NEWMONT MINING CORP /DE/
Form 10-K
February 24, 2012
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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, 2011

or

¨ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to

Commission File Number: 001-31240

NEWMONT MINING CORPORATION

(Exact name of registrant as specified in its charter)

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

Registrant s telephone number, including area code

(303) 863-7414

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 ¨

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 ¨ 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 ¨

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

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. ¨

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 definition of accelerated filer , large accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer þ	Accelerated file ¨	Non-accelerated filer ¨	Smaller reporting company ¨
		(Do not check if a smaller reporting company)	

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ¨ No þ

At June 30, 2011, the aggregate market value of the registrant s voting and non-voting common equity held by non-affiliates of the registrant was $26,633,084,783 based on the closing sale price as reported on the New York Stock Exchange. There were 490,150,298 shares of common stock outstanding (and 4,914,758 exchangeable shares exchangeable into Newmont Mining Corporation common stock on a one-for-one basis) on February 15, 2012.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of Registrant s definitive Proxy Statement submitted to the Registrant s stockholders in connection with our 2012 Annual Stockholders Meeting to be held on April 24, 2012, are incorporated by reference into Part III of this report.

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NEWMONT MINING CORPORATION

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 operations and/or assets in the United States, Australia, Peru, Indonesia, Ghana, New Zealand and Mexico. At December 31, 2011, Newmont had attributable proven and probable gold reserves of 98.8 million ounces and an aggregate land position of approximately 31,500 square miles (81,500 square kilometers). Newmont is also engaged in the production of copper, principally through its Batu Hijau operation in Indonesia and Boddington operation in Australia. 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 together with our affiliates and subsidiaries, unless the context otherwise requires. References to A$ refer to Australian currency, C$ to Canadian currency, NZ$ to New Zealand currency, IDR to Indonesian currency and $ to United States currency.

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

	Sales			Long-Lived Assets		
	2011	**2010**	**2009**	**2011**	**2010**	**2009**
Australia/New Zealand	28%	24%	16%	29%	33%	33%
United States	26%	22%	25%	35%	20%	21%
Peru	19%	19%	26%	14%	11%	10%
Indonesia	15%	26%	24%	13%	14%	14%
Ghana	8%	7%	7%	8%	8%	8%
Mexico	4%	2%	2%	1%	1%	1%
Canada	%	%	%	%	13%	13%

On April 6, 2011, Newmont acquired all of the outstanding common shares of Fronteer Gold Inc. (Fronteer). Pursuant to the terms of the acquisition, shareholders of Fronteer received C$14.00 in cash and one-fourth of a common share in Pilot Gold Inc., a Canadian corporation, which retained certain exploration assets of Fronteer, for each common share of Fronteer. Newmont acquired, among other assets, the exploration stage Long Canyon project, which is located approximately one hundred miles from the Company s existing infrastructure in Nevada and provides the potential for significant development and operating synergies.

Segment Information, Export Sales, etc.

Our operating segments include North America, South America, Asia Pacific and Africa. Our North America segment consists primarily of Nevada in the United States, La Herradura in Mexico and Hope Bay in Canada. Our South America segment consists primarily of Yanacocha and Conga in Peru. Our Asia Pacific segment consists primarily of Boddington in Australia, Batu Hijau in Indonesia and other smaller operations in Australia and New Zealand. Our Africa segment consists primarily of Ahafo and Akyem in Ghana. See Item 1A, Risk Factors, below and Note 3 to the Consolidated Financial Statements for information relating to our operating segments, domestic and export sales and lack of dependence on a limited number of customers.

Products

References in this report to attributable gold ounces or attributable copper pounds mean that portion of gold or copper produced, sold or included in proven and probable reserves based on our ownership and/or economic interest, unless otherwise noted.

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Gold

General. We had consolidated gold production of 5.9 million ounces (5.2 million ounces attributable to Newmont) in 2011, 6.5 million ounces (5.4 million ounces) in 2010 and 6.5 million ounces (5.2 million ounces) in 2009. Of our 2011 consolidated gold production, approximately 33% came from North America, 22% from South America, 35% from Asia Pacific and 10% from Africa.

For 2011, 2010 and 2009, 88%, 81% and 83%, respectively, of our *Sales* were attributable to gold. Most of our *Sales* 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 primarily of gold but also containing silver and other metals. Doré is sent to refiners to produce bullion that meets the required market standard of 99.95% 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 is credited to our account or delivered to buyers. Gold sold from Batu Hijau in Indonesia and a portion of the gold from Boddington in Australia, Phoenix in Nevada and Yanacocha in Peru, is sold in a concentrate containing other metals such as copper and silver.

Gold Uses. Gold generally is used for fabrication or 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. A combination of current mine production, recycling and draw-down of existing gold stocks held by governments, financial institutions, industrial organizations and private individuals make up the annual gold supply. Based on public information available for the years 2008 through 2011, on average, current mine production has accounted for approximately 64% of the annual gold supply.

Gold Price. The following table presents the annual high, low and average daily afternoon fixing prices for gold over the past ten years on the London Bullion Market ($/ounce):

Year	High	Low	Average
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	$ 1,213	$ 810	$ 972
2010	$ 1,421	$ 1,058	$ 1,225
2011	$ 1,895	$ 1,319	$ 1,572
2012 (through February 15, 2012)	$ 1,751	$ 1,598	$ 1,683

Source: Kitco, Reuters and the London Bullion Market Association

On February 15, 2012, the afternoon fixing gold price on the London Bullion Market was $1,733 per ounce and the spot market gold price on the New York Commodity Exchange was $1,726 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 and collection of the sales price is reasonably assured.

