NEWMONT MINING CORP /DE/
Form 10-K
February 19, 2009

Table of Contents

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

(Mark One)

þ	**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the Fiscal Year Ended December 31, 2008**
	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 *(State or Other Jurisdiction of Incorporation or Organization)*	**84-1611629** *(I.R.S. Employer Identification No.)*
6363 South Fiddler s Green Circle Greenwood Village, Colorado *(Address of Principal Executive Offices)*	**80111** *(Zip Code)*

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

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, $1.60 par value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes þ No o

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes o No þ

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes þ No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. o

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 the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 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 12b-2 of the Exchange Act). Yes o No þ

As of June 30, 2008, the aggregate market value of the registrant s voting and non-voting common equity held by non-affiliates of the registrant was $23,670,310,860 based on the closing sale price as reported on the New York Stock Exchange. There were 478,507,759 shares of common stock outstanding (and 10,687,382 exchangeable shares exchangeable into Newmont Mining Corporation common stock on a one-for-one basis) on February 11, 2009.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of Registrant s definitive Proxy Statement submitted to the Registrant s stockholders in connection with our 2009 Annual Stockholders Meeting to be held on April 29, 2009, are incorporated by reference into Part III of this report.

TABLE OF CONTENTS

Table of Contents

Table of Contents

This document (including information incorporated herein by reference) contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, which involve a degree of risk and uncertainty due to various factors affecting Newmont Mining Corporation and our affiliates and subsidiaries. For a discussion of some of these factors, see the discussion in Item 1A, Risk Factors, of this report.

PART I

ITEM 1. *BUSINESS (dollars in millions except per share, per ounce and per pound amounts)*

Introduction

Newmont Mining Corporation is primarily a gold producer with significant assets or operations in the United States, Australia, Peru, Indonesia, Ghana, Canada, New Zealand and Mexico. At December 31, 2008, Newmont had proven and probable gold reserves of 85.0 million equity ounces and an aggregate land position of approximately 38,840 square miles (100,600 square kilometers). Newmont is also engaged in the production of copper, principally through its Batu Hijau operation in Indonesia. Newmont Mining Corporation s original predecessor corporation was incorporated in 1921 under the laws of Delaware.

Newmont s corporate headquarters are in Greenwood Village, Colorado, USA. In this report, Newmont, the Company, our and we refer to Newmont Mining Corporation and/or our affiliates and subsidiaries.

Newmont s revenues and long-lived assets are geographically distributed as follows:

	Revenues			**Long-Lived Assets**		
	2008	**2007**	**2006**	**2008**	**2007**	**2006**
United States	31%	29%	29%	26%	29%	24%
Peru	26%	20%	32%	13%	13%	11%
Australia/New Zealand	17%	15%	15%	20%	15%	20%
Indonesia	16%	28%	19%	17%	17%	17%
Canada			1%	14%	16%	18%
Ghana	7%	6%	3%	9%	9%	9%
Other(1)	3%	2%	1%	1%	1%	1%

(1) Other includes Mexico and Bolivia.

On January 27, 2009, we entered into a definitive sale and purchase agreement with AngloGold Ashanti Australia Limited (AngloGold) to acquire its 33.33% interest in the Boddington project in Western Australia. Upon expected completion of the acquisition, we will own 100% of the Boddington project. Consideration for the acquisition consists of $750 payable in cash at closing, $240 payable in cash and/or Newmont common stock, at our option, in December 2009, and a royalty capped at $100, equal to 50% of the average realized operating margin (Revenue less *Costs applicable to sales* on a by-product basis), if any, exceeding $600 per ounce, payable on one-third of gold sales from Boddington. The valuation date for the transaction is January 2009 and the transaction is expected to close in March 2009, subject to satisfaction or waiver of certain conditions and approvals. We can make no assurances that the pending acquisition of the remaining interest in the Boddington project will be consummated. See Item 1A, Risk Factors, Risks Related to Newmont Operations, below.

On February 3, 2009, we completed a public offering of $450 convertible senior notes, maturing on February 15, 2012. The notes will pay interest semi-annually at a rate of 3.00% per annum. The notes are convertible, at the holder s option, equivalent to a conversion price of $46.25 per share of common stock. We granted the underwriters an option to purchase $68 in additional convertible senior notes at the public offering price, less the underwriting discount, to cover over-allotments, if any. The

1

over-allotment option was exercised in full and delivery of the convertible notes was made to purchasers on February 3, 2009. Additionally, on February 3, 2009, we completed a public offering of 30,000,000 shares of common stock at a public offering price of $37.00, less an underwriting discount of $1.17 per share. We also granted the underwriters an option to purchase up to 4,500,000 additional shares of common stock at the public offering price, less the underwriting discount, to cover over-allotments. The overallotment option was exercised in full and delivery of shares was made to purchasers on February 3, 2009. Such offerings were made pursuant to our shelf registration statement on Form S-3. See Item 7, Management s Discussion and Analysis of Consolidated Financial Condition and Results of Operations Shelf Registration Statement.

For additional information, see Item 7, Management s Discussion and Analysis of Consolidated Financial Condition and Results of Operations.

Segment Information, Export Sales, etc.

We have operating segments of Nevada, Yanacocha in Peru, Australia/New Zealand, Batu Hijau in Indonesia, Africa and Other Operations comprised of smaller operations in Bolivia and Mexico. We also have our Hope Bay segment in Canada, following the acquisition of Miramar Mining Corporation, and an Exploration Segment. See Item 1A, Risk Factors, Risks Related to Newmont Operations, below and Note 31 to the Consolidated Financial Statements for information relating to our business segments, our domestic and export sales, and our non-dependence on a limited number of customers.

Products

Gold

General. We had consolidated sales of 6.3 million ounces of gold (5.2 million equity ounces) in 2008, 6.2 million ounces (5.3 million equity ounces) in 2007 and 7.2 million ounces (5.9 million equity ounces) in 2006. For 2008, 2007 and 2006, 88%, 78% and 86%, respectively, of our net revenues were attributable to gold sales. Of our 2008 gold sales, approximately 35% came from Nevada, 30% from Yanacocha, 19% from Australia/New Zealand, 5% from Batu Hijau and 8% from Africa. References in this report to equity ounces or equity pounds mean that portion of gold or copper produced, sold or included in proven and probable reserves that is attributable to our ownership or economic interest.

Most of our revenue comes from the sale of refined gold in the international market. The end product at our gold operations, however, is generally doré bars. Doré is an alloy consisting mostly of gold but also containing silver, copper and other metals. Doré is sent to refiners to produce bullion that meets the required market standard of 99.95% pure gold. Under the terms of our refining agreements, the doré bars are refined for a fee, and our share of the refined gold and the separately-recovered silver and copper are credited to our account or delivered to buyers. Gold sold from Batu Hijau and a portion of the gold from Phoenix, in Nevada, is contained in a saleable concentrate.

Gold Uses. Gold has two main categories of use: fabrication and investment. Fabricated gold has a variety of end uses, including jewelry, electronics, dentistry, industrial and decorative uses, medals, medallions and official coins. Gold investors buy gold bullion, official coins and jewelry.

Gold Supply. The supply of gold consists of a combination of current production from mining and the draw-down of existing stocks of gold held by governments, financial institutions, industrial organizations and private individuals. Based on public information available for the years 2006 through 2008, current mine production has, on average accounted for approximately 71% of the annual supply of gold.

2

Table of Contents

Gold Price. The following table presents the annual high, low and average daily afternoon fixing prices for gold over the past ten years, expressed in U.S. dollars per ounce, on the London Bullion Market.

Year	**High**	**Low**	**Average**
1999	$ 326	$ 253	$ 279
2000	$ 313	$ 264	$ 279
2001	$ 293	$ 256	$ 271
2002	$ 349	$ 278	$ 310
2003	$ 416	$ 320	$ 363
2004	$ 454	$ 375	$ 410
2005	$ 536	$ 411	$ 444
2006	$ 725	$ 525	$ 604
2007	$ 841	$ 608	$ 695
2008	$ 1,011	$ 713	$ 872
2009 (through February 11, 2009)	$ 938	$ 810	$ 874

Source: Kitco, Reuters and the London Bullion Market Association

On February 11, 2009, the afternoon fixing price for gold on the London Bullion Market was $938 per ounce and the spot market price of gold on the New York Commodity Exchange was $940 per ounce.

We generally sell our gold at the prevailing market price during the month in which the gold is delivered to the customer. We recognize revenue from a sale when the price is determinable, the gold has been delivered, the title has been transferred to the customer and collection of the sales price is reasonably assured.

Copper

General. We had consolidated sales of 290 million pounds of copper (130 million equity pounds) in 2008, 428 million pounds (204 million equity pounds) in 2007 and 435 million pounds (230 million equity pounds) in 2006. For 2008, 2007 and 2006, 12%, 22% and 14%, respectively, of our net revenues were attributable to copper. As of December 31, 2008, we had a 45% ownership interest in the Batu Hijau operation in Indonesia, which began production in 1999. Production at Batu Hijau is in the form of a copper/gold concentrate that is sold to smelters for further treatment and refining.

Copper Uses. Refined copper is incorporated into wire and cable products for use in the construction, electric utility, communications and transportation industries. Copper is also used in industrial equipment and machinery, consumer products and a variety of other electrical and electronic applications, and is also used to make brass. Copper substitutes include aluminum, plastics, stainless steel and fiber optics. Refined, or cathode, copper is also an internationally traded commodity.

Copper Supply. The supply of copper consists of a combination of current production from mining and recycled scrap material.

Table of Contents

Copper Price. The price of copper is quoted on the London Metal Exchange in terms of dollars per metric ton of high grade copper. The following table presents the dollar per pound equivalent of the annual high, low and average daily prices of high grade copper on the London Metal Exchange over the past ten years.

Year	High	Low	Average
1999	$ 0.84	$ 0.61	$ 0.71
2000	$ 0.91	$ 0.73	$ 0.82
2001	$ 0.83	$ 0.60	$ 0.72
2002	$ 0.77	$ 0.64	$ 0.71
2003	$ 1.05	$ 0.70	$ 0.81
2004	$ 1.49	$ 1.06	$ 1.30
2005	$ 2.11	$ 1.39	$ 1.67
2006	$ 3.99	$ 2.06	$ 3.05
2007	$ 3.77	$ 2.37	$ 3.24
2008	$ 4.08	$ 1.26	$ 3.15
2009 (through February 11, 2009)	$ 1.60	$ 1.38	$ 1.48

Source: London Metal Exchange

On February 11, 2009, the closing price of high grade copper was $1.53 per pound on the London Metal Exchange. Our historic ability to sell copper at market prices was limited in some cases by hedging activities, more particularly described in Item 7A, Quantitative and Qualitative Disclosures about Market Risk, and Note 14 to the Consolidated Financial Statements.

Hedging Activities

Our strategy is to provide shareholders with leverage to changes in the gold price by selling our gold production at market prices. Prior to 2007, however, we entered into derivative contracts to protect the selling price for certain anticipated gold and copper production. During 2007, we delivered into the last of the copper collar contracts and net settled all price-capped forward gold sales contracts. We continue to manage risks associated with commodity inputs, interest rates and foreign currencies using the derivative market.

