non-consolidated interests in La Zanja and Duketon, respectively.

(4) See Non-GAAP Financial Measures on page 60.

(5) Includes 30 and 8 thousand ounces in 2011 from our non-consolidated interests in La Zanja and Duketon, respectively.

Second quarter 2011 compared to 2010

Consolidated gold production decreased 10% due to processing lower grade stockpiles at Batu Hijau and lower grade ore at Nevada, partially offset by higher production from Boddington and Africa. Consolidated copper production decreased 50% due to processing lower grade stockpiles at Batu Hijau.

Costs applicable to sales per consolidated gold ounce sold increased 20% due to lower production from Batu Hijau, Yanacocha and Nevada, higher waste mining, milling, labor and royalty costs and a stronger Australian dollar, net of hedging gains, partially offset by higher by-product credits and lower workers participation costs. *Costs applicable to sales* per consolidated copper pound sold increased 74% due to lower production at Batu Hijau.

Amortization increased 20% per consolidated gold ounce sold and 65% per consolidated copper pound sold due to lower production and higher mine development and asset retirement costs.

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First half 2011 compared to 2010

Consolidated gold production decreased 8% due to processing lower grade stockpiles at Batu Hijau, lower grade ore at Nevada and lower leach production from South America, partially offset by higher production from Africa, Boddington and La Herradura. Consolidated copper production decreased 43% due to processing lower grade stockpiles at Batu Hijau.

Costs applicable to sales per consolidated gold ounce sold increased 19% due to lower production from Batu Hijau, Yanacocha and Nevada, higher waste mining, milling, labor and royalty costs and a stronger Australian dollar, net of hedging gains, partially offset by higher by-product credits and lower workers participation costs. *Costs applicable to sales* per consolidated copper pound sold increased 55% due to lower production at Batu Hijau.

Amortization increased 25% per consolidated gold ounce sold and 33% 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. Our *Costs applicable to sales* for the year are expected to change by approximately $5 per ounce for every $10 change in the oil price and by approximately $2 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.

North America Operations

	Gold Ounces Produced		Costs Applicable to Sales[1]		Amortization	
	2011	2010	2011	2010	2011	2010
	(in thousands)		($ per ounce)		($ per ounce)	
Three Months Ended June 30,						
Nevada	357	420	$ 636	$ 584	$ 159	$ 153
La Herradura[2]	53	43	514	431	98	109
Total/Weighted-Average	410	463	$ 620	$ 570	$ 151	$ 149
Attributable to Newmont	410	463				

	Gold Ounces Produced		Costs Applicable to Sales[1]		Amortization	
	2011	2010	2011	2010	2011	2010
	(in thousands)		($ per ounce)		($ per ounce)	
Six Months Ended June 30,						
Nevada	790	853	$ 640	$ 592	$ 165	$ 150
La Herradura[2]	102	83	456	389	95	102
Total/Weighted-Average	892	936	$ 619	$ 573	$ 157	$ 145
Attributable to Newmont	892	936				

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

(2) Our proportionately consolidated 44%.

Second quarter 2011 compared to 2010

Nevada, USA. Gold production decreased 15% due to mining and processing lower grade ore, partially offset by higher mill throughput and leach placement and the commencement of underground mining at Exodus. Open pit ore tons mined increased 47% as the remediation of the Gold Quarry pit slope failure was completed. *Costs applicable to sales* per ounce increased 9% due to lower production and higher diesel prices, partially offset by higher by-product credits. *Amortization* per ounce increased 4% due to lower production.

La Herradura, Mexico. Gold production increased 23% due to higher leach placement at Soledad - Dipolos. *Costs applicable to sales* per ounce increased 19% due to higher mining, leaching and employee profit sharing costs, partially offset by higher production and by-product credits. *Amortization* per ounce decreased 10% due to higher production.