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Copper

General. We had consolidated copper production of 352 million pounds (206 million pounds attributable to Newmont) in 2011, 600 million pounds (327 million pounds) in 2010 and 504 million pounds (227 million pounds) in 2009. Copper production is in the form of saleable concentrate that is sold to smelters for further treatment and refining. For 2011, 2010 and 2009, 12%, 19% and 17%, respectively, of our *Sales* were attributable to copper.

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. A combination of current mine production and recycled scrap material make up the annual copper supply.

Copper Price. The copper price 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 ($/pound):

Year	High	Low	Average
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	$ 3.33	$ 1.38	$ 2.36
2010	$ 4.38	$ 2.75	$ 3.43
2011	$ 4.62	$ 3.05	$ 4.00
2012 (through February 15, 2012)	$ 3.96	$ 3.71	$ 3.81

Source: London Metal Exchange

On February 15, 2012, the high grade copper closing price on the London Metal Exchange was $3.79 per pound.

We generally sell our copper based on the monthly average market price for the third month following the month in which the delivery to the customer takes place. We recognize revenue from a sale when the price is determinable, the concentrate has been loaded on a vessel, the title has been transferred and collection of the sales price is reasonably assured. For revenue recognition, we use a provisional price based on the average prevailing market price during the two week period prior to completion of vessel loading. The copper concentrate is marked to market through earnings as an adjustment to revenue until final settlement.

Gold and Copper Processing Methods

Gold is extracted from naturally-oxidized ores by either milling or heap leaching, 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

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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 attach to air bubbles and float 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 26% to 31% copper. The concentrate is dewatered and stored for loading onto ships for transport to smelters.

At Boddington, ore containing copper and gold is crushed to a coarse size at the mine and then transported via conveyor to a process plant, where it is further crushed and then finely ground as a slurry. The ore is initially treated by flotation which produces a copper/gold concentrate containing approximately 20% copper. Flotation concentrates are processed via a gravity circuit to recover fine liberated gold and then dewatered and stored for loading onto ships for transport to smelters. The flotation tailing has a residual gold content that is recovered in a carbon-in-leach circuit.

Hedging Activities

Our strategy is to provide shareholders with leverage to changes in gold and copper prices by selling our gold and copper at current market prices and consequently, we do not hedge our gold and copper sales. We continue to manage certain risks associated with commodity input costs, treasury 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 17 to the Consolidated Financial Statements.

Gold and Copper Reserves

At December 31, 2011, we had 98.8 million ounces of proven and probable gold reserves attributable to Newmont. We added 11.6 million ounces to proven and probable reserves, and depleted 6.3 million ounces during 2011. 2011 reserves were calculated at a gold price assumption of $1,200,

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A$1,250 or NZ$1,600 per ounce. A reconciliation of the changes in proven and probable gold reserves during the past three years is as follows:

	2011	2010	2009
	(millions of ounces)		
Opening balance	93.5	91.8	85.0
Depletion	(6.3)	(6.5)	(6.8)
Additions[1]	11.6	8.2	6.4
Acquisitions[2]		0.3	8.2
Divestments[3]		(0.3)	(1.0)
Closing balance	98.8	93.5	91.8

A reconciliation of the changes in proven and probable gold reserves for 2011 by region is as follows:

	North America	South America	Asia Pacific	Africa
	(millions of ounces)			
Opening balance	33.5	11.4	31.4	17.2
Depletion	(2.7)	(0.9)	(2.1)	(0.6)
Additions	6.2	0.3	2.2	2.9
Closing balance	37.0	10.8	31.5	19.5

[1] The impact of the change in gold price assumption on reserve additions was approximately 3.3 million, 1.7 million and 1.7 million ounces in 2011, 2010 and 2009, respectively. The gold price assumption was $1,200 per ounce in 2011, $950 per ounce in 2010 and $800 per ounce in 2009.

[2] In 2010, we recognized our attributable interest in Regis Resources Ltd. and their reserves in the Duketon belt of Western Australia for an attributable reserve of 0.3 million ounces. In 2009, reserves were increased by 6.7 million ounces through the acquisition of the remaining 33.33% interest in Boddington. At December 31, 2009, our economic interest in Batu Hijau increased to 52.44% as a result of transactions with a noncontrolling partner, increasing reserves by 1.5 million ounces.

[3] In April 2010, our direct ownership interest in Batu Hijau decreased from 35.44% to 31.5% (economic interest decreased from 52.44% to 48.50%) as a result of the divestiture required under the Contract of Work. In November and December 2009, our direct ownership interest in Batu Hijau decreased from 45% to 35.44% as a result of the divestiture required under the Contract of Work. In July 2009 we sold the Kori Kollo operation in Bolivia.

At December 31, 2011, we had 9,720 million pounds of proven and probable copper reserves. We added 630 million pounds to proven and probable reserves and depleted 330 million pounds during 2011. 2011 reserves were calculated at a copper price of $3.00 or A$3.15 per pound. A reconciliation of the changes in proven and probable copper reserves during the past three years is as follows:

	2011	2010	2009
	(millions of pounds)		
Opening balance	9,420	9,120	7,780
Depletion	(330)	(370)	(310)
Additions[1]	630	1,000	400
Acquisitions[2]			2,040
Divestments[3]		(330)	(790)
Closing balance	9,720	9,420	9,120

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A reconciliation of changes in proven and probable copper reserves for 2011 by region is as follows:

	North America	South America	Asia Pacific
		(millions of pounds)	
Opening balance	1,640	1,660	6,120
Depletion	(50)		(280)
Additions	450	30	150
Closing balance	2,040	1,690	5,990

(1) The impact of the change in copper price assumption on reserve additions was 370 million, 150 million and 290 million pounds in 2011, 2010 and 2009, respectively. The copper price assumption was $3.00 per pound in 2011, $2.50 per pound in 2010 and $2.00 per pound in 2009.