For additional information, see Hedging in Item 7A, Quantitative and Qualitative Disclosures about Market Risk, and Note 14 to the Consolidated Financial Statements.

Exploration

Our exploration group is responsible for our global efforts to discover new mineralized material and convert it into proven and probable reserves. We conduct near-mine exploration around our existing mines and greenfields exploration in other prospective regions globally. Near-mine exploration can result in the discovery of additional deposits, which will receive the economic benefit of existing operating, processing, and administrative infrastructures; whereas the discovery of new mineralization through greenfields exploration efforts will likely require capital investment to build a separate, stand-alone operation. Our exploration group employs state-of-the-art technology, including airborne geophysical data acquisition systems, satellite location devices and field-portable imaging systems, as well as geochemical and geological prospecting methods, to identify prospective mineralization targets. We expensed $214 in 2008, $177 in 2007 and $166 in 2006 on *Exploration*.

As of December 31, 2008, we had proven and probable gold reserves of 85.0 million equity ounces. We added 5.2 million equity ounces to proven and probable reserves, and depleted 6.7 million equity ounces during 2008. 2008 reserves were calculated at a $725, A$850 or NZ$1,000 per ounce

Table of Contents

gold price. A reconciliation of the changes in proven and probable reserves during the past three years is as follows:

	2008	2007	2006
	(millions of equity ounces)		
Opening balance	86.5	93.9	93.2
Total additions[1]	5.2	0.8	5.9
Acquisitions[2]			3.7
Depletion	(6.7)	(7.3)	(7.4)
Other divestments[3]		(0.9)	(1.5)
Closing balance	85.0	86.5	93.9

(1) The impact of the change in gold price assumption on reserve additions was 1.9 million, 0.7 million and 3.1 million equity ounces in 2008, 2007 and 2006, respectively.

(2) In March 2006, reserves were increased by 2.6 million equity ounces from the acquisition of an additional 22.22% interest in the Boddington project. In January 2006, reserves were increased by 1.1 million equity ounces from the acquisition of the remaining 15% interest in Akyem.

(3) In December 2007, we sold the Pajingo operation. In May 2007, Newmont s economic interest in Batu Hijau was reduced from 52.875% to 45% when a minority owner fully repaid a loan from a Newmont subsidiary. In August 2006, the government of Uzbekistan expropriated the Company s 50% interest in the Zarafshan-Newmont Joint Venture.

In Nevada, proven and probable gold reserves decreased to 28.1 million equity ounces after additions of 1.8 million equity ounces and depletion of 3.1 million equity ounces.

At Yanacocha in Peru, proven and probable gold reserves decreased after downward revisions of 0.1 million equity ounces and depletion of 1.2 million equity ounces. As of December 31, 2008, we reported reserves of 6.7 million equity ounces at Yanacocha and 6.1 million equity ounces at Conga.

In Australia/New Zealand, proven and probable gold reserves increased to 20.9 million equity ounces after additions of 2.8 million equity ounces and depletion of 1.3 million equity ounces, primarily from Boddington (66.67%) and Jundee.

At Batu Hijau in Indonesia, proven and probable reserves decreased to 3,950 million equity pounds of copper and 4.1 million equity ounces of gold after depletion of 170 million equity pounds of copper and 0.2 million equity ounces of gold.

At Ahafo in Ghana, proven and probable gold reserves decreased by 0.3 million equity ounces as a result of 0.2 million equity ounces of additions offset by depletion of 0.5 million equity ounces. As of December 31, 2008, we reported reserves of 9.3 million equity ounces at Ahafo and 7.7 million equity ounces at Akyem.

For additional information, see Item 2, Properties, Proven and Probable Reserves.

Licenses and Concessions

Other than operating licenses for our mining and processing facilities, there are no third party patents, licenses or franchises material to our business. In many countries, however, we conduct our mining and exploration activities pursuant to concessions granted by, or under contract with, the host government. These countries include, among others, Australia, Bolivia, Canada, Ghana, Indonesia, Mexico, New Zealand and Peru. The concessions and contracts are subject to the political risks associated with foreign operations. See Item 1A, Risk Factors, Risks Related to Newmont, below. For a more detailed description of our Indonesian Contract of Work, see Item 2, Properties, below.

Condition of Physical Assets and Insurance

Our business is capital intensive, requiring ongoing capital investment for the replacement, modernization or expansion of equipment and facilities. For more information, see Item 7, Management s Discussion and Analysis of Consolidated Financial Condition and Results of Operations, Liquidity and Capital Resources, below.

We maintain insurance policies against property loss and business interruption and insure against risks that are typical in the operation of our business, in amounts that we believe to be reasonable. Such insurance, however, contains exclusions and limitations on coverage, particularly with respect to environmental liability and political risk. There can be no assurance that claims would be paid under such insurance policies in connection with a particular event. See Item 1A, Risk Factors, Risks Related to Newmont, below.

Environmental Matters

Our United States mining and exploration activities are subject to various federal and state laws and regulations governing the protection of the environment, including the Clean Air Act; the Clean Water Act; the Comprehensive Environmental Response, Compensation and Liability Act; the Emergency Planning and Community Right-to-Know Act; the Endangered Species Act; the Federal Land Policy and Management Act; the National Environmental Policy Act; the Resource Conservation and Recovery Act; and related state laws. These laws and regulations are continually changing and are generally becoming more restrictive. Our activities outside the United States are also subject to governmental regulations for the protection of the environment.

We conduct our operations so as to protect public health and the environment and believe our operations are in compliance with applicable laws and regulations in all material respects. Each operating mine has a reclamation plan in place that meets all applicable legal and regulatory requirements. We have made, and expect to make in the future, expenditures to comply with such laws and regulations. We have made estimates of the amount of such expenditures, but cannot precisely predict the amount of such future expenditures. Estimated future reclamation costs are based principally on legal and regulatory requirements. As of December 31, 2008, $617 was accrued for reclamation costs relating to currently developed and producing properties.

We are also 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. We believe 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 activities required to meet general environmental standards. Based upon our best estimate of our liability for these matters, $163 was accrued as of December 31, 2008 for such obligations associated with properties previously owned or operated by us or our subsidiaries. These amounts are included in *Other current liabilities* and *Reclamation and remediation liabilities.* Depending upon the ultimate resolution of these matters, we believe that it is reasonably possible that the liability for these matters could be as much as 126% greater or 7% lower than the amount accrued as of December 31, 2008. The amounts accrued for these matters are reviewed periodically based upon facts and circumstances available at the time. Changes in estimates are charged to costs and expenses in the period when estimates are revised.

For a discussion of the most significant reclamation and remediation activities, see Item 7, Management s Discussion and Analysis of Consolidated Financial Condition and Results of Operations, and Notes 25 and 33 to the Consolidated Financial Statements, below.

Employees

There were approximately 15,450 people employed by Newmont as of December 31, 2008.

Forward-Looking Statements

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:

- Statements regarding future earnings;
- Estimates of future mineral production and sales, for specific operations and on a consolidated or equity basis;
- Estimates of future costs applicable to sales, other expenses and taxes for specific operations and on a consolidated basis;
- Estimates of future cash flows;
- Estimates of future capital expenditures and other cash needs, for specific operations and on a consolidated basis, and expectations as to the funding thereof;
- Estimates regarding timing of future capital expenditures, construction, production or closure activities;
- Statements as to the projected development of certain ore deposits, including the timing of such development, the costs of such development and financing plans for these deposits;
- Estimates of reserves and statements regarding future exploration results and reserve replacement and the sensitivity of reserves to metal price changes;
- Statements regarding the availability, terms and costs related to future borrowing, debt repayment and financing;
- Statements regarding modifications to hedge and derivative positions;
- Statements regarding political, economic or governmental conditions and environments;
- Statements regarding future transactions;
- Statements regarding the impacts of changes in the legal and regulatory environment in which we operate; and
- Estimates of future costs and other liabilities for certain environmental 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. Such risks include, but are not limited to: the price of gold, copper and other commodities; currency fluctuations; geological and metallurgical assumptions; operating performance of equipment, processes and facilities; labor relations; timing of receipt of necessary governmental permits or approvals; domestic and foreign laws or regulations, particularly relating to the environment and mining;

domestic and international economic and political conditions; the ability of Newmont to obtain or maintain necessary financing; and other risks and hazards associated with mining operations. More detailed information regarding these factors is included in Item 1, Business, Item 1A, Risk Factors, and elsewhere throughout this report. 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 these 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.

Available Information

Newmont maintains an internet web site at www.newmont.com. Newmont makes available, free of charge, through the Investor Information section of the web site, its Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, Section 16 filings and all amendments to those reports, as soon as reasonably practicable after such material is electronically filed with the Securities and Exchange Commission. Newmont s Corporate Governance Guidelines, the charters of key committees of its Board of Directors and its Code of Business Ethics and Conduct are also available on the web site. Any of the foregoing information is available in print to any stockholder who requests it by contacting Newmont s Investor Relations Department.

The Company filed with the New York Stock Exchange (NYSE) on May 21, 2008, the annual certification by its Chief Executive Officer, certifying that, as of the date of the certification, he was not aware of any violation by the Company of the NYSE s corporate governance listing standards, as required by Section 303A.12(a) of the NYSE Listed Company Manual. The Company has filed the required certifications under Section 302 of the Sarbanes-Oxley Act of 2002 regarding the quality of its public disclosures as Exhibits 31.1 and 31.2 to this report.

ITEM 1A. ***RISK FACTORS (dollars in millions except per share, per ounce and per pound amounts)***

Every investor or potential investor in Newmont should carefully consider the following risks, which have been separated into two groups:

- Risks related to the mining industry generally; and
- Risks related to Newmont.

Risks Related to the Mining Industry Generally

A Substantial or Extended Decline in Gold or Copper Prices Would Have a Material Adverse Effect on Newmont

Our business is dependent on the realized price of gold and copper, which are affected by numerous factors beyond our control. Factors tending to put downward pressure on prices include:

- Sales or leasing of gold by governments and central banks;
- U.S. dollar strength;
- Recession or reduced economic activity;
- Speculative selling;
- Decreased industrial, jewelry or investment demand;
- Increased supply from production, disinvestment and scrap;
- Sales by producers in forward and other hedging transactions; and

Devaluing local currencies (relative to gold and copper priced in U.S. dollars) leading to lower production costs and higher production in certain regions.

Any drop in the realized price of gold or copper adversely impacts our revenues, net income and cash flows, particularly in light of our strategy of not hedging revenues. We have recorded asset write-downs in the past and may experience additional impairments as a result of low gold or copper prices in the future.

In addition, sustained low gold or copper prices can:

- Reduce revenues further through production declines due to cessation of the mining of deposits, or portions of deposits, that have become uneconomic at the then-prevailing gold or copper price;
- Reduce or eliminate the profit that we currently expect from ore stockpiles and ore on leach pads;
- Halt or delay the development of new projects;
- Reduce funds available for exploration; and
- Reduce existing reserves by removing ores from reserves that can no longer be economically processed at prevailing prices.

Also see the discussion in Item 1, Business, Gold or Copper Price.