First half 2011 compared to 2010

Nevada, USA. Gold production decreased 7% due to mining and processing lower grade ore and lower mill recovery, partially offset by the commencement of underground mining at Exodus. *Costs applicable to sales* per ounce increased 8% due to lower production, partially offset by higher by-product credits. *Amortization* per ounce increased 10% due to lower production and higher capitalized mine development.

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La Herradura, Mexico. Gold production increased 23% due to higher leach placement at Soledad - Dipolos. *Costs applicable to sales* per ounce increased 17% due to higher mining, leaching and employee profit sharing costs, partially offset by higher production and by-product credits. *Amortization* per ounce decreased 7% due to higher production.

We continue to expect gold production in North America of approximately 2.0 to 2.1 million ounces at *Costs applicable to sales* per ounce of approximately $560 to $600 in 2011.

South America Operations

	Gold Ounces Produced		Costs Applicable to Sales[1]		Amortization	
	2011	2010	2011	2010	2011	2010
	(in thousands)		($ per ounce)		($ per ounce)	
Three Months Ended June 30,						
Yanacocha (51.35% owned)	342	353	$ 545	$ 389	$ 187	$ 113
Attributable to Newmont[2]	193	181				

	Gold Ounces Produced		Costs Applicable to Sales[1]		Amortization	
	2011	2010	2011	2010	2011	2010
	(in thousands)		($ per ounce)		($ per ounce)	
Six Months Ended June 30,						
Yanacocha (51.35% owned)	630	776	$ 561	$ 380	$ 194	$ 100
Attributable to Newmont[2]	353	398				

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

(2) Includes 18 and 30 thousand ounces in the second quarter and first half of 2011, respectively, from our 46.94% non-consolidated interest in La Zanja.

Second quarter 2011 compared to 2010

Yanacocha, Peru. Gold production decreased 3% due to lower leach placement at Yanacocha and La Quinua as a result of mine sequencing and lower equipment availability, partially offset by higher mill grade, throughput and recovery. Ore tons mined decreased 39% due to mine sequencing at El Tapado. *Costs applicable to sales* per ounce increased 40% due to lower production combined with higher waste mining, diesel prices and labor and royalty costs, partially offset by higher by-product credits and lower workers participation costs. *Amortization* per ounce increased 65% due to lower production and higher mine development and asset retirement costs.

First half 2011 compared to 2010

Yanacocha, Peru. Gold production decreased 19% due to lower leach placement at Yanacocha, La Quinua and Carachugo as a result of mine sequencing and lower equipment availability. Ore tons mined decreased 37% due to mine sequencing and adverse working conditions at El Tapado. *Costs applicable to sales* per ounce increased 48% due to lower production combined with higher waste mining, diesel prices and labor and royalty costs, partially offset by higher by-product credits and lower workers participation costs. *Amortization* per ounce increased 94% due to lower production and higher mine development and asset retirement costs.

We continue to expect attributable gold production in South America of approximately 715,000 to 775,000 ounces at consolidated *Costs applicable to sales* per ounce of approximately $500 to $550 in 2011.

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Asia Pacific Operations

	Gold or Copper Produced[1]		Costs Applicable to Sales[2]		Amortization	
	2011	2010	2011	2010	2011	2010
	(ounces in thousands)		($ per ounce)		($ per ounce)	
Three Months Ended June 30,						
Gold						
Boddington	205	184	$ 641	$ 582	$ 173	$ 177
Batu Hijau [3]	51	169	490	294	113	81
Other Australia/New Zealand	244	256	638	533	124	96
Total/Weighted-Average	500	609	$ 620	$ 491	$ 141	$ 119
Attributable to Newmont[4]	479	522				
	(pounds in millions)		($ per pound)		($ per pound)	
Copper						
Boddington	16	15	$ 1.94	$ 1.55	$ 0.52	$ 0.40
Batu Hijau[3]	58	133	1.23	0.66	0.28	0.17
Total/Weighted-Average	74	148	$ 1.34	$ 0.77	$ 0.33	$ 0.20
Attributable to Newmont	44	80				