(2) In 2009, reserves were increased by 640 million pounds through the acquisition of the remaining 33.33% interest in Boddington. At December 31, 2009, our economic interest in Batu Hijau increased to 52.44% as a result of transactions with a noncontrolling partner, increasing reserves by 1,400 million pounds.

(3) In April 2010, our direct ownership interest in Batu Hijau decreased from 35.44% to 31.5% (economic interest decreased from 52.44% to 48.50%) as a result of the divestiture required under the Contract of Work. In November and December 2009, our direct ownership interest in Batu Hijau decreased from 45% to 35.44% as a result of the divestiture required under the Contract of Work.

Our exploration efforts are directed to the discovery of new mineralized material and converting it into proven and probable reserves. We conduct near-mine exploration around our existing mines and greenfields exploration in other regions globally. Near-mine exploration can result in the discovery of additional deposits, which may receive the economic benefit of existing operating, processing, and administrative infrastructures. In contrast, the discovery of mineralization through greenfields exploration efforts will likely require capital investment to build a stand-alone operation. Our *Exploration* expense was $350, $218 and $187 in 2011, 2010 and 2009, respectively.

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, Canada, Ghana, Indonesia, Mexico, New Zealand, Peru and Suriname. The concessions and contracts are subject to the political risks associated with foreign operations. See Item 1A, Risk Factors, 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 and requires 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, 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. At December 31, 2011, $1,070 was accrued for reclamation costs relating to current or recently producing properties.

We are 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. Based upon our best estimate of our liability for these matters, $170 was accrued at December 31, 2011 for such obligations associated with properties previously owned or operated by us or our subsidiaries. The amounts accrued for these matters are reviewed periodically based upon facts and circumstances available at the time.

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 4 and 31 to the Consolidated Financial Statements, below.

In addition to legal and regulatory compliance, we have developed complementary programs to guide our company toward achieving transparent and sustainable environmental and socially responsible performance objectives. Evidencing our management s commitment towards these objectives, our corporate headquarters are located in an environmentally sustainable, LEED, gold-certified building. We are committed to managing climate change related risks and responsibly managing our greenhouse gas emissions. We have reported our greenhouse gas emissions annually to the Carbon Disclosure Project since 2004, became a Founding Reporter on The Climate Registry in 2008, and by 2010, established programs to publically report our independently-verified greenhouse gas emissions for all of our global operations. We actively participate in the International Council on Mining and Metals (ICMM) and are committed to the ICMM s 10 Principles of Sustainable Development and its commitment to implement the UN Global Compact s 10 principles on human rights, bribery and corruption, labor and the environment. To ensure sound environmental management systems, 100% of Newmont s operations have achieved ISO 14001 certification by year-end 2011. We transparently report on our sustainability performance in accordance with the Global Reporting Initiative guidelines, including the Mining and Metals Sector Supplement. As a result of our efforts, we continue to achieve milestones, such as being the first gold company listed on the Dow Jones Sustainability Index World (DJSI), remaining a member of the DJSI World Index for five consecutive years, and receiving International Cyanide Management Code certification at 100% of Newmont operated sites as of the end of 2011.

Employees and Contractors

Approximately 17,100 people were employed by Newmont at December 31, 2011. In addition, approximately 25,800 people were working as contractors in support of Newmont s operations.

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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. Words such as expect(s) , feel(s) , believe(s) , will , may , anticipa estimate(s) , should , intend(s) and similar expressions are intended to identify forward-looking statements. Our forward-looking statements may include, without limitation:

Estimates regarding future earnings and the sensitivity of earnings to gold and other metal prices;

Estimates of future mineral production and sales;

Estimates of future production costs, other expenses and taxes for specific operations and on a consolidated basis;

Estimates of future cash flows and the sensitivity of cash flows to gold and other metal prices;

Estimates of future capital expenditures, construction, production or closure activities and other cash needs, for specific operations and on a consolidated basis, and expectations as to the funding or timing thereof;

Estimates as to the projected development of certain ore deposits, including the timing of such development, the costs of such development and other capital costs, financing plans for these deposits and expected production commencement dates;

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 of, and terms and costs related to, future borrowing, debt repayment and financing;

Estimates regarding future exploration expenditures, results and reserves;

Statements regarding fluctuations in financial and currency markets;

Estimates regarding potential cost savings, productivity, operating performance and ownership and cost structures;

Expectations regarding the completion and timing of acquisitions or divestitures and projected synergies and costs associated with acquisitions;

Expectations regarding the start-up time, design, mine life, production and costs applicable to sales and exploration potential of our projects;

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;

Estimates of future costs and other liabilities for certain environmental matters;

Estimates of income taxes; and

Estimates of pension and other post-retirement costs.

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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;
- The cost of operations;
- 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;
- Changes in tax laws;
- Domestic and international economic and political conditions;
- Our ability 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. We disclaim 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 Relations 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. Certain other information, including 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.

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

Our business activities are subject to significant risks, including those described below. Every investor or potential investor in our securities should carefully consider these risks. If any of the described risks actually occurs, our business, financial position and results of operations could be materially adversely affected. Such risks are not the only ones we face and additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business.

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A substantial or extended decline in gold or copper prices would have a material adverse effect on Newmont.

Our business is dependent on the prices of gold and copper, which fluctuate on a daily basis and are affected by numerous factors beyond our control. Factors tending to influence prices include:

- gold sales or leasing by governments and central banks or changes in their monetary policy, including gold inventory management and reallocation of reserves;
- speculative short positions taken by significant investors or traders in gold or copper;
- the relative strength of the U.S. dollar;
- expectations of the future rate of inflation;
- interest rates;
- recession or reduced economic activity in the United States, China, India and other industrialized or developing countries;
- decreased industrial, jewelry or investment demand;
- increased supply from production, disinvestment and scrap;
- forward sales by producers in hedging or similar transactions; and
- availability of cheaper substitute materials.