Gold and Copper Producers Must Continually Replace Reserves Depleted By Production

Gold and copper producers must continually replace reserves depleted by production. Depleted reserves must be replaced by expanding known ore bodies or by locating new deposits in order to maintain production levels over the long term. Exploration is highly speculative in nature, involves many risks and frequently is unproductive. Our new or ongoing exploration programs may not result in new mineral producing operations. In addition, for the year 2009, we anticipate that the global exploration budget will be reduced significantly, which may adversely affect the timing and extent of new mineral discoveries and the replacement of reserves. Once mineralization is discovered, it will likely take many years from the initial phases of exploration until production, during which time the economic feasibility of production may change.

Estimates of Proven and Probable Reserves Are Uncertain

Estimates of proven and probable reserves are subject to considerable uncertainty. Such estimates are, to a large extent, based on the price of gold and interpretations of geologic data obtained from drill holes and other exploration techniques. Producers use feasibility studies to derive estimates of capital and operating costs based upon anticipated tonnage and grades of ore to be mined and processed, the predicted configuration of the ore body, expected recovery rates of metals from the ore, the costs of comparable facilities, the costs of operating and processing equipment and other factors. Actual operating costs and economic returns on projects may differ significantly from original estimates. Further, it may take many years from the initial phase of exploration before production and, during that time, the economic feasibility of exploiting a discovery may change.

Increased Costs Could Affect Profitability

Costs at any particular mining location frequently are subject to variation due to a number of factors, such as changing ore grade, changing metallurgy and revisions to mine plans in response to the physical shape and location of the ore body. In addition, costs are affected by the price of input commodities, such as fuel, electricity and labor. Commodity costs are at times subject to volatile price movements, including increases that could make production at certain operations less profitable. Reported costs may also be affected by changes in accounting standards. A material increase in costs at any significant location could have a significant effect on our profitability and cash flow. In 2008 and 2007, we incurred significant increases in the costs of labor, fuel, power and other bulk consumables, which increased reported *Costs applicable to sales*, in addition to increasing the costs of capital projects.

We anticipate significant capital expenditures over the next several years in connection with the development of new projects and sustaining existing operations. Costs associated with capital expenditures have escalated on an industry-wide basis over the last several years, as a result of major factors beyond our control, including the prices of oil, steel and other commodities and labor. Increased costs for capital expenditures may have an adverse effect on the profitability of existing mining operations and economic returns anticipated from new mining projects.

Shortages of Critical Parts, Equipment and Skilled Labor May Adversely Affect Our Operations and Development Projects

The industry has been impacted by increased demand for critical resources such as input commodities, drilling equipment, tires and skilled labor. These shortages have caused unanticipated cost increases and delays in delivery times, thereby impacting operating costs, capital expenditures and production schedules.

Mining Accidents or Other Adverse Events or Conditions at a Mining Location Could Reduce Our Production Levels

At any of our operations, production may fall below historic or expected levels as a result of mining accidents such as a pit wall failure in an open pit mine, cave-ins or flooding at underground mines. In addition, production may be unexpectedly reduced at a location if, during the course of mining, unfavorable ground conditions or seismic activity, extreme or prolonged storm events, or prolonged adverse climate changes are encountered; ore grades are lower than expected; the physical or metallurgical characteristics of the ore are less amenable to mining or treatment than expected; or our equipment, processes or facilities fail to operate properly or as expected.

Mining Companies Are Subject to Extensive Environmental Laws and Regulations

Our exploration, mining and processing operations are regulated in all countries in which we operate under various federal, state, provincial and local laws relating to the protection of the environment, which generally include air and water quality, hazardous waste management and reclamation. Delays in obtaining, or failure to obtain, government permits and approvals may adversely impact our operations. The regulatory environment in which we operate could change in ways that would substantially increase costs to achieve compliance, or otherwise could have a material adverse effect on our operations or financial position. For a more detailed discussion of potential environmental liabilities, see the discussion in Environmental Matters, Note 33 to the Consolidated Financial Statements.

Risks Related to Newmont

Our Operations Outside North America and Australia/New Zealand Are Subject to Risks of Doing Business Abroad

Exploration, development, production and closure activities outside of North America and Australia/New Zealand are potentially subject to heightened political and economic risks, including:

- Cancellation or renegotiation of contracts;
- Disadvantages of competing against companies from countries that are not subject to U.S. laws and regulations, including the Foreign Corrupt Practices Act;
- Changes in foreign laws or regulations;
- Royalty and tax increases or claims by governmental entities, including retroactive claims;
- Expropriation or nationalization of property;

Currency fluctuations (particularly in countries with high inflation);

Foreign exchange controls;

- Restrictions on the ability of local operating companies to sell gold offshore for U.S. dollars, or on the ability of such companies to hold U.S. dollars or other foreign currencies in offshore bank accounts;
- Import and export regulations, including restrictions on the export of gold;
- Restrictions on the ability to pay dividends offshore;
- Risk of loss due to civil strife, acts of war, guerrilla activities, insurrection and terrorism;
- Risk of loss due to disease and other potential endemic health issues; and
- Other risks arising out of foreign sovereignty over the areas in which our operations are conducted, including risks inherent in contracts with government owned entities.

Consequently, our exploration, development and production activities outside of North America and Australia/New Zealand may be substantially affected by factors beyond our control, some of which could materially adversely affect our financial position or results of operations. Furthermore, if a dispute arises from such activities, we may be subject to the exclusive jurisdiction of courts outside North America or Australia/New Zealand, which could adversely affect the outcome of a dispute.

Our Batu Hijau Operation in Indonesia is Subject to Political and Economic Risks

We have a substantial investment in Indonesia, a nation that since 1997 has undergone financial crises and devaluation of its currency, outbreaks of political and religious violence, changes in national leadership, and the secession of East Timor, one of its former provinces. These factors heighten the risk of abrupt changes in the national policy toward foreign investors, which in turn could result in unilateral modification of concessions or contracts, increased taxation, denial of permits or permit renewals or expropriation of assets. Subsequent to the commencement of operations, the government purported to designate the land surrounding the Batu Hijau operation as a protection forest, which has made operating permits more difficult to obtain. In 2009, presidential and parliamentary elections are scheduled to take place, the results of which may affect the position of the Indonesian government relating to mining in general or relative to our assets and operations.

Recent violence committed by radical elements in Indonesia and other countries, and the presence of U.S. forces in Iraq and Afghanistan, may increase the risk that operations owned by U.S. companies will be the target of violence. If our Batu Hijau operation was so targeted it could have an adverse effect on our business.

Our Batu Hijau Operation in Indonesia May be Adversely Affected by a Delay in Receiving Certain Permits

For over three years, we have been in discussions with the Indonesian government to renew a forest use permit (called a Pinjam Pakai) related to Batu Hijau. In 2005, Indonesian governmental authorities reviewed the contractual requirements for extension of the Pinjam Pakai and determined that P.T. Newmont Nusa Tenggara, the subsidiary that owns Batu Hijau (PTNNT) met those requirements. This permit is a key requirement to continue to operate Batu Hijau efficiently, in addition to the ultimate life of the mine and recoverability of reserves. However, the permit extension has not been received as of the date of this Annual Report. The resulting delay has adversely impacted the Batu Hijau mine plan, and may adversely impact future operating and financial results, including deferment or cancellation of future development and operations.

Our Interest in PT Newmont Nusa Tenggara (PTNNT) in Indonesia May be Reduced or Terminated under the Contract of Work

We operate Batu Hijau, a producer of copper/gold concentrates, and currently have a 45% ownership interest in the Batu Hijau mine, held through the Nusa Tenggara Partnership (NTP) with an affiliate of Sumitomo Corporation of Japan. We have a 56.25% interest in NTP and the Sumitomo affiliate holds the remaining 43.75%. NTP in turn owns 80% of PTNNT, the Indonesian subsidiary that owns Batu Hijau. The remaining 20% interest in PTNNT is owned by P.T. Pukuafu Indah (PTPI), an unrelated Indonesian company.

Under the Contract of Work executed between the Indonesian government and PTNNT, beginning in 2006 and continuing through 2010, a portion of PTNNT s shares must be offered for sale, first, to the Indonesian government or, second, to Indonesian nationals, such portion 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. The price at which such interest must 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 Jakarta Stock Exchange, or the fair market value of such interest as a going concern, as agreed with the Indonesian government. Pursuant to this provision, it is possible that the ownership interest of the Newmont-Sumitomo partnership in PTNNT could be reduced to 49%, thus reducing our ability to control the operation at Batu Hijau.

PTPI has owned and continues to own a 20% interest in PTNNT, and therefore NTP was required to offer a 3% interest in the shares of PTNNT for sale in 2006 and an additional 7% interest in each of 2007 and 2008. A further 7% interest in the shares of PTNNT will be offered for sale in March 2009. In accordance with the Contract of Work, an offer to sell a 3% interest was made to the government of Indonesia in 2006 and an offer for an additional 7% interest was made in each of 2007 and 2008. While the central government declined to participate in the offer, local governments in the area in which Batu Hijau is located have expressed interest in acquiring shares, as have various Indonesian nationals. In January 2008, NTP agreed to sell, under a carried interest arrangement, 2% of PTNNT s shares to Kabupaten Sumbawa, one of the local governments, subject to satisfaction of closing conditions. On February 11, 2008, PTNNT received a notification from the Department of Energy and Mineral Resources (the DEMR) alleging that PTNNT was in breach of its divestiture requirements under the Contract of Work and threatening to issue a notice to terminate the Contract of Work if PTNNT did not agree to divest, by February 22, 2008, the 2006 and 2007 shares, in accordance with the direction of the DEMR. A second Notice of Default was received relating to the alleged failure to divest the 2008 shares. Newmont and Sumitomo believe there is no basis under the Contract of Work for these notifications and no grounds for terminating the Contract of Work. In March 2008, both the DEMR and PTNNT filed for international arbitration as provided under the Contract for Work and an arbitration hearing was held in Jakarta in December 2008. We anticipate a ruling will be issued in the first half of 2009. If the Contract of Work were to be terminated pursuant to the pending ruling, PTNNT s rights to conduct mining may be curtailed or terminated.

Our Operations in Peru are Subject to Political Risks

During the last several years, Yanacocha, in which we own a 51.35% interest, has been the target of numerous local political protests, including ones that blocked the road between the Yanacocha mine complex and the City of Cajamarca in Peru. In 2004, local opposition to the Cerro Quilish project (which is located adjacent to Yanacocha) became so pronounced that Yanacocha decided to relinquish its drilling permit for Cerro Quilish and the deposit was reclassified from proven and probable reserves to non-reserve mineralization. In 2006 a road blockade was carried out by members of the Combayo community. This blockade was unrelated to Cerro Quilish and resulted in a brief cessation of mining activities. We cannot predict whether similar or more significant incidents will occur and the recurrence of significant community opposition or protests could adversely affect Yanacocha s assets and operations. In 2007, 2008 and thus far in 2009, no material roadblocks or protests occurred involving Yanacocha.