	Gold or Copper Produced[1]		Costs Applicable to Sales[2]		Amortization	
	2011	2010	2011	2010	2011	2010
	(ounces in thousands)		($ per ounce)		($ per ounce)	
Six Months Ended June 30,						
Gold						
Boddington	370	342	$ 620	$ 560	$ 170	$ 163
Batu Hijau [3]	147	335	384	253	86	71
Other Australia/New Zealand	543	532	595	545	120	104
Total/Weighted-Average	1,060	1,209	$ 570	$ 475	$ 131	$ 113
Attributable to Newmont[4]	993	1,044				
	(pounds in millions)		($ per pound)		($ per pound)	
Copper						
Boddington	30	29	$ 2.06	$ 1.80	$ 0.53	$ 0.47

Batu Hijau[3]	146	278	1.07	0.66	0.24	0.19
Total/Weighted-Average	176	307	$ 1.21	$ 0.78	$ 0.28	$ 0.21
Attributable to Newmont	101	170				

(1) Contained basis (Attributable production after smelter recoveries were 475 and 517 thousand gold ounces and 42 and 77 million copper pounds for second quarter 2011 and 2010, respectively. Attributable production after smelter recoveries were 985 and 1,034 thousand gold ounces and 97 and 163 million copper pounds for first half 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 half of 2010 during which our interest was 50.66%.

(4) Includes 4 and 8 thousand ounces in the second quarter and first half of 2011, respectively, from our 16.17% non-consolidated interest in Duketon.

Second quarter 2011 compared to 2010

Boddington, Australia. Gold production increased 11% due to higher throughput. Copper production increased 7% due to higher throughput, partially offset by lower recovery. *Costs applicable to sales* increased 10% per ounce and 25% per pound due to higher conveyor maintenance, royalty and power costs, higher diesel prices and a stronger Australian dollar, net of hedging gains, partially offset by higher production and by-product credits. *Amortization* per ounce decreased 2% due to higher production, partially offset by higher asset retirement costs. *Amortization* per pound increased 30% due to higher asset retirement costs and a higher allocation of costs to copper.

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Batu Hijau, Indonesia. Copper and gold production decreased 56% and 70%, respectively, due to lower grade, throughput and recovery as a result of processing stockpiled material compared to higher grade Phase 5 ore in 2010. Waste tons mined doubled as Phase 6 waste removal continues as planned. *Costs applicable to sales* increased 86% per pound and 67% per ounce due to lower production and higher waste mining costs, partially offset by higher by-product credits. *Costs applicable to sales* per pound and per ounce were also impacted by a higher allocation of costs to copper versus gold. *Amortization* increased 65% per pound and 40% per ounce due to lower production.
Other Australia/New Zealand. Gold production decreased 5% due to lower throughput at Tanami and Jundee and a build-up of in-process inventory at Jundee, partially offset by higher throughput at Kalgoorlie and Waihi. *Costs applicable to sales* per ounce increased 20% 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 29% due to lower production and higher mine development costs at Jundee.

First half 2011 compared to 2010

Boddington, Australia. Gold production increased 8% and copper production increased 3% due to higher throughput, partially offset by lower recovery. *Costs applicable to sales* increased 11% per ounce and 14% per pound due to higher conveyor maintenance, diesel, royalty and power costs and a stronger Australian dollar, net of hedging gains, partially offset by higher production and by-product credits. *Amortization* increased 4% per ounce and 13% per pound due to higher asset retirement costs, partially offset by higher production.
Batu Hijau, Indonesia. Copper and gold production decreased 47% and 56%, 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. Waste tons mined more than doubled as Phase 6 waste removal continues as planned. The Company expects to reach Phase 6 ore in late 2013. *Costs applicable to sales* increased 62% per pound and 52% per ounce due to lower production and higher waste mining costs, partially offset by higher by-product credits. *Costs applicable to sales* per pound and per ounce were also impacted by a higher allocation of costs to copper versus gold. *Amortization* increased 26% per pound and 21% per ounce due to lower production.
Other Australia/New Zealand. Gold production increased 2% due to higher mill ore grade at Tanami and Kalgoorlie, partially offset by lower throughput at Jundee. *Costs applicable to sales* per ounce increased 9% due to higher operating costs which were driven by higher power and diesel prices and a stronger Australian dollar, net of hedging gains, partially offset by higher production. *Amortization* per ounce increased 15% due to 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) powers of attorney to vote and sell the shares in support of the pledge, enforceable in an event of default as further