Any decline in our realized gold or copper price adversely impacts our revenues, net income and operating cash flows, particularly in light of our strategy of not engaging in hedging transactions with respect to gold or copper. We have recorded asset write-downs in the past and may experience additional write-downs as a result of lower gold or copper prices in the future.

In addition, sustained lower 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 prevailing gold or copper prices;

- 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 with the result that depleted reserves may not be replaced; 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.

We may be unable to replace gold and copper reserves as they become depleted.

Gold and copper producers must continually replace reserves depleted by production to maintain production levels over the long term and provide a return on invested capital. Depleted reserves can be replaced in several ways, including by expanding known ore bodies, by locating new deposits, or by acquiring interests in reserves from third parties. Exploration is highly speculative in nature, involves many risks and frequently is unproductive. Our current or future exploration programs may not result in new mineral producing operations. Even if significant mineralization is discovered, it will likely take many years from the initial phases of exploration until commencement of production, during which time the economic feasibility of production may change.

We may consider, from time to time, the acquisition of ore reserves related to development properties and operating mines. Such acquisitions are typically based on an analysis of a variety of factors including historical operating results, estimates of and assumptions regarding the extent of ore reserves, the timing of production from such reserves and cash and other operating costs. Other factors that affect our decision to make any such acquisitions may also include our assumptions for

future gold or copper prices or other mineral prices and the projected economic returns and evaluations of existing or potential liabilities associated with the property and its operations and projections of how these may change in the future. In addition, in connection with future acquisitions we may rely on data and reports prepared by third parties and which may contain information or data that we are unable to independently verify or confirm. Other than historical operating results, all of these factors are uncertain and may have an impact on our revenue, our cash and other operating issues, as well as contributing to the uncertainties related to the process used to estimate ore reserves. In addition, there may be intense competition for the acquisition of attractive mining properties.

As a result of these uncertainties, our exploration programs and any acquisitions which we may pursue may not result in the expansion or replacement of our current production with new ore reserves or operations, which could have a material adverse effect on our business, prospects, results of operations and financial position.

Estimates of proven and probable reserves and non reserve mineralization are uncertain and the volume and grade of ore actually recovered may vary from our estimates.

The reserves stated in this report represent the amount of gold and copper that we estimated, at December 31, 2011, could be economically and legally extracted or produced at the time of the reserve determination. Estimates of proven and probable reserves are subject to considerable uncertainty. Such estimates are, to a large extent, based on the prices of gold and copper 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 phases of exploration until commencement of production, during which time, the economic feasibility of production may change.

In addition, if the price of gold or copper declines from recent levels, if production costs increase or recovery rates decrease or if applicable laws and regulations are adversely changed, we can offer no assurance that the indicated level of recovery will be realized or that mineral reserves as currently reported can be mined or processed profitably. If we determine that certain of our ore reserves have become uneconomic, this may ultimately lead to a reduction in our aggregate reported reserves. Consequently, if our actual mineral reserves and resources are less than current estimates, our business, prospects, results of operations and financial position may be materially impaired.

Increased operating costs could affect our profitability.

Costs at any particular mining location 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, labor, chemical reagents, explosives, steel and concrete. Commodity costs are, at times, subject to volatile price movements, including increases that could make production at certain operations less profitable. Further, changes in laws and regulations can affect commodity prices, uses and transport. 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 operating cash flow.

We could have significant increases in capital and operating costs over the next several years in connection with the development of new projects in challenging jurisdictions and in sustaining existing operations. Costs associated with capital expenditures have escalated on an industry-wide basis over the last several years, as a result of factors beyond our control, including the prices of oil, steel and

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other commodities and labor. Increased costs for capital expenditures may have an adverse effect on the profitability of existing operations and economic returns anticipated from new projects.

Estimates relating to new development projects are uncertain and we may incur higher costs and lower economic returns than estimated.

Mine development projects typically require a number of years and significant expenditures during the development phase before production is possible. Such projects could experience unexpected problems and delays during development, construction and mine start-up.

Our decision to develop a project is typically based on the results of feasibility studies, which estimate the anticipated economic returns of a project. The actual project profitability or economic feasibility may differ from such estimates as a result of any of the following factors, among others:

- changes in tonnage, grades and metallurgical characteristics of ore to be mined and processed;
- higher input commodity and labor costs;
- the quality of the data on which engineering assumptions were made;
- adverse geotechnical conditions;
- availability of adequate and skilled labor force and supply and cost of water and power;
- fluctuations in inflation and currency exchange rates;
- availability and terms of financing;
- delays in obtaining environmental or other government permits or approvals or changes in the laws and regulations related to our operations or project development;
- changes in tax laws;
- weather or severe climate impacts; and
- potential delays relating to social and community issues, including, without limitation, issues resulting in protests, road blockages or work stoppages.

Our future development activities may not result in the expansion or replacement of current production with new production, or one or more of these new production sites or facilities may be less profitable than currently anticipated or may not be profitable at all, any of which could have a material adverse effect on our results of operations and financial position.

We may experience increased costs or losses resulting from the hazards and uncertainties associated with mining.

The exploration for natural resources and the development and production of mining operations are activities that involve a high level of uncertainty. These can be difficult to predict and are often affected by risks and hazards outside of our control. These factors include, but are not limited to:

- environmental hazards, including discharge of metals, pollutants or hazardous chemicals;
- industrial accidents, including in connection with the operation of mining transportation equipment and accidents associated with the preparation and ignition of large-scale blasting operations, milling equipment and conveyor systems;
- underground fires or floods;
- unexpected geological formations or conditions (whether in mineral or gaseous form);
- ground and water conditions;
- fall-of-ground accidents in underground operations;
- failure of mining pit slopes and tailings dam walls;
- seismic activity; and
- other natural phenomena, such as lightning, cyclonic or tropical storms, floods or other inclement weather conditions.