Presidential, congressional and regional elections took place in Peru in 2006, with the new national government taking office in July 2006. In December 2006, Yanacocha, along with other mining companies in Peru, entered into an agreement with the central government to contribute

3.75% of net profits to fund social development projects. Although the current government has generally taken positions promoting private investment, we cannot predict future government positions on foreign investment, mining concessions, land tenure, environmental regulation or taxation. A change in government positions on these issues could adversely affect Yanacocha s assets and operations.

Our Success Depends on Our Social and Environmental Performance

Our ability to operate successfully in communities around the world will likely depend on our ability to develop, operate and close mines in a manner that is consistent with the health and safety of our employees, the protection of the environment, and the creation of long-term economic and social opportunities in the communities in which we operate. We have implemented a management system designed to promote continuous improvement in health and safety, environmental performance and community relations. However, our ability to operate could be adversely impacted by accidents or events detrimental (or perceived to be detrimental) to the health and safety of our employees, the environment or the communities in which we operate.

Remediation Costs for Environmental Liabilities May Exceed the Provisions We Have Made

We have conducted extensive remediation work at two inactive sites in the United States. We are conducting mill remediation activities at a third site in the United States, an inactive uranium mine and mill formerly operated by a subsidiary of Newmont, but remediation at the mine is subject to dispute. In late 2008, the EPA issued an order regarding water management at the mine. Remediation work at the mine site has not yet commenced. The environmental standards that may ultimately be imposed at this site remain uncertain and a risk exists that the costs of remediation may exceed the financial accruals that have been made for such remediation by a material amount. For a more detailed discussion of potential environmental liabilities, see the discussion in Environmental Matters, Note 33 to the Consolidated Financial Statements.

Whenever a previously unrecognized remediation liability becomes known, or a previously estimated reclamation cost is increased, the amount of that liability and additional cost will be recorded at that time and could materially reduce net income in that period.

Currency Fluctuations May Affect Costs

Currency fluctuations may affect the costs that we incur at our operations. Gold is sold throughout the world based principally on the U.S. dollar price, but a portion of our operating expenses are incurred in local currencies. The appreciation of non-U.S. dollar currencies against the U.S. dollar increases the costs of gold production in U.S. dollar terms at mines located outside the United States.

The foreign currency that primarily impacts our results of operations is the Australian dollar. We estimate that every $0.10 increase in U.S. dollar / Australian dollar exchange rate increases annually the U.S. dollar *Costs applicable to sales* by approximately $35 or $40 for each ounce of gold produced from operations in Australia before taking into account the impact of currency hedging. During 2008, the Australian dollar depreciated by approximately $0.19 per U.S. dollar, or approximately 22%. In mid-2007, we implemented derivative programs to hedge up to 75% of our future forecasted Australian dollar denominated operating and capital expenditures to reduce the variability in our Australian dollar denominated expenditures. As of December 31, 2008, we have hedged 66%, 38% and 12% of our forecasted Australian denominated operating costs in 2009, 2010 and 2011, respectively. We have also hedged 83% of our 66.67% ownership forecasted Australian denominated capital expenditures at Boddington in 2009. Our Australian dollar derivative programs will limit the benefit to the Company of future decreases if any, in the US dollar/Australian dollar exchange rates. For additional information, see Item 7, Management s Discussion and Analysis of Consolidated Financial Condition and Results of Operations, Results of Consolidated Operations, Foreign Currency Exchange

Rates, below. For a

more detailed description of how currency exchange rates may affect costs, see discussion in Foreign Currency in Item 7A, Quantitative and Qualitative Discussions About Market Risk.

Future Funding Requirements May Affect Our Business

The construction of the Boddington project in Australia, as well as potential future investments including the Akyem project in Ghana, the Conga project in Peru, the Hope Bay project in Nunavut, Canada, and various exploration projects will require significant funding. Our operating cash flow may become insufficient to meet all of these expenditures, depending on the timing and costs of development of these and other projects. As a result, new sources of capital may be needed to meet the funding requirements of these investments, fund our ongoing business activities and pay dividends. Our ability to raise and service significant new sources of capital will be a function of macroeconomic conditions, future gold and copper prices, our operational performance and our current cash flow and debt position, among other factors. Given the limited global availability of credit for use in connection with capital projects, and given our existing debt position, we may determine that in order to retain our investment grade rating, we may need to issue additional equity or other securities, defer projects or sell assets. In the event of lower gold and copper prices, unanticipated operating or financial challenges, or new funding limitations, our ability to pursue new business opportunities, invest in existing and new projects, fund our ongoing business activities, retire or service all outstanding debt and pay dividends could be significantly constrained.

Any Downgrade in the Credit Ratings Assigned to our Debt Securities could Increase our Future Borrowing Costs and Adversely Affect the Availability of New Financing

Currently, Standard & Poor s Rating Services rates Newmont Mining Corporation BBB+, with negative outlook, and Moody s Investors Service rates Newmont Mining Corporation Baa2, with stable outlook. There can be no assurance that any rating assigned will remain for any given period of time or that a rating will not be lowered if, in that rating agency s judgment, future circumstances relating to the basis of the rating, so warrant. If we are unable to maintain our outstanding debt and financial ratios at levels acceptable to the credit rating agencies, or should our business prospects deteriorate, our ratings could be downgraded by the rating agencies, which could adversely affect the value of our outstanding securities, our existing debt and the availability of other new financing on favorable terms, if at all, increase our borrowing costs and impair our results of operations and financial condition. See also Future Funding Requirements may Affect our Business and Current Global Financial Conditions could Adversely Affect the Availability of New Financing and our Operations.

Current Global Financial Conditions could Adversely Affect the Availability of New Financing and our Operations

Current global financial conditions have been characterized by increased market volatility. Several financial institutions have either gone into bankruptcy or have had to be re-capitalized by governmental authorities. Access to financing has been negatively impacted by both the rapid decline in value of sub-prime mortgages and the liquidity crisis affecting the asset-backed commercial paper market. These factors may adversely affect our ability to obtain equity or debt financing in the future on terms favorable to us. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. If such increased levels of volatility and market turmoil continue, our operations could be adversely impacted.

Table of Contents

Cost Estimates and Timing of New Projects Are Uncertain

The capital expenditures and time required to develop new mines or other projects are considerable and changes in costs, construction schedules, or both, can affect project economics. There are a number of factors that can affect costs and construction schedules, including, among others:

- Availability of labor, power, transportation, commodities and infrastructure;
- Changes in input commodity prices and labor costs;
- Fluctuations in currency exchange rates;
- Availability and terms of financing;
- Difficulty of estimating construction costs over a period of years;
- Delays in obtaining environmental or other government permits;
- Weather and severe climate impacts; and
- Potential delays related to social and community issues.

Our Operations May Be Adversely Affected By Power Shortages

We have periodically experienced power shortages in Ghana resulting primarily from a nationwide drought, increasing demands for electricity, and insufficient hydroelectric or other generating capacity which caused curtailment of production at our Ahafo operations. As a result of the mining industry s initiative to construct and install an 80 mega-watt power plant during 2007, the Ghanaian government has agreed, if required, to curtail power consumption as a result of power shortages, to distribute power proportionately between participating mines and other industrial and commercial users. Alternative sources of power may result in higher than anticipated costs, which will affect operating costs. Continued power shortages and increased costs may adversely affect our results of operations and financial condition.

Occurrence of Events for Which We Are Not Insured May Affect Our Cash Flow and Overall Profitability

We maintain insurance policies that mitigate against certain risks related to our operations. This insurance is maintained in amounts that we believe are reasonable depending upon the circumstances surrounding each identified risk. However, we may elect not to have insurance for certain risks because of the high premiums associated with insuring those risks or for various other reasons; in other cases, insurance may not be available for certain risks. Some concern always exists with respect to investments in parts of the world where civil unrest, war, nationalist movements, political violence or economic crises are possible. These countries may also pose heightened risks of expropriation of assets, business interruption, increased taxation or unilateral modification of concessions and contracts. We do not maintain insurance policies against political risk. Occurrence of events for which we are not insured may affect our cash flow and overall profitability.

Our Business Depends on Good Relations with Our Employees

Due to union activities or other employee actions, we could experience labor disputes, work stoppages or other disruptions in production that could adversely affect us. As of December 31, 2008, union represented employees constituted approximately 44% of our worldwide work force. Currently, there are labor agreements in effect for all of these workers. We may be unable to resolve any future disputes without disruption to operations.

Table of Contents

Title to Some of Our Properties May Be Defective or Challenged

Although we have conducted title reviews of our properties, title review does not necessarily preclude third parties from challenging our title or related property rights. While we believe that we have satisfactory title to our properties, some risk exists that some titles may be defective or subject to challenge. In addition, certain of our Australian properties could be subject to native title or traditional landowner claims, but such claims would not deprive us of the properties. For information regarding native title or traditional landowner claims, see the discussion under the Australia/New Zealand section of Item 2, Properties, below.

Competition from Other Mining Companies May Harm our Business

We compete with other mining companies to attract and retain key executives, skilled labor, contractors and other employees. We compete with other mining companies for the services of skilled personnel and contractors and for specialized equipment, components and supplies, such as drill rigs, necessary for exploration and development. We also compete with other mining companies for rights to mine properties containing gold and other minerals. We may be unable to continue to attract and retain skilled and experienced employees, to obtain the services of skilled personnel and contractors or specialized equipment or supplies, or to acquire additional rights to mine properties.

Certain Factors Outside of Our Control May Affect Our Ability to Support the Carrying Value of Goodwill

As of December 31, 2008, the carrying value of goodwill was approximately $188 or 1% of our total assets. Goodwill was assigned to various mine site reporting units in the Australia/New Zealand Segment in connection with our February 2002 acquisition of Normandy and represents the excess of the aggregate purchase price over the fair value of the identifiable net assets acquired. We evaluate, on at least an annual basis, the carrying amount of goodwill to determine whether current events and circumstances indicate that such carrying amount may no longer be recoverable. This evaluation involves a comparison of the estimated fair value of our reporting units to their carrying values. If the carrying amount of goodwill for any reporting unit exceeds its estimated fair value, a non-cash impairment charge could result. Material risks that could potentially result in an impairment of goodwill include: (i) a significant decrease in our long-term gold price assumption; (ii) a decrease in reserves; (iii) a lack of exploration success which could result in a significant reduction in the estimated fair value of mine site exploration potential; and (iv) any event that might otherwise adversely affect mine site production levels, operating costs or capital costs. For a more detailed description of the estimates and assumptions involved in assessing the recoverability of the carrying value of goodwill, see Item 7, Management s Discussion and Analysis of Consolidated Financial Condition and Results of Operations, Critical Accounting Policies, below.

Our Ability to Recognize the Benefits of Deferred Tax Assets is Dependent on Future Cash Flows and Taxable Income

We recognize the expected future tax benefit from deferred tax assets when the tax benefit is considered to be more likely than not of being realized. Otherwise, a valuation allowance is applied against deferred tax assets. Assessing the recoverability of deferred tax assets requires management to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, our ability to realize the deferred tax assets could be impacted. Additionally, future changes in tax laws could limit our ability to obtain the future tax benefits represented by our deferred tax assets. As of December 31, 2008, the Company s current and long-term deferred tax assets were $286 and $1,145, respectively.