security for the funding, and (iv) a commitment from them to support the application of our standards to the operation of the Batu Hijau mine. Therefore we expect to continue to consolidate PTNNT in our consolidated financial statements after the final 7% sale is completed.

Africa Operations

	Gold Ounces Produced		Costs Applicable to Sales[1]		Amortization	
	2011	2010	2011	2010	2011	2010
	(in thousands)		($ per ounce)		($ per ounce)	
Three Months Ended June 30,						
Ahafo	146	132	$ 446	$ 416	$ 138	$ 147
Attributable to Newmont	146	132				

	Gold Ounces Produced		Costs Applicable to Sales[1]		Amortization	
	2011	2010	2011	2010	2011	2010
	(in thousands)		($ per ounce)		($ per ounce)	
Six Months Ended June 30,						
Ahafo	332	252	$ 449	$ 475	$ 129	$ 146
Attributable to Newmont	332	252				

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

Second quarter 2011 compared to 2010

Ahafo, Ghana. Gold production increased 11% due to higher mill ore grade and recovery as a result of mine sequencing. *Costs applicable to sales* per ounce increased 7% due to higher diesel prices and higher power, labor and royalty costs, partially offset by higher production. *Amortization* per ounce decreased 6% due to higher production.

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First half 2011 compared to 2010

Ahafo, Ghana. Gold production increased 32% due to higher mill ore grade and recovery as a result of mine sequencing. *Costs applicable to sales* per ounce decreased 5% due to higher production, partially offset by higher diesel prices and higher power, labor, royalty and contracted services costs. *Amortization* per ounce decreased 12% due to higher production, partially offset by higher mine development costs.

We continue to expect gold production in Africa of approximately 550,000 to 590,000 ounces at *Costs applicable to sales* per ounce of approximately $485 and $535 in 2011.

Foreign Currency Exchange Rates

Our foreign operations sell their gold and copper production based on U.S. dollar metal prices. Approximately 43% and 36% of our *Costs applicable to sales* were paid in local currencies during the second quarter of 2011 and 2010, respectively. Approximately 42% and 35% of our *Costs applicable to sales* were paid in local currencies during the first half 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 $21 and $15, net of hedging gains and losses, during the second quarter and first half of 2011, respectively, compared to the same periods in 2010.

Liquidity and Capital Resources

Cash Provided from Operating Activities

Net cash provided from continuing operations was $1,403 in the first half of 2011, a decrease of $78 from the first half of 2010 primarily due to a net increase in working capital of $289, primarily from payments at Batu Hijau for 2010 taxes paid in 2011, higher costs applicable to sales of $140, lower gold and copper sales volumes of $299 and $282, respectively, and higher exploration costs of $55, partially offset by higher realized gold and copper prices of $830 and $199, respectively, as discussed above in *Consolidated Financial Results*.

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Investing Activities

Net cash used in investing activities increased to $3,280 during the first half of 2011 compared to $605 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:

	Six Months Ended June 30,	
	2011	**2010**
North America:		
Nevada	$ 228	$ 117
Hope Bay	41	48
La Herradura	27	22
	296	187
South America:		
Yanacocha	127	68
Conga	251	43
	378	111
Asia Pacific:		
Boddington	75	81
Batu Hijau	88	33
Other Australia/New Zealand	134	71
Other Asia Pacific	4	3
	301	188
Africa:		
Ahafo	37	51
Akyem	67	22
	104	73
Corporate and Other	18	11
Accrual basis	1,097	570
Decrease (increase) in accrued capital expenditures	(77)	58
Cash basis	$ 1,020	$ 628

Capital expenditures in North America during the first half 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 spending through the first half of 2011 has been lower than expected across the portfolio, but is expected to accelerate in the second half of the year.