The occurrence of one or more of these events in connection with our exploration activities and development and production of mining operations may result in the death of, or personal injury to, our employees, other personnel or third parties, the loss of mining equipment, damage to or destruction of mineral properties or production facilities, monetary losses, deferral or unanticipated fluctuations in production, environmental damage and potential legal liabilities, all of which may adversely affect our reputation, business, prospects, results of operations and financial position.

Shortages of critical parts and equipment may adversely affect our operations and development projects.

The mining industry has been impacted by increased demand for critical resources such as input commodities, drilling equipment and tires. These shortages have, at times, impacted the efficiency of our operations, and resulted in cost increases and delays in construction of projects; thereby impacting operating costs, capital expenditures and production and construction schedules.

Mining companies are increasingly required to consider and provide benefits to the communities and countries in which they operate, and are subject to extensive environmental, health and safety laws and regulations.

As a result of public concern about the real or perceived detrimental effects of economic globalization and global climate impacts, businesses generally and large multinational corporations in natural resources industries, such as Newmont, in particular, face increasing public scrutiny of their activities. These businesses are under pressure to demonstrate that, as they seek to generate satisfactory returns on investment to shareholders, other stakeholders, including employees, governments, communities surrounding operations and the countries in which they operate, benefit and will continue to benefit from their commercial activities. Such pressures tend to be particularly focused on companies whose activities are perceived to have a high impact on their social and physical environment. The potential consequences of these pressures include reputational damage, legal suits and social investment obligations.

In addition, our ability to successfully obtain key permits and approvals to explore for, develop and operate mines and to successfully operate 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 creation of social and economic benefits in the surrounding communities, which may or may not be required by law. Our ability to obtain permits and approvals and to successfully operate in particular communities may be adversely impacted by real or perceived detrimental events associated with our activities or those of other mining companies affecting the environment, human health and safety of communities in which we operate. Delays in obtaining or failure to obtain government permits and approvals may adversely affect our operations, including our ability to explore or develop properties, commence production or continue operations. Key permits and approvals may be revoked or suspended or may be varied in a manner that adversely affects our operations, including our ability to explore or develop properties, commence production or continue operations.

Our exploration, development, mining and processing operations are subject to extensive laws and regulations governing worker health and safety and land use and the protection of the environment, which generally apply to air and water quality, protection of endangered, protected or other specified species, hazardous waste management and reclamation. Some of the countries in which we operate have implemented, and are developing, laws and regulations related to climate change and greenhouse gas emissions. We have made, and expect to make in the future, significant expenditures to comply with such laws and regulations. Compliance with these laws and regulations imposes substantial costs and burdens, and can cause delays in obtaining, or failure to obtain, government permits and approvals which may adversely impact our closure processes and operations.

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Future changes in applicable laws, regulations, permits and approvals or changes in their enforcement or regulatory interpretation could substantially increase costs to achieve compliance, lead to the revocation of existing or future exploration or mining rights or otherwise have an adverse impact on our results of operations and financial position. For instance, the operation of our mines in the United States is subject to regulation by the Federal Mine Safety and Health Administration (MSHA) under the Federal Mine Safety and Health Act of 1977 (the Mine Act). MSHA inspects our mines on a regular basis and issues various citations and orders when it believes a violation has occurred under the Mine Act. If such inspections result in an alleged violation, we may be subject to fines, penalties or sanctions and our mining operations could be subject to temporary or extended closures, which could have an adverse effect on our results of operations and financial position. Over the past several years MSHA has significantly increased the numbers of citations and orders charged against mining operations and increased the dollar penalties assessed for citations issued.

In addition, the United States Environmental Protection Agency (EPA) is currently seeking to regulate as hazardous waste under the Resource Conservation and Recovery Act (RCRA) process solution streams derived from core beneficiation operations, such as our roasting operations, in Nevada. Historically, such streams have been considered exempt from RCRA and have been regulated by the Nevada Division of Environmental Protection. The regulation of these streams as hazardous waste under RCRA could subject us to civil and criminal penalties for past practices and require us to incur substantial future costs to modify our waste water collection systems and retrofit our tailings storage facilities at our Nevada mining operations, which could have an adverse effect on our results of operations and financial position.

Increased global attention or regulation on water quality discharge, such as recently enacted water quality legislation applicable to our operations in Peru, and on restricting or prohibiting the use of cyanide and other hazardous substances in processing activities could similarly have an adverse impact on our results of operations and financial position due to increased compliance and input costs.

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, and thus, our results of operations and our financial position, could be adversely affected 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.

Mine closure and remediation costs for environmental liabilities may exceed the provisions we have made.

Natural resource companies are required to close their operations and rehabilitate the lands that they mine in accordance with a variety of environmental laws and regulations. Estimates of the total ultimate closure and rehabilitation costs for gold and copper mining operations are significant and based principally on current legal and regulatory requirements and mine closure plans that may change materially. For example, we have conducted extensive remediation work at two inactive sites in the United States. We are conducting remediation activities at a third site in the United States, an inactive uranium mine and mill site formerly operated by a subsidiary of Newmont.

Any underestimated or unanticipated rehabilitation costs could materially affect our financial position, results of operations and cash flows. Environmental liabilities are accrued when they become known, are probable and can be reasonably estimated. 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 our consolidated net income attributable to Newmont stockholders in the related period. In addition, regulators are increasingly requesting security in the form of cash collateral, credit, trust arrangements or guarantees to secure the performance of environmental obligations, which could have an adverse

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effect on our financial position. For a more detailed discussion of potential environmental liabilities, see the discussion in Environmental Matters, Note 31 to the Consolidated Financial Statements.