Table of Contents

Returns for Investments in Pension Plans Are Uncertain

We maintain pension plans for certain employees which provide for specified payments after retirement. The ability of the pension plans to provide the specified benefits depends on our funding of the plans and returns on investments made by the plans. Returns, if any, on investments are subject to fluctuations based on investment choices and market conditions. A sustained period of low returns or losses on investments could require us to fund the pension plans to a greater extent than anticipated. During the second half of 2008, the value of the investments in our pension plans decreased significantly. While the plans have sufficient assets to meet benefit payments in the near term, the plans are underfunded for purposes of long-term sustainable payout to all employees. If the plan investment values do not recover sufficiently, we may be required to increase the amount of future cash contributions. For a more detailed discussion of the funding status and expected benefit payments to plan participants, see the discussion in Employee-Related Benefits, Note 22 to the Consolidated Financial Statements.

The Acquisition of the Boddington Project is subject to the Receipt of Approvals from Regulatory Authorities, which may Impose Conditions that could Delay or Prevent the Completion of the Acquisition

We can make no assurances that the pending acquisition of the remaining interest in the Boddington project will be completed. The completion of the acquisition is subject to satisfaction or waiver of certain conditions, including the receipt of approvals from the Australian Foreign Investment Review Board, Western Australia Ministry of Mines and South African Reserve Bank and the receipt of consents and agreements from third parties. These regulators may impose conditions on the completion, or require changes to the terms, of the acquisition. Any such conditions or changes could have the effect of delaying or preventing the closing of the acquisition or imposing additional costs on us or limiting our revenues following the acquisition.

ITEM 2. ***PROPERTIES (dollars in millions except per share, per ounce and per pound amounts)***

Gold and Copper Processing Methods

Gold is extracted from naturally-oxidized ores by either heap leaching or milling, depending on the amount of gold contained in the ore, the amenability of the ore to treatment and related capital and operating costs. Higher grade oxide ores are generally processed through mills, where the ore is ground into a fine powder and mixed with water in slurry, which then passes through a carbon-in-leach circuit. Lower grade oxide ores are generally processed using heap leaching. Heap leaching consists of stacking crushed or run-of-mine ore on impermeable pads, where a weak cyanide solution is applied to the surface of the heap to dissolve the gold. In both cases, the gold-bearing solution is then collected and pumped to process facilities to remove the gold by collection on carbon or by zinc precipitation.

Gold contained in ores that are not naturally oxidized can be directly milled if the gold is amenable to cyanidation, generally known as free milling sulfide ores. Ores that are not amenable to cyanidation, known as refractory ores, require more costly and complex processing techniques than oxide or free milling ore. Higher-grade refractory ores are processed through either roasters or autoclaves. Roasters heat finely ground ore to a high temperature, burn off the carbon and oxidize the sulfide minerals that prevent efficient leaching. Autoclaves use heat, oxygen and pressure to oxidize sulfide ores.

Some sulfide ores may be processed through a flotation plant or by bio-milling. In flotation, ore is finely ground, turned into slurry, then placed in a tank known as a flotation cell. Chemicals are added to the slurry causing the gold-containing sulfides to float attached to air bubbles to the top of the tank. The sulfides are removed from the cell and converted into a concentrate that can then be processed in an autoclave or roaster to recover the gold. Bio-milling incorporates patented technology that involves inoculation of suitable crushed ore on a leach pad with naturally occurring bacteria strains, which oxidize the sulfides over a period of time. The ore is then processed through an oxide mill.

At Batu Hijau, ore containing copper and gold is crushed to a coarse size at the mine and then transported from the mine via conveyor to a concentrator, where it is finely ground and then treated by successive stages of flotation, resulting in a concentrate containing approximately 30% copper. The concentrate is dewatered and stored for loading onto ships for transport to smelters.

Production Properties

Set forth below is a description of Newmont s significant production properties. Operating statistics for each operation are presented in a table in the next section of Item 2.

Nevada

We have been mining gold in Nevada since 1965. Nevada operations include Carlin, located west of the city of Elko on the geologic feature known as the Carlin Trend, the Twin Creeks mine, located approximately 15 miles north of Golconda, and the Midas mine near the town of the same name. We also participate in the Turquoise Ridge joint venture with a subsidiary of Barrick Gold Corp. (Barrick), which utilizes mill capacity at Twin Creeks. The Phoenix mine, located 10 miles south of Battle Mountain, commenced commercial production in the fourth quarter of 2006. The Leeville underground mine, located on the Carlin Trend northwest of the Carlin East underground mine, also commenced commercial production in the fourth quarter of 2006.

Gold sales from Nevada totaled approximately 2.2 million ounces for 2008 with ore mined from nine open pit and five underground mines. At year-end 2008, we reported 28.1 million equity ounces of gold reserves in Nevada, with 81% of those ounces in open pit mines and 19% in underground mines.

The Nevada operations produce gold from a variety of ore types requiring different processing techniques depending on economic and metallurgical characteristics. To ensure the best use of processing capacity, we use a linear programming model to guide the flow of both mining sequence selection and routing of ore streams to various plants. Refractory ores, which require more complex, higher cost processing methods, generated 72% of Nevada s gold production in 2008, compared with 75% in 2007, and 72% in 2006. With respect to remaining reserves, we estimate that approximately 81% are refractory ores and 19% are oxide ores. Higher-grade oxide ores are processed by conventional milling and cyanide leaching at Carlin (Mill 5) and Twin Creeks (Juniper). Lower-grade material with suitable cyanide solubility is treated on heap leach pads at Carlin and Twin Creeks. Higher-grade refractory ores are processed through either a roaster at Carlin (Mill 6) or autoclaves at Twin Creeks (Sage). Lower-grade refractory ores are processed at Carlin by either bio-oxidation/flotation or direct flotation at Mill 5. Ore from the Midas mine is processed by conventional milling and Merrill-Crowe zinc precipitation. Activated carbon from the various leaching circuits is treated to produce gold ore at the Carlin or Twin Creeks refineries. Zinc precipitate at Midas is refined on-site.

We own, or control through long-term mining leases and unpatented mining claims, all of the minerals and surface area within the boundaries of the present Nevada mining operations (except for the Turquoise Ridge joint venture described below). The long-term leases extend for at least the anticipated mine life of those deposits. With respect to a significant portion of the Gold Quarry mine at Carlin, we own a 10% undivided interest in the mineral rights and lease the remaining 90%, on which we pay a royalty equivalent to 18% of the mineral production. We wholly-own or control the remainder of the Gold Quarry mineral rights, in some cases subject to additional royalties. With respect to certain smaller deposits in Nevada, we are obligated to pay royalties on production to third parties that vary from 1% to 8% of production.

We have a 25% interest in a joint venture with Barrick to operate the Turquoise Ridge mine. Newmont has an agreement to provide up to 2,000 tons per day of milling capacity at Twin Creeks to the joint venture. Barrick is the operator of the joint venture. Gold sales of 50,065 ounces in 2008, 62,844 ounces in 2007 and 58,300 ounces in 2006 were attributable to Newmont, based on our 25% ownership interest.

We have ore sale agreements with Barrick and Yukon-Nevada Gold Corp. (Yukon-Nevada) to process the Company s ore. We recognized attributable gold sales, net of treatment charges, of 8,012 ounces in 2008, 58,624 ounces in 2007, and 99,500 ounces in 2006, pursuant to these agreements. During 2008, Yukon-Nevada discontinued operations and it is unclear when they will resume.

We have sales and refining agreements with Gerald Metals, Peñoles, Johnson Matthey, Just Refiners and Glencore to process intermediate gold bearing product.

Yanacocha, Peru

The properties of Minera Yanacocha S.R.L. (Yanacocha) are located approximately 375 miles (604 kilometers) north of Lima and 30 miles (48 kilometers) north of the city of Cajamarca, in Peru. Yanacocha began production in 1993. We hold a 51.35% interest in Yanacocha with the remaining interests held by Compañia de Minas Buenaventura, S.A.A. (43.65%) and the International Finance Corporation (5%).

Yanacocha has mining rights with respect to a large land position consisting of concessions granted by the Peruvian government to Yanacocha and a related entity. These mining concessions provide for both the right to explore and exploit. However, Yanacocha must first obtain the respective exploration and exploitation permits, which are generally granted in due course. Yanacocha may retain mining concessions indefinitely by paying annual fees and, during exploitation, complying with production obligations or paying assessed fines. Mining concessions are freely assignable or transferable.

Yanacocha currently has three active open pit mines, Cerro Yanacocha, La Quinua and Chaquicocha. Reclamation and/or backfilling activities at Carachugo, San José and Maqui Maqui are currently underway. Yanacocha has four leach pads, three processing facilities, and a new mill, which achieved commercial production in the second quarter of 2008. Yanacocha s gold sales for 2008 totaled 1.8 million ounces (0.9 million equity ounces). At year-end 2008, we reported 12.8 million equity ounces of gold reserves at Yanacocha, including 6.1 million equity ounces at Conga.The Yanacocha district contains the Conga deposit, for which we continue to evaluate the development plan for Conga.

Yanacocha, along with other mining companies in Peru, agreed with the central government in 2006 to contribute 3.75% of its net profits to fund social development projects for a period of up to five years, contingent upon metal prices remaining high.

Australia/New Zealand

In Australia, mineral exploration and mining titles are granted by the individual states or territories. Mineral titles may also be subject to native title legislation or, in the Northern Territory, to Aboriginal freehold title legislation that entitles indigenous persons to compensation calculated by reference to the gross value of production. In 1992, the High Court of Australia held that Aboriginal people who have maintained a continuing connection with their land according to their traditions and customs may hold certain rights in respect of the land (such rights commonly referred to as native title). Since the High Court s decision, Australia has passed legislation providing for the protection of native title and established procedures for Aboriginal people to claim these rights. The fact that native title is claimed with respect to an area, however, does not necessarily mean that native title exists, and disputes may be resolved by the courts.

Generally, under native title legislation, all mining titles granted before January 1, 1994 are valid. Titles granted between January 1, 1994 and December 23, 1996, however, may be subject to invalidation if they were not obtained in compliance with applicable legislative procedures, though subsequent legislation has validated some of these titles. After December 23, 1996, mining titles over areas where native title is claimed to exist became subject to legislative processes that generally give native title claimants the right to negotiate with the title applicant for compensation and other conditions. Native title holders do not have a veto over the granting of mining titles, but if agreement cannot be reached, the matter can be referred to the National Native Title Tribunal for decision.

Table of Contents

We do not expect that native title claims will have a material adverse effect on any of our operations in Australia. The High Court of Australia determined in an August 2002 decision, which refined and narrowed the scope of native title, that native title does not subsist in minerals in Western Australia and that the rights granted under a mining title would, to the extent inconsistent with asserted native title rights, operate to extinguish those native title rights. Generally, native title is only an issue for Newmont with respect to obtaining new mineral titles or moving from one form of title to another, for example, from an exploration title to a mining title. In these cases, the requirements for negotiation and the possibility of paying compensation may result in delay and increased costs for mining in the affected areas. Similarly, the process of conducting Aboriginal heritage surveys to identify and locate areas or sites of Aboriginal cultural significance can result in additional costs and delay in gaining access to land for exploration and mining-related activities.