Capital expenditures in North America during the first half of 2010 were primarily related to the Hope Bay Project, the Turf/Leeville and Exodus underground projects in Nevada, and sustaining mine development. Capital expenditures in South America were primarily related to Conga and leach pad development and equipment purchases at Yanacocha. The majority of capital expenditures in Asia Pacific were for surface and underground development, mining equipment, and infrastructure improvements. Capital expenditures in Africa were primarily related to Akyem, Amoma, and Subika expansion projects, tailings dam construction and sustaining mine development at Ahafo.

Proceeds from sale of marketable securities. During the first half of 2011, we received $55 for the sale of our investment in New Gold, Inc.

Purchases of marketable securities. During the first half of 2011 and 2010, we purchased marketable securities of $15 and $7, respectively.

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 $21 during the first half of 2011, which were recorded in *Other Expense, net*. We also paid $13 of contingent payments in accordance with the 2009 Boddington acquisition agreement.

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Proceeds from sale of other assets. During the first half of 2011, we received $6 primarily from the sale of investments. During the first half 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 $380 and $470 during the first half of 2011 and 2010, respectively.

Proceeds from and repayment of debt. During the first half of 2011, we borrowed $803 under our revolving credit facility and paid debt issuance costs of $28. We repaid $973 of debt, including repayment of $713 under our revolving credit facility and scheduled debt repayments of $223 for our 8 5/8 Senior Notes, $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 June 30, 2011, $239 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 half of 2010, we repaid $263 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 $19 on other credit facilities and capital leases.

Scheduled minimum debt repayments are $5 for the remainder of 2011, $572 in 2012, $42 in 2013, $544 in 2014, $18 in 2015, and $3,129 thereafter. We expect to be able to fund maturities of debt from *Net cash provided by operating activities*, short-term investments, existing cash balances and available credit facilities.

At June 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 half 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 $0.35 and $0.20 per common share for the six months ended June 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$0.3403 per share through June 30, 2011 and C$0.2058 through June 30, 2010. We paid dividends of $173 and $98 to common stockholders in the first half of 2011 and 2010, respectively.

Dividends paid to noncontrolling interests. We paid dividends of $17 and $307 to noncontrolling interests during the first half 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 half of 2010 included $100 for our NTP partner s share of the sale of the 7% interest in Batu Hijau and $205 for our partners share of a $476 PTNNT dividend.

Proceeds from stock issuance. We received proceeds of $8 and $30 during the first half of 2011 and 2010, respectively, from the issuance of common stock.

Discontinued Operations

Net operating cash used in discontinued operations was $2 and $13 in the first half of 2011 and 2010, respectively. Discontinued operations in 2011 relate to the initial payment on the Holt property royalty. The 2010 amount related to the Kori Kollo operation in Bolivia which was sold in 2009.

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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 $1,365 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	527	450	430	518		
Boddington	132	259	243	254	231	672
Nevada	61	75				
	720	784	673	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 June 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, $172 and $144 were accrued for such obligations at June 30, 2011 and December 31, 2010, respectively. We spent $8 and $8 during the first half of 2011 and 2010, respectively, for environmental obligations related to the former, primarily historic, mining activities and have classified $19 as a current liability at June 30, 2011.

During the first half of 2011 and 2010, capital expenditures were approximately $55 and $36, 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 Accounting Pronouncements, see Note 2 to the Condensed Consolidated Financial Statements.

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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 June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Net income attributable to Newmont stockholders	$ 387	$ 382	$ 901	$ 928
Fronteer acquisition costs	17		18	
PTNNT community contribution				13
Asset sales/impairments	(30)	(5)	(32)	(28)
Income tax benefit from internal restructuring	(65)		(65)	(127)
Loss from discontinued operations	136		136	
Adjusted net income	$ 445	$ 377	$ 958	$ 786
Adjusted net income per share[1]	$ 0.90	$ 0.77	$ 1.94	$ 1.60

(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.