The laws and regulations governing mine closure and remediation in a particular jurisdiction are subject to review at any time and may be amended to impose additional requirements and conditions which may cause our provisions for environmental liabilities to be underestimated and could materially affect our financial position or results of operations.

Regulations and pending legislation governing issues involving climate change could result in increased operating costs which could have a material adverse effect on our business.

Producing gold is an energy-intensive business, resulting in a significant carbon footprint. Energy costs account for about a quarter of our overall operating costs, with our principal energy sources being purchased electricity, diesel fuel, gasoline, natural gas and coal.

A number of governments or governmental bodies have introduced or are contemplating regulatory changes in response to the potential impacts of climate change that are viewed as the result of emissions from the combustion of carbon-based fuels. The December 1997 Kyoto Protocol, which ends in 2012, established a set of greenhouse gas emission reduction targets for developed countries that have ratified the Protocol, which include Australia and New Zealand. The United States signed but never ratified the Protocol and Canada recently pulled out of the Protocol. Ghana, Indonesia, and Peru ratified the Protocol but as developing countries are not subject to greenhouse gas emission reductions. The Conference of Parties 15 (COP15) of the United Nations Framework Convention on Climate Change held in Copenhagen, Denmark in December 2009 was to determine the path forward after the Kyoto Protocol ends. COP15 resulted in the Copenhagen Accord (the Accord), a non-binding document calling for economy-wide emissions targets for 2020. Prior to the January 31, 2010 deadline, the United States, Australia, New Zealand, Indonesia, Ghana and Peru re-affirmed their commitment to the Accord.

Some of the countries in which we operate have implemented, and are developing, laws and regulations related to climate change and greenhouse gas emissions. In December 2009, the EPA issued an endangerment finding under the U.S. Clean Air Act that current and projected concentrations of certain mixed greenhouse gases, including carbon dioxide, in the atmosphere threaten the public health and welfare. Regulations have been adopted and additional laws or regulations may be promulgated in the United States to address the concerns raised by such endangerment finding. To date, U.S. regulations do not impose carbon tax on our operations but may in the future. Australia passed the Clean Energy Act in 2011 that sets up a mechanism to combat climate change by imposing a carbon tax on greenhouse gas emissions and encourages investment in clean energy. The legislation takes effect on July 1, 2012 and will have an impact to our Australian operations of $30 - $40 million annually.

Non-governmental climate change requirements are beginning to be implemented. For example, Hope Bay is required to comply with the Mining Association of Canada s Toward Sustainable Mining initiative to reduce energy consumption and greenhouse gas emissions and Conga is required to comply with International Finance Corporation Performance Standards to report and reduce greenhouse gas emissions. This is a trend that is likely to continue.

Legislation and increased regulation and requirements regarding climate change could impose increased costs on us, our venture partners and our suppliers, including increased energy, capital equipment, environmental monitoring and reporting and other costs to comply with such regulations. Until the timing, scope and extent of any future requirements becomes known, we cannot predict the effect on our financial condition, financial position, results of operations and ability to compete.

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The potential physical impacts of climate change on our operations are highly uncertain, and would be particular to the geographic circumstances in areas in which we operate. These may include changes in rainfall and storm patterns and intensities, water shortages, changing sea levels and changing temperatures. These impacts may adversely impact the cost, production and financial performance of our operations.

Our operations are subject to risks of doing business.

Exploration, development, production and mine closure activities are subject to regional, political, economic, community and other risks of doing business, including:

- disadvantages of competing against companies from countries that are not subject to the rigorous laws and regulations of the U.S. or other jurisdictions, including the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act;
- changes in laws or regulations;
- royalty and tax increases or claims, including retroactive increases and claims and requests to renegotiate terms of existing royalties and taxes, by governmental entities, including such increases, claims and/or requests by the governments of Ghana, Indonesia, Australia, Peru, the United States and the State of Nevada;
- increases in training and other costs and challenges relating to requirements by governmental entities to employ the nationals of the country in which a particular operation is located;
- delays in obtaining or renewing, or the inability to obtain, maintain or renew, necessary governmental permits and approvals;
- claims for increased mineral royalties or ownership interests by local or indigenous communities;
- 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;

- increases in costs relating to, or restrictions or prohibitions on, the use of ports for concentrate storage and shipping, such as in relation to our Boddington and Batu Hijau operations where use of alternative ports is not currently economically feasible or in relation to our ability to procure economically feasible ports for developing projects;

- restrictions on the ability to pay dividends offshore or to otherwise repatriate funds;

- risk of loss due to civil strife, acts of war, guerrilla activities, insurrection and terrorism;

- risk of loss due to criminal activities such as trespass, illegal mining, theft and vandalism;

- risk of loss due to disease and other potential endemic health issues;

- disadvantages relating to submission to the jurisdiction of foreign courts or arbitration panels or enforcement or appeals of judgments at foreign courts or arbitration panels against a sovereign nation within its own territory; 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 such as unilateral cancellation or renegotiation of contracts, licenses or other mining rights.

Consequently, our exploration, development and production activities may be affected by these and other factors, many of which are beyond our control, some of which could materially adversely affect our financial position or results of operations.

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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 and acts of terrorism, changes in national leadership, devolution of authority to regional governments, 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 and royalties (at both the national and regional level), denial of permits or permit renewals or expropriation of assets. In regard to issues of resource nationalism, certain government officials and members of parliament may have a preference for national mining companies to own Indonesia s mineral assets and the government has advocated policies intended to result in development of additional in-country processing of minerals mined in Indonesia and restrictions on exportation including the smelting and exportation of copper concentrates.