In Australia, various ad valorem royalties are paid to state and territorial governments, typically based on a percentage of gross revenues and earnings.

Tanami. The Tanami operations (100% owned) include The Granites treatment plant and associated mining operations, which are located in the Northern Territory approximately 342 miles (550 kilometers) northwest of Alice Springs, adjacent to the Tanami highway, and the Dead Bullock Soak mining operations, approximately 25 miles (40 kilometers) west of The Granites. The Tanami operations have been wholly-owned since April 2003, when Newmont acquired the minority interests.

The Tanami operations are predominantly focused on the Callie underground mine at Dead Bullock Soak. Ore from the Tanami operations is processed through The Granites treatment plant. During 2008, the Tanami operations sold 364,900 ounces of gold. At year-end 2008, we reported 1.5 million equity ounces of gold reserves at Tanami.

Kalgoorlie. The Kalgoorlie operations comprise the Fimiston open pit (commonly referred to as the Super Pit) and Mt. Charlotte underground mine at Kalgoorlie-Boulder, 373 miles (600 kilometers) east of Perth. The mines are managed by Kalgoorlie Consolidated Gold Mines Pty Ltd for the joint venture owners, Newmont and Barrick, each of which holds a 50% interest. The Super Pit is one of Australia s largest gold mines in terms of gold production and annual mining volume. During 2008, the Kalgoorlie operations sold 304,400 equity ounces of gold. At year-end 2008, we reported 4.4 million equity ounces of gold reserves at Kalgoorlie.

Jundee. The Jundee operation (100% owned) is situated approximately 435 miles (700 kilometers) northeast of Perth in Western Australia. We mined ore at Jundee solely from underground sources in 2008, with mill feed supplemented from oxide stockpiles for blending purposes. Jundee sold 376,900 ounces of gold in 2008. At year-end 2008, we reported 1.3 million equity ounces of gold reserves at Jundee.

Waihi. The Waihi operations (100% owned) are located within the town of Waihi, located approximately 68 miles (110 kilometers) southeast of Auckland, New Zealand and consist of the Favona underground deposit and the Martha open pit. The Waihi operation sold 141,000 ounces of gold in 2008. At year-end 2008, we reported 0.4 million equity ounces of gold reserves at Waihi.

Boddington. Boddington is a development project located 81 miles (130 kilometers) southeast of Perth in Western Australia. At December 31, 2008, Boddington was owned by Newmont (66.67%) and AngloGold Ashanti Limited (AngloGold) (33.33%). On January 27, 2009, the Company entered into a definitive sale and purchase agreement with AngloGold to acquire its 33.33% interest in the Boddington project. Upon expected completion of the acquisition, Newmont will own 100% of the project. Development of the Boddington project was approximately 89% complete as of December 31, 2008, with mill start-up expected in mid-2009. At year-end 2008, we reported 13.4 million equity ounces of gold reserves at Boddington.

21

Batu Hijau, Indonesia

The Batu Hijau mine is located on the island of Sumbawa, approximately 950 miles (1,529 kilometers) east of Jakarta. Batu Hijau is a large porphyry copper/gold deposit, which Newmont discovered in 1990. Development and construction activities began in 1997 and start-up occurred in late 1999. In 2008, copper sales were 289.7 million pounds (130.4 million equity pounds), while gold sales were 298,900 ounces (134,500 equity ounces). At year-end 2008, we reported 3,950 million equity pounds of copper reserves and 4.1 million equity ounces of gold reserves at Batu Hijau.

We own 45% of the Batu Hijau mine through the Nusa Tenggara Partnership (NTP) with an affiliate of Sumitomo Corporation of Japan. We have a 56.25% interest in NTP and the Sumitomo affiliate holds the remaining 43.75%. NTP in turn owns 80% of P.T. Newmont Nusa Tenggara (PTNNT), the Indonesian subsidiary that owns Batu Hijau. The remaining 20% interest in PTNNT is owned by P.T. Pukuafu Indah (PTPI), an unrelated Indonesian company. We are the operator of the Batu Hijau mine.

In Indonesia, rights are granted to foreign investors to explore for and to develop mineral resources within defined areas through Contracts of Work entered into with the Indonesian government. In 1986, PTNNT entered into a Contract of Work with the Indonesian government covering Batu Hijau, under which PTNNT was granted the exclusive right to explore in the contract area, construct any required facilities, extract and process the mineralized materials, and sell and export the minerals produced, subject to certain requirements including Indonesian government approvals and payment of royalties to the government. Under the Contract of Work, PTNNT has the right to continue operating the project for 30 years from operational start-up, or longer if approved by the Indonesian government.

Under the Contract of Work, beginning in 2006 and continuing through 2010, a portion of PTNNT s shares must 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. The price at which such interest must 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. Pursuant to this provision, it is possible that the ownership interest of NTP in PTNNT could be reduced to 49%.

PTPI has owned and continues to own a 20% interest in PTNNT, and therefore NTP (the Newmont-Sumitomo partnership) was required to offer a 3% interest in PTNNT for sale in 2006 and an additional 7% interest in each of 2007 and 2008. 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 and 2008. 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 have expressed interest in acquiring shares, as have various Indonesian companies and nationals. In January 2008, NTP agreed to sell, under a carried interest arrangement, 2% of PTNNT s shares to Kabupaten Sumbawa, one of the local governments, subject to satisfaction of closing conditions. The Indonesian government has subsequently stated that it will not approve the transfer of shares under this agreement. On February 11, 2008, PTNNT received notification from the Department of Energy and Mineral Resources (DEMR) alleging that PTNNT is in breach of its divestiture requirements under the Contract of Work and threatening to issue a notice to terminate the Contract of Work if PTNNT did not agree to divest the 2006 and 2007 shares, in accordance with the direction of the DEMR, by February 22, 2008, which date was extended to March 3, 2008. A second Notice of Default was received relating to the alleged failure to divest the 2008 shares as well. On March 3, 2008, the Indonesian government filed for international arbitration, as did PTNNT, as provided under the Contract of Work. In the arbitration proceeding, PTNNT seeks a declaration that the Indonesian government is not entitled to terminate the Contract of Work and additional declarations pertaining to

Table of Contents

the procedures for divesting the shares. For its part, the Indonesian government seeks declarations that PTNNT is in default of its divestiture obligations, that the Government may terminate the Contract of Work, and that PTNNT must cause shares subject to divestiture to be sold to certain local governments. An international arbitration panel was appointed and an arbitration hearing was held in Jakarta in December 2008. We anticipate a ruling will be issued in the first half of 2009. Newmont and Sumitomo believe there is no basis under the Contract of Work for the notifications and no grounds for terminating the Contract of Work, and PTNNT is vigorously defending the matter.

In 1997, to enable development of the Batu Hijau project, PTNNT secured an aggregate $1,000 in financing from the United States Export-Import Bank, the Japan Bank for International Cooperation (formerly the Japan Export-Import Bank), and Kreditanstalt fur Wiederaufbau (the German Export-Import Bank) (collectively, the Senior Lenders). The Senior Lenders required PTNNT s shareholders to pledge 100% of the shares of PTNNT as security for repayment of the loans and interest. As part of that process, on October 30, 1997, the Minister of Energy and Mineral Resources approved the share pledge arrangements.

Subsequent to an additional 7% interest in PTNNT being offered by NTP for sale on March 28, 2008 (as required under the Contract of Work), the Director General of Mineral, Coal and Geothermal Resources at DEMR claimed that PTNNT breached its obligations under the Contract of Work by allowing shares to be offered for sale that are pledged to the Senior Lenders as security for the repayment of the senior debt. In the letter, the Director General claimed that NTP would be in default under the Contract of Work if the shares of PTNNT offered for sale in March 2008, together with the shares offered in 2006 and 2007, were not in the possession of Indonesian government and/or government owned entities, free of any such senior pledge, by July 13, 2008. Consequently, on July 10, 2008, PTNNT filed a notice to commence an additional international arbitration proceeding, as provided for under the Contract of Work, to resolve the claim that PTNNT breached its obligations under the Contract of Work by allowing shares to be offered that are subject to pledge obligations to the Senior Lenders. This pledge of shares issue has since been incorporated into, and will be resolved as part of the initial arbitration proceeding.

In addition, PTNNT has been in discussions to extend the forest use permit (called a Pinjam Pakai) for over three years. In 2005, Indonesian governmental authorities reviewed the contractual requirements for extension of the Pinjam Pakai and determined that PTNNT met those requirements. This permit is a key requirement to continue to operate Batu Hijau efficiently, in addition to the ultimate life of the mine and recoverability of reserves. However, the permit extension has not been received as of the date of this Annual Report. The resulting delay has adversely impacted Batu Hijau, and may adversely impact future operating and financial results, including deferment or cancellation of future mine development and operations.

Africa

Ahafo. The Ahafo operation (100% owned) is located in the Brong-Ahafo Region of Ghana, approximately 180 miles (290 kilometers) northwest of Accra. Ahafo poured its first gold on July 18, 2006 and commenced commercial production in August 2006. Ahafo sold 520,800 ounces of gold in 2008.

We currently operate three open pits at Ahafo with reserves contained in 17 pits. The process plant consists of a conventional mill and carbon-in-leach circuit. Ahafo reserves as of December 31, 2008, were 9.3 million equity ounces.

In December 2003, Ghana s Parliament unanimously ratified an Investment Agreement between Newmont and the Government of Ghana. The Agreement establishes a fixed fiscal and legal regime, including fixed royalty and tax rates, for the life of any Newmont project in Ghana. Under the Agreement, we will pay corporate income tax at the Ghana statutory tax rate (presently 25% but not to exceed 32.5%) and fixed gross royalties on gold production of 3.0% (3.6% for any production from forest reserve areas). The Government of Ghana is also entitled to receive 10% of a project s net cash flow after we have recouped our investment and may acquire up to 20% of a project s equity at fair market value on or after the 15th anniversary of such project s commencement of production. The Investment Agreement also contains commitments with respect to job training for local Ghanaians, community development, purchasing of local goods and services and environmental protection.

Akyem. We have one development project in Ghana, currently the subject of further optimization studies. The Akyem project (100% owned) is located approximately 80 miles (125 kilometers) northwest of Accra. We continue to evaluate the development plan for Akyem.

Other Operations

Bolivia. The Kori Kollo open pit mine is on a high plain in northwestern Bolivia near Oruro, on government mining concessions issued to a Bolivian corporation, Empresa Minera Inti Raymi S.A. (Inti Raymi), in which we have an 88% interest. The remaining 12% is owned by Mrs. Beatriz Rocabado. Inti Raymi owns and operates the mine. The mill was closed in October 2003 and production continued from residual leaching. In 2005, additional material from the stockpiles and Lla Llagua pit were placed on the existing leach pad and ore from the Kori Chaca pit was processed on a new leach pad. In 2008, Inti Raymi sold 75,300 equity ounces of gold. At year-end 2008, we reported 0.2 million equity ounces of gold reserves at Inti Raymi.