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Costs applicable to sales per ounce

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Costs applicable to sales:				
Consolidated per financial statements	$ 811	$ 750	$ 1,634	$ 1,503
Noncontrolling interests[1]	(111)	(92)	(205)	(185)
Attributable to Newmont	$ 700	$ 658	$ 1,429	$ 1,318
Gold sold (thousand ounces):				
Consolidated	1,391	1,546	2,869	3,127
Noncontrolling interests[1]	(201)	(248)	(383)	(524)
Attributable to Newmont	1,190	1,298	2,486	2,603
Costs applicable to sales per ounce:				
Consolidated	$ 583	$ 485	$ 570	$ 481
Attributable to Newmont	$ 588	$ 507	$ 575	$ 506

Costs applicable to sales per pound

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Costs applicable to sales:				
Consolidated per financial statements	$ 106	$ 98	$ 223	$ 214
Noncontrolling interests[1]	(41)	(38)	(87)	(81)
Attributable to Newmont	$ 65	$ 60	$ 136	$ 133
Copper sold (million pounds):				
Consolidated	79	128	184	275
Noncontrolling interests[1]	(33)	(58)	(81)	(123)
Attributable to Newmont	46	70	103	152
Costs applicable to sales per pound:				
Consolidated	$ 1.34	$ 0.77	$ 1.21	$ 0.78
Attributable to Newmont	$ 1.41	$ 0.86	$ 1.32	$ 0.88

Net attributable costs applicable to sales per ounce

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Attributable costs applicable to sales:				
Gold	$ 700	$ 658	$ 1,429	$ 1,318
Copper	65	60	136	133
	765	718	1,565	1,451
Copper revenue:				
Consolidated	(296)	(298)	(718)	(792)
Noncontrolling interests[1]	125	133	315	343
	(171)	(165)	(403)	(449)
Net attributable costs applicable to sales	$ 594	$ 553	$ 1,162	$ 1,002
Attributable gold ounces sold (thousands)	1,190	1,298	2,486	2,603
Net attributable costs applicable to sales per ounce	$ 499	$ 426	$ 467	$ 385

(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.

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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 breeches, 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. The hedging instruments are fixed forward contracts with expiration dates up to two 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.

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Foreign Currency Exchange Risk

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

	Expected Maturity Date						
	2011	**2012**	**2013**	**2014**	**2015**	**2016**	**Total Average**
A$ Operating Fixed Forward Contracts:							
A$ notional (millions)	594	947	665	436	204	25	2,871
Average rate ($/A$)	0.86	0.88	0.90	0.87	0.84	0.88	0.88
Expected hedge ratio	82%	64%	44%	30%	14%	3%	
A$ Akyem Capital Fixed Forward Contracts:							
A$ notional (millions)	10	18					28
Average rate ($/A$)	1.04	1.02					1.03
Expected hedge ratio	34%	41%					
NZ$ Operating Fixed Forward Contracts:							
NZ$ notional (millions)	37	41	6				84
Average rate ($/NZ$)	0.71	0.73	0.77				0.72
Expected hedge ratio	66%	35%	10%				

The fair value of the A$ foreign currency derivative contracts was $368 and $295 at June 30, 2011 and December 31, 2010, respectively. The fair value of the NZ$ foreign currency derivative contracts was $8 and $6 at June 30, 2011 and December 31, 2010, respectively. The fair value of the A$ Akyem capital foreign currency contracts were $nil at June 30, 2011.

Diesel Price Risk

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

	Expected Maturity Date			
	2011	**2012**	**2013**	**Total Average**
Diesel Fixed Forward Contracts:				
Diesel gallons (millions)	11	11	1	23
Average rate ($/gallon)	2.51	2.68	3.19	2.62
Expected hedge ratio	53%	25%	5	

The fair value of the diesel derivative contracts was $11 and $8 at June 30, 2011 and December 31, 2010, respectively.