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

Our Batu Hijau operation faced demonstrations by the local community in 2011 relating to a worker recruitment process, including protests and roadblocks. We cannot predict whether similar or more significant incidents will occur and the recurrence of significant opposition from the local community could disrupt mining activities and, thereby, adversely affect Batu Hijau s assets and operations. Batu Hijau also faced a temporary work stoppage in 2011 arising from a dispute regarding overtime pay, and the operation s collective bargaining agreement with the workforce is subject to renewal later this year. Indonesia has seen greater worker and union activism in recent times, and a strike or protracted labor agreement negotiation could adversely affect Batu Hijau s operations.

Over the years, we are required to apply for renewals of certain key permits related to Batu Hijau. PT Newmont Nusa Tenggara (PTNNT), the entity operating Batu Hijau, employs a submarine tailings placement (STP) system. The STP system is operated pursuant to a permit from the government of Indonesia that was renewed in 2011, but is subject to challenge in connection with certain legal proceedings. See Note 31 to the Consolidated Financial Statements for a more detailed discussion of pending litigation. A loss of the STP permit would be expected to adversely impact Batu Hijau operations and may adversely impact our future operating and financial results.

Our ownership interest in Batu Hijau has been reduced in accordance with the Contract of Work issued by the Indonesian Government and future reductions in our interest in PTNNT may result in our loss of control over the Batu Hijau operations.

We currently have a 31.5% direct ownership interest in PTNNT, held through Nusa Tenggara Partnership B.V. (NTPBV), which is owned with an affiliate of Sumitomo Corporation of Japan (Sumitomo). We have a 56.25% interest in NTPBV and a Sumitomo affiliate holds the remaining 43.75%. NTPBV in turn owns 56% of PTNNT, the Indonesian subsidiary that owns Batu Hijau. In December 2009, Newmont entered into a transaction with P.T. Pukuafu Indah (PTPI), an unrelated non-controlling shareholder in PTNNT, whereby we agreed to advance certain funds to PTPI in exchange for (i) a pledge of PTPI s 20% shareholding in PTNNT, (ii) an assignment of dividends payable on the shares, net of withholding tax, (iii) a commitment to support the application of our standards to the operation of the Batu Hijau mine, and (iv) as of September 16, 2011, powers of attorney to vote and sell the PTNNT shares in support of the pledge, enforceable in an event of default as further security for the funding. On June 25, 2010, to effectuate PTPI s desire to sell the shares, PTPI completed the sale of approximately a 2.2% interest in PTNNT to PT Indonesia Masbaga Investama (PTIMI), and Newmont entered into a transaction with PTIMI whereby we agreed to

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advance certain funds to PTIMI in exchange for (i) a pledge of PTIMI s 2.2% shareholding in PTNNT, (ii) an assignment of dividends payable on the shares, net of withholding tax, and (iii) a commitment to support the application of our standards to the operation of the Batu Hijau mine. Under the terms of the transaction, the Company has no powers of attorney or other right to vote PTIMI s shares. Based on the above transactions, Newmont recognizes an additional 17% effective economic interest in PTNNT. Combined with Newmont s 56.25% ownership in NTPBV, Newmont has a 48.5% effective economic interest in PTNNT and continues to consolidate Batu Hijau in its Consolidated Financial Statements.

Under the Contract of Work executed in 1986 between the Indonesian government and PTNNT (the Contract of Work), 51% of PTNNT s shares were required to be offered for sale, first, to the Indonesian government or, second, to Indonesian nationals by March 31, 2010. On May 6, 2011 we announced that a definitive agreement was signed with an agency of the Indonesian Government s Ministry of Finance for the sale of the final 7% divestiture stake in PTNNT. Subsequently, a dispute over the legality of the purchase under relevant laws and regulations has arisen between certain members of parliament and the Ministry of Finance, and the transaction has not yet closed. Upon closing of the transaction, our ownership interest in the Batu Hijau mine s production, assets and proven and probable equity reserves will be reduced to a 27.56% direct ownership interest as NTPBV s ownership interest in PTNNT will be reduced to 49%, thus potentially reducing our ability to control the operation at Batu Hijau. In addition, we will have a 17% effective economic interest in PTNNT following the closing of the transaction through financing arrangements with existing shareholders, and we have identified Variable Interest Entities in connection with our economic interests in PTNNT due to certain funding arrangements and shareholder commitments. Therefore, we expect to continue to consolidate PTNNT in our Consolidated Financial Statements after the final 7% sale is completed. Loss of control over PTNNT operations may result in our deconsolidation of PTNNT for accounting purposes, which would reduce our reported consolidated sales, total assets and operating cash flows. See Note 31 to the Consolidated Financial Statements for more information about the PTNNT share divestiture.

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

The Contract of Work has been and may continue to be the subject of dispute, legal review, or requests for renegotiation by the Indonesian government, and is subject to termination by the Indonesian government if we do not comply with our obligations, which would result in the loss of all or much of the value of Batu Hijau.

The divestiture provisions of the Contract of Work have been the subject of dispute. In 2008, the Ministry of Energy and Mineral Resources of the Indonesian government (the MEMR) alleged that PTNNT was in breach of its divestiture requirements under the Contract of Work and threatened to terminate the Contract of Work if PTNNT did not agree to divest shares in accordance with the direction of the MEMR. The matter was resolved by an international arbitration panel in March 2009. The arbitration decision led to NTPBV divesting 24% of PTNNT s shares to PTMDB, the party nominated by the MEMR.