Mexico. We have a 44% interest in La Herradura, which is located in Mexico s Sonora desert. La Herradura is operated by Fresnillo PLC (which owns the remaining 56% interest) and comprises an open pit operation with run-of-mine heap leach processing. La Herradura sold 95,200 equity ounces of gold in 2008. At year-end 2008, we reported 1.9 million equity ounces of gold reserves at La Herradura.

Other Property

Hope Bay. With the successful completion of the acquisition of Miramar Mining Corporation in March 2008, we now own 100% of the Hope Bay project, a large undeveloped gold project in the Nunavut Territory of Canada. The acquisition and development of the Hope Bay project is consistent with the Company s strategic focus on generating value through exploration and project development and was acquired with the intention of adding higher grade ore reserves and developing a new core gold mining district in a AAA-rated country.

Table of Contents

Operating Statistics

The following tables detail operating statistics related to gold production, sales and production costs.

	Nevada, USA			Yanacocha, Peru		
Year Ended December 31,	**2008**	**2007**	**2006**	**2008**	**2007**	**2006**
Tons mined (000 dry short tons):						
Open pit	194,092	214,127	191,438	211,525	208,871	217,501
Underground	2,500	1,942	1,651			
Tons processed (000 dry short tons):						
Mill	24,755	25,526	17,882	4,196		
Leach	19,843	14,042	22,138	97,823	98,319	118,511
Average ore grade (oz/ton):						
Mill	0.093	0.098	0.127	0.082		
Leach	0.027	0.035	0.026	0.018	0.019	0.026
Average mill recovery rate	81.8%	81.2%	81.1%	88.2%		
Ounces produced (000):						
Mill	1,878	2,004	2,059	304		
Leach	381	332	364	1,505	1,565	2,612
Incremental start-up[(1)]	1	6	100			
	2,260	2,342	2,523	1,809	1,565	2,612
Ounces sold (000)	2,225	2,341	2,534	1,843	1,565	2,572
Production costs per ounce:						
Direct mining and production costs	$ 464	$ 445	$ 398	$ 354	$ 310	$ 175
By-product credits	(39)	(26)	(15)	(27)	(22)	(16)
Royalties and production taxes	30	15	8	16	13	14
Other	5	3	3	3	12	2
Costs applicable to sales	460	437	394	346	313	175
Amortization	111	94	74	92	103	67
Reclamation/accretion expense	3	2	3	5	6	3
Total production costs	$ 574	$ 533	$ 471	$ 443	$ 422	$ 245

	Australia/New Zealand			Batu Hijau, Indonesia		
Year Ended December 31,	**2008**	**2007**	**2006**	**2008**	**2007**	**2006**

Tons mined (000 dry short tons):						
Open pit	48,416	56,259	54,221	195,804	244,907	293,159
Underground	3,896	3,547	3,658			
Tons milled (000 dry short tons)	12,256	11,932	13,070	37,818	46,782	47,026
Average ore grade (oz/ton)	0.106	0.102	0.102	0.009	0.014	0.012
Average mill recovery rate	91.5%	91.3%	90.9%	75.2%	81.9%	79.5%
Ounces produced (000)	1,195	1,117	1,216	269	548	448
Ounces sold (000)	1,187	1,153	1,176	299	494	435
Production costs per ounce:						
Direct mining and production costs	$ 526	$ 449	$ 353	$ 406	$ 225	$ 193
By-product credits	(9)	(5)	(10)	(10)	(8)	(9)
Royalties and production taxes	32	29	28	18	15	13
Other	3	6	2			
Costs applicable to sales	552	479	373	414	232	197
Amortization	103	94	78	85	50	46
Reclamation/accretion expense	5	5	5	6	3	2
Total production costs	$ 660	$ 578	$ 456	$ 505	$ 285	$ 245

Table of Contents

Year Ended December 31,	Africa 2008	Africa 2007	Africa 2006
Tons mined (000 dry short tons):			
Open pit	50,567	44,235	19,999
Tons milled (000 dry short tons)	8,262	8,090	3,515
Average ore grade (oz/ton)	0.075	0.060	0.065
Average mill recovery rate	89.7%	92.0%	88.3%
Ounces produced (000):			
Mill	506	456	197
Incremental start-up(1)	19		5
	525	456	202
Ounces sold (000)	521	446	202
Production costs per ounce:			
Direct mining and production costs	$ 380	$ 355	$ 237
By-product credits and other	(1)	(1)	(1)
Royalties and production taxes	27	21	18
Other	2	1	3
Costs applicable to sales	408	376	257
Amortization	126	96	94
Reclamation/accretion expense	3	1	1
Total production costs	$ 537	473	352

Year Ended December 31,	Other Operations 2008	Other Operations 2007	Other Operations 2006	Total Gold 2008	Total Gold 2007	Total Gold 2006
Ounces produced (000):						
Mill		12	59	4,152	4,137	3,979
Leach	181	175	208	2,067	2,072	3,184
Incremental start-up(1)				20	6	105
	181	187	267	6,239	6,215	7,268
Ounces sold (000)	180	185	267	6,255	6,184	7,186
Production costs per ounce:						
Direct mining and production costs	$ 451	$ 334	$ 214	$ 433	$ 384	$ 285
By-product credits	(15)	(18)	(11)	(25)	(18)	(13)
Royalties and production taxes	27	(1)		26	17	14
Other	103	7	10	6	6	2

Costs applicable to sales	566	322	213	440	389	288
Amortization	100	91	69	104	93	71
Reclamation/accretion expense	9	10	9	4	4	3
Total production costs	$ 675	$ 423	$ 291	$ 548	$ 486	$ 362

(1) Incremental start-up includes the removal and production of de minimis saleable materials during development and is recorded as *Other income*, net of incremental mining and processing costs.

The following table details operating statistics related to Batu Hijau copper production, sales and production costs.

	Batu Hijau, Indonesia		
Year Ended December 31,	**2008**	**2007**	**2006**
Tons milled (000 dry short tons)	37,818	46,782	47,026
Average copper grade	0.47%	0.60%	0.55%
Average copper recovery rate	80.6%	86.1%	87.3%
Copper pounds produced (millions)	285	484	454
Copper pounds sold (millions)	290	428	435
Production costs per pound:			
Costs applicable to sales	$ 1.38	$ 1.05	$ 0.67
Amortization	0.28	0.22	0.15
Reclamation/accretion expense	0.02	0.01	0.01
Total production costs	$ 1.68	$ 1.28	$ 0.83

Proven and Probable Equity Reserves

We had proven and probable gold reserves of 85.0 million equity ounces as of December 31, 2008.

For 2008, reserves were calculated at a $725, A$850 or NZ$1,000 per ounce gold price assumption. Our 2008 reserves would decline by approximately 10% (8.2 million ounces), if calculated at a $675 per ounce gold price. An increase in the gold price to $775 per ounce would increase reserves by approximately 4% (3.3 million ounces), all other assumptions remaining constant. For 2007, reserves were calculated at a $575, A$750 or NZ$850 per ounce gold price assumption.

As of December 31, 2008, our proven and probable gold reserves in Nevada were 28.1 million equity ounces. Outside of Nevada, year-end proven and probable gold reserves were 56.9 million equity ounces, including 20.9 million equity ounces in Australia/New Zealand, 17.0 million equity ounces in Ghana, 12.8 million equity ounces in Peru, 4.1 million equity ounces in Indonesia and 2.1 million equity ounces at Other Operations.

Our proven and probable copper reserves as of December 31, 2008 were 7,780 million equity pounds. For 2008, reserves were calculated at a price of $2.00 or A$2.40 per pound assumption. For 2007, reserves were calculated at a price of $1.75 or A$2.00 per pound assumption.

Under our current mining plans, all of our reserves are located on fee property or mining claims or will be depleted during the terms of existing mining licenses or concessions, or where applicable, any assured renewal or extension periods for such licenses or concessions.

Proven and probable equity reserves are based on extensive drilling, sampling, mine modeling and metallurgical testing from which we determined economic feasibility. The price sensitivity of reserves depends upon several factors including grade, metallurgical recovery, operating cost, waste-to-ore ratio and ore type. Metallurgical recovery rates vary depending on the metallurgical properties of each deposit and the production process used. The reserve tables below list the average metallurgical recovery rate for each deposit, which takes into account the several different processing methods that we use. The cut-off grade, or lowest grade of mineralized material considered economic to process, varies with material type, metallurgical recoveries and operating costs.

The proven and probable equity reserve figures presented herein are estimates based on information available at the time of calculation. No assurance can be given that the indicated levels of recovery of gold and copper will be realized. Ounces of gold or pounds of copper included in the proven and probable reserves are calculated without regard to any losses during metallurgical treatment. Reserve estimates may require revision based on actual production. Market fluctuations in the price of gold and copper, as well as increased production costs or reduced metallurgical recovery

Table of Contents

rates, could render certain proven and probable reserves containing relatively lower grades of mineralization uneconomic to exploit and might result in a reduction of reserves.

We publish reserves annually, and we will recalculate reserves as of December 31, 2009, taking into account metal prices, changes, if any, in future production and capital costs, divestments and depletion as well as any acquisitions and additions to reserves during 2009.

The following tables detail gold proven and probable equity reserves[1] reflecting only those reserves owned by Newmont as of December 31, 2008 and 2007:

		December 31, 2008								
		Proven Reserves			Probable Reserves			Proven and Probable Rese		
s	Newmont Share	Tonnage[2] (000)	Grade (oz/ton)	Ounces[3] (000)	Tonnage[2] (000)	Grade (oz/ton)	Ounces[3] (000)	Tonnage[2] (000)	Grade (oz/ton)	Ou (
	100%	12,000	0.072	860	190,400	0.043	8,190	202,400	0.045	
nd	100%	1,700	0.256	430	10,000	0.322	3,220	11,700	0.313	
	100%	600	0.498	280	300	0.332	110	900	0.436	
	100%				299,800	0.021	6,310	299,800	0.021	
8)	25%	1,900	0.507	970	700	0.483	360	2,600	0.500	
	100%	9,200	0.098	900	42,500	0.072	3,060	51,700	0.077	
s[9]	100%	36,000	0.026	940				36,000	0.026	
s[10]	100%	32,000	0.075	2,400	2,200	0.030	60	34,200	0.072	
		93,400	**0.073**	**6,780**	**545,900**	**0.039**	**21,310**	**639,300**	**0.044**	**2**
a										
	51.35%				317,200	0.019	6,080	317,200	0.019	
ocess[9][12]	51.35%	20,800	0.026	530				20,800	0.026	
Pits[12]	51.35%	19,200	0.023	430	188,300	0.030	5,720	207,500	0.030	
		40,000	**0.024**	**960**	**505,500**	**0.023**	**11,800**	**545,500**	**0.023**	**1**
ealand										
tern Australia[13]	66.67%	125,500	0.026	3,310	457,700	0.022	10,060	583,200	0.023	
Australia[14]	100%	3,500	0.096	340	2,800	0.337	930	6,300	0.202	
Pits and										
	50%	23,100	0.061	1,410	40,600	0.063	2,560	63,700	0.062	
piles[10]	50%	14,400	0.031	450				14,400	0.031	
a[15]	50%	37,500	0.049	1,860	40,600	0.063	2,560	78,100	0.056	
Territory[16]	100%	4,000	0.167	660	7,500	0.108	820	11,500	0.129	
and[17]	100%	300	0.267	80	2,600	0.107	280	2,900	0.124	
		170,800	**0.037**	**6,250**	**511,200**	**0.029**	**14,650**	**682,000**	**0.031**	**2**

onesia										
	45%	166,000	0.013	2,110	182,800	0.009	1,570	348,800	0.011	
	45%				131,400	0.003	410	131,400	0.003	
		166,000	**0.013**	**2,110**	**314,200**	**0.006**	**1,980**	**480,200**	**0.009**	
	100%	5,900	0.039	230	119,200	0.077	9,150	125,100	0.075	
)	100%				147,200	0.052	7,660	147,200	0.052	
		5,900	**0.039**	**230**	**266,400**	**0.063**	**16,810**	**272,300**	**0.063**	
ns										
ia(21)	88%	9,100	0.018	160	2,400	0.014	30	11,500	0.017	
exico(22)	44%	36,900	0.025	910	39,200	0.025	980	76,100	0.025	
		46,000	**0.023**	**1,070**	**41,600**	**0.024**	**1,010**	**87,600**	**0.024**	
		522,100	**0.033**	**17,400**	**2,184,800**	**0.031**	**67,560**	**2,706,900**	**0.031**	