Forward Starting Swaps

During the three months ended June 30, 2011, we entered into forward starting swaps with a total notional value of $1,000. We entered into these swaps as a hedge against adverse movements in treasury rates related to a potential debt issuance in the second half of 2011. At June 30, 2011, the fair value of the forward starting swap contracts was a net liability position of $11.

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.

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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.

LME copper prices averaged $4.14 per pound during the three months ended June 30, 2011, compared with our recorded average provisional price of $4.22 per pound before mark-to-market losses and treatment and refining charges. LME copper prices averaged $4.26 per pound during the six months ended June 30, 2011, compared with our recorded average provisional price of $4.31 per pound before mark-to-market losses and treatment and refining charges. During the three and six months ended June 30, 2011, changes in copper prices resulted in a provisional pricing mark-to-market loss of $16 ($0.21 per pound) and $28 ($0.16 per pound), respectively. At June 30, 2011, we had copper sales of 84 million pounds priced at an average of $4.22 per pound, subject to final pricing over the next several months. Each $0.10 change in the price for provisionally priced sales would have an approximate $3 effect on our *Net income attributable to Newmont stockholders*. The LME closing settlement price at June 30, 2011 for copper was $4.22 per pound.

The average London P.M. fix for gold was $1,506 per ounce during the three months ended June 30, 2011, compared with our recorded average provisional price of $1,500 per ounce before mark-to-market gains and treatment and refining charges. The average London P.M. fix for gold was $1,445 per ounce during the six months ended June 30, 2011, compared with our recorded average provisional price of $1,441 per ounce before mark-to-market gains and treatment and refining charges. During the three and six months ended June 30, 2011, changes in gold prices resulted in a provisional pricing mark-to-market gain of $10 ($7 per ounce) and $18 ($6 per ounce), respectively. At June 30, 2011, we had gold sales of 105,000 ounces priced at an average of $1,506 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 approximate $1 effect on our *Net income attributable to Newmont stockholders*. The London P.M closing settlement price at June 30, 2011 for gold was $1,506 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.

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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
April 1, 2011 through April 30, 2011				N/A
May 1, 2011 through May 31, 2011				N/A
June 1, 2011 through June 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.

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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: July 28, 2011	/s/ RUSSELL BALL
	Russell Ball **Executive Vice President and Chief Financial Officer** **(Principal Financial Officer)**
Date: July 28, 2011	/s/ DAVID OTTEWELL
	David Ottewell **Vice President and Chief Accounting Officer** **(Principal Accounting Officer)**

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NEWMONT MINING CORPORATION
EXHIBIT INDEX

Exhibit Number	Description
10.1	Credit Agreement dated as of May 20, 2011 among Newmont Mining Corporation, the lenders party thereto, and JPMorgan Chase Bank, N.A., as Administrative Agent, filed herewith.
10.2	Annual Incentive Compensation Program of Newmont Mining Corporation, as Amended and Restated Effective January 1, 2011, filed herewith.
10.3	Employee Performance Incentive Compensation Program of Newmont Mining Corporation, as Amended and Restated Effective January 1, 2011, filed herewith.
10.4	Senior Executive Compensation Program of Newmont Mining Corporation, as Amended and Restated Effective January 1, 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	The following XBRL (Extensible Business Reporting Language) materials are filed herewith: (i) XBRL Instance, (ii) XBRL Taxonomy Extension Schema, (iii) XBRL Taxonomy Extension Calculation, (iv) XBRL Taxonomy Extension Labels, (v) XBRL Taxonomy Extension Presentation, and (vi) XBRL Taxonomy Extension Definition. In accordance with Rule 406T of Regulation S-T, the information in these exhibits is furnished and deemed not filed or a part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of section 18 of the Exchange Act of 1934, and otherwise is not subject to liability under these sections and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, except as expressly set forth by the specific reference in such filing.

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