28

		December 31, 2007								
		Proven Reserves			Probable Reserves			Proven and Probable Reserves		
stricts	Newmont Share	Tonnage[2] (000)	Grade (oz/ton)	Ounces[3] (000)	Tonnage[2] (000)	Grade (oz/ton)	Ounces[3] (000)	Tonnage[2] (000)	Grade (oz/ton)	Ounces (000)
Pit	100%	17,700	0.065	1,140	195,800	0.043	8,380	213,500	0.045	9,52
rground	100%	1,500	0.318	490	5,700	0.407	2,330	7,200	0.388	2,82
	100%	600	0.539	340	400	0.428	190	1,000	0.493	53
	100%				278,100	0.027	7,600	278,100	0.027	7,60
dge[8]	25%	2,100	0.477	990	700	0.402	290	2,800	0.458	1,28
	100%	4,200	0.072	300	47,900	0.079	3,780	52,100	0.078	4,08
rocess[9]	100%	40,200	0.026	1,060				40,200	0.026	1,06
kpiles[10]	100%	30,900	0.079	2,440	1,500	0.030	40	32,400	0.077	2,48
		97,200	**0.070**	**6,760**	**530,100**	**0.043**	**22,610**	**627,300**	**0.047**	**29,37**
Peru										
	51.35%				317,200	0.019	6,080	317,200	0.019	6,08
n-Process[9]	51.35%	20,700	0.027	560				20,700	0.027	56
Open Pits	51.35%	26,400	0.023	600	229,200	0.030	6,940	255,600	0.029	7,54
		47,100	**0.025**	**1,160**	**546,400**	**0.024**	**13,020**	**593,500**	**0.024**	**14,18**
ew Zealand										
Western	66.67%	124,900	0.026	3,240	352,000	0.022	7,850	476,900	0.023	11,09
tern	100%	3,000	0.148	450	3,700	0.283	1,040	6,700	0.222	1,49
pen Pits and l	50%	32,500	0.061	1,980	33,600	0.065	2,190	66,100	0.063	4,17
tockpiles[10]	50%	13,500	0.031	420				13,500	0.031	42
rlie, tralia	50%	46,000	0.052	2,400	33,600	0.065	2,190	79,600	0.058	4,59
thern	100%	6,600	0.140	920	6,700	0.115	770	13,300	0.127	1,69
Zealand	100%				3,800	0.131	500	3,800	0.131	50
		180,500	**0.039**	**7,010**	**399,800**	**0.031**	**12,350**	**580,300**	**0.033**	**19,36**
Indonesia										
	45%	132,700	0.013	1,780	246,200	0.008	2,050	378,900	0.010	3,83
)	45%				114,300	0.004	410	114,300	0.004	41
		132,700	**0.013**	**1,780**	**360,500**	**0.007**	**2,460**	**493,200**	**0.009**	**4,24**

a	100%				124,000	0.078	9,720	124,000	0.078	9,72
na	100%				147,200	0.052	7,660	147,200	0.052	7,66
					271,200	**0.064**	**17,380**	**271,200**	**0.064**	**17,38**
ations										
Bolivia	88%	7,800	0.018	140	17,400	0.016	280	25,200	0.017	42
, Mexico	44%	32,600	0.023	760	35,100	0.023	820	67,700	0.023	1,58
		40,400	**0.022**	**900**	**52,500**	**0.021**	**1,100**	**92,900**	**0.022**	**2,00**
		497,900	**0.035**	**17,610**	**2,160,500**	**0.032**	**68,920**	**2,658,400**	**0.033**	**86,53**

(1) The term reserve means that part of a mineral deposit that can be economically and legally extracted or produced at the time of the reserve determination.

The term economically, as used in the definition of reserve, means that profitable extraction or production has been established or analytically demonstrated in a full feasibility study to be viable and justifiable under reasonable investment and market assumptions.

The term legally, as used in the definition of reserve, does not imply that all permits needed for mining and processing have been obtained or that other legal issues have been completely resolved. However, for a reserve to exist, Newmont must have a justifiable expectation, based on applicable laws and regulations, that issuance of permits or resolution of legal issues necessary for mining and processing at a particular deposit will be accomplished in the ordinary course and in a timeframe consistent with Newmont s current mine plans.

The term proven reserves means reserves for which (a) quantity is computed from dimensions revealed in outcrops, trenches, workings or drill holes; (b) grade and/or quality are computed from the results of detailed sampling; and (c) the sites for inspection, sampling and measurements are spaced so closely and the geologic character is sufficiently defined that size, shape, depth and mineral content of reserves are well established.

The term probable reserves means reserves for which quantity and grade are computed from information similar to that used for proven reserves, but the sites for sampling are farther apart or are otherwise less adequately spaced. The degree of assurance, although lower than that for proven reserves, is high enough to assume continuity between points of observation.

References to equity ounces or equity pounds mean that portion of gold or copper produced, sold or included in proven and probable reserves that is attributable to our ownership or economic interest.

Proven and probable equity reserves were calculated using different cut-off grades. The term cut-off grade means the lowest grade of mineralized material considered economic to process. Cut-off grades vary between deposits depending upon prevailing economic conditions, mineability of the deposit, by-products, amenability of the ore to gold or copper extraction, and type of milling or leaching facilities available.

2008 reserves were calculated at a $725, A$850 or NZ$1,000 per ounce gold price unless otherwise noted.

2007 reserves were calculated at a $575, A$750 or NZ$850 per ounce gold price unless otherwise noted.

(2) Tonnages include allowances for losses resulting from mining methods. Tonnages are rounded to the nearest 100,000.

(3) Ounces or pounds are estimates of metal contained in ore tonnages and do not include allowances for processing losses. Metallurgical recovery rates represent the estimated amount of metal to be recovered through metallurgical extraction processes. Ounces are rounded to the nearest 10,000.

(4) Cut-off grades utilized in Nevada 2008 reserves were as follows: oxide leach material not less than 0.006 ounce per ton; oxide mill material not less than 0.025 ounce per ton; refractory leach material not less than 0.025 ounce per ton; and refractory mill material not less than 0.052 ounce per ton.

(5) Includes undeveloped reserves at Castle Reef and Emigrant deposits for combined total undeveloped reserves of 1.4 million ounces.

(6) Also contains reserves of 5.9 million ounces of silver with a metallurgical recovery of 88%.

(7) Gold cut-off grade varies with level of copper credits.

(8) Reserve estimates provided by Barrick, the operator of the Turquoise Ridge joint venture.

(9) In-process material is the material on leach pads at the end of the year from which gold remains to be recovered. In-process material reserves are reported separately where tonnage or ounces are greater than 5% of the total site-reported reserves and ounces are greater than 100,000.

(10) Stockpiles are comprised primarily of material that has been set aside to allow processing of higher grade material in the mills. Stockpiles increase or decrease depending on current mine plans. Stockpile reserves are reported separately where tonnage or ounces are greater than 5% of the total site-reported reserves and ounces are greater than 100,000.

(11) Deposit is currently undeveloped. Gold cut-off grade varies with level of copper credits.

Table of Contents

(12) Reserves include the currently undeveloped deposit at Corimayo, which contains reserves of 1.2 million equity ounces. Cut-off grades utilized in 2008 reserves were as follows: oxide leach material not less than 0.004 ounce per ton; and oxide mill material not less than 0.030 ounce per ton.

(13) Deposit is currently being developed. Mill startup is expected in mid-2009. Gold cut-off grade varies with level of copper credits. In March 2009, we expect to close the acquisition transaction for the additional 33.33% interest in Boddington from AngloGold Ashanti Ltd., which would increase Newmont s share to 100% and add approximately 6.7 million ounces to our equity reserves.

(14) Cut-off grade utilized in 2008 reserves not less than 0.020 ounce per ton.

(15) Cut-off grade utilized in 2008 reserves not less than 0.026 ounce per ton.

(16) Cut-off grade utilized in 2008 reserves not less than 0.029 ounce per ton.

(17) Cut-off grade utilized in 2008 reserves not less than 0.023 ounce per ton.

(18) Gold cut-off grade varies with level of copper credits.

(19) Includes undeveloped reserves at Amoma, Yamfo South, Yamfo Central, Techire West, Subenso South, Subenso North, Yamfo Northeast and Susuan totaling 3.7 million ounces. Cut-off grade utilized in 2008 reserves not less than 0.018 ounce per ton.

(20) Deposit is undeveloped. Cut-off grade utilized in 2008 reserves not less than 0.012 ounce per ton.

(21) Cut-off grade utilized in 2008 reserves not less than 0.004 ounce per ton.

(22) Cut-off grade utilized in 2008 reserves not less than 0.009 ounce per ton.

The following tables detail copper proven and probable equity reserves[1] reflecting only those reserves owned by Newmont as of December 31, 2008 and 2007:

		December 31, 2008									
		Proven Reserves			Probable Reserves			Proven and Probable Reserves			
its/Districts	Newmont Share	Tonnage[2] (000)	Grade (Cu %)	Pounds[3] (millions)	Tonnage[2] (000)	Grade (Cu %)	Pounds[3] (millions)	Tonnage[2] (000)	Grade (Cu %)	Pounds[3] (millions)	Metal Reco
Iijau Open	45%	166,000	0.48%	1,600	182,800	0.40%	1,460	348,800	0.44%	3,060	
Iijau biles[4][5]	45%				131,400	0.34%	890	131,400	0.34%	890	

Batu Hijau, esia	45%	166,000	0.48%	1,600	314,200	0.37%	2,350	480,200	0.41%	3,950
ngton, rn Australia(6)	66.67%	125,500	0.11%	280	457,700	0.11%	1,000	583,200	0.11%	1,280
, Peru(7)	51.35%				317,200	0.26%	1,660	317,200	0.26%	1,660
ix, Nevada(8)	100%				302,000	0.15%	890	302,000	0.15%	890