Although the Indonesian government has acknowledged that PTNNT is currently in compliance with the Contract of Work, future disputes may arise under the Contract of Work. Moreover, there have

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been statements, from time to time, by some within the Indonesian government who advocate elimination of Contracts of Work and who may try to instigate future disputes surrounding the Contract of Work, particularly given that Batu Hijau is one of the largest businesses within the country. Although any dispute under the Contract of Work is subject to international arbitration, there can be no assurance that we would prevail in any such dispute and any termination of the Contract of Work could result in substantial diminution in the value of our interests in PTNNT. See Note 31 to the Consolidated Financial Statements for more information about the disputes involving the Contract of Work.

In January 2009, the Indonesian Government passed a new mining law. While the law preserves the right of PTNNT to operate our Batu Hijau operations pursuant to the Contract of Work, the Indonesian government is seeking to renegotiate certain provisions of the Contract of Work to conform to certain provisions of the new mining law, which could include requests for, among other things, higher royalty rates. In January 2012, the President of Indonesia appointed a committee to evaluate the process of conforming Contracts of Work to the 2009 mining law.

Our operations at Yanacocha and the development of our Conga Project in Peru are subject to political and social unrest risks, which have resulted most recently in the suspension of construction activities in our Conga project.

During the last several years, Minera Yanacocha S.R.L. (Yanacocha), in which we own a 51.35% interest, and whose properties include the mining operations at Yanacocha and the Conga project in Peru, has been the target of local political and community protests, some of which blocked the road between the Yanacocha mine and Conga project complexes and the City of Cajamarca in Peru and resulted in vandalism and equipment damage. We cannot predict whether similar or more significant incidents will occur in the future. The recurrence of significant political or community opposition or protests could adversely affect Conga s development and the continued operation of Yanacocha.

Most recently, construction activities on our Conga project were suspended on November 30, 2011 at the request of Peru s central government following increasing protests in Cajamarca by anti-mining activists led by the regional president. At the request of the Peruvian central government, the environmental impact assessment prepared in connection with the project, which was previously approved by the central government in October 2010, will be reviewed by independent experts, in an effort to resolve allegations around the environmental viability of Conga. Construction will remain suspended for the duration of the review or longer, except for sediment control works that are being conducted in the project area. However, progress continues on engineering and procurement work. Should the Company be unable to continue with the current development plan at Conga, the Company may in the future reprioritize and reallocate capital to development alternatives in Nevada, Australia, Ghana and Indonesia, which may result in a potential impairment of the Conga project.

In the second quarter of 2011, Presidential and Congressional elections resulted in a change in government in Peru. While the new government has ratified its intention to support mining as a driver for continued growth and future development of Peru, we are unable to predict the positions that will be taken by the new administration or new laws that will be passed by the recently elected Congress, whether the regional government of Cajamarca will support or oppose such positions or laws, or how any change in such position or law will affect Yanacocha or Conga. Such changes may include increased labor regulations, environmental and other regulatory requirements, and additional taxes and royalties. For example, during the third quarter of 2011, the new government enacted four new tax laws. We cannot predict future positions of either the Central or regional government on foreign investment, mining concessions, land tenure or other regulation. Any change in government positions or laws on these issues could adversely affect the assets and operations of Yanacocha or Conga, which could have a material adverse effect on our results of operations and financial position. Additionally, any inability to continue to develop the Conga project or operate at Yanacocha could have an adverse impact on our growth if we are not able to replace its expected production.

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Our Company and the mining industry are facing continued geotechnical challenges, which could adversely impact our production and profitability.

Newmont and the mining industry are facing continued geotechnical challenges due to the older age of certain of our mines and a trend toward mining deeper pits and more complex deposits. This leads to higher pit walls, more complex underground environments and increased exposure to geotechnical instability and hydrological impacts. As our operations are maturing, the open pits at many of our sites are getting deeper and we have experienced certain geotechnical failures at some of our mines, including, without limitation, in Indonesia at the Batu Hijau open-pit mine and at our operations in Nevada and Peru.

No assurances can be given that unanticipated adverse geotechnical and hydrological conditions, such as landslides and pit wall failures, will not occur in the future or that such events will be detected in advance. Geotechnical instabilities can be difficult to predict and are often affected by risks and hazards outside of our control, such as severe weather and considerable rainfall, which may lead to periodic floods, mudslides, wall instability and seismic activity, which may result in slippage of material.

Geotechnical failures could result in limited or restricted access to mine sites, suspension of operations, government investigations, increased monitoring costs, remediation costs, loss of ore and other impacts, which could cause one or more of our projects to be less profitable than currently anticipated and could result in a material adverse effect on our results of operations and financial position.

Currency fluctuations may affect our costs.

Currency fluctuations may affect the costs that we incur at our operations. Gold and copper 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 those local currencies against the U.S. dollar increases our costs of 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 the U.S. dollar/Australian dollar exchange rate increases annually the U.S. dollar *Costs applicable to sales* by approximately $90 for each ounce of gold sold from operations in Australia before taking into account the impact of currency hedging. During the majority of 2011, the Australian dollar was relatively stronger than the U.S. dollar compared to 2010. The annual average Australia dollar exchange rate appreciated by approximately 12% from 2010 to 2011. We hedge up to 90% of our future forecasted Australian dollar denominated operating expenditures to reduce the variability of our Australian dollar exposure. At December 31, 2011 we have hedged 76%, 62%, 46%, 26% and 10% of our forecasted Australian denominated operating costs in 2012, 2013, 2014, 2015 and 2016, respectively. Our Australian dollar derivative programs will limit the benefit to Newmont of future decreases, if any, in the U.S. 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.

Our business requires substantial capital investment and we may be unable to raise additional funding on favorable terms.

The construction and operation of potential future projects including the Akyem project in Ghana, the Conga project in Peru and various exploration projects will require significant funding. Our operating cash flow and other sources of funding may become insufficient to meet all of these requirements, 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,

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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. In the event of lower gold and copper prices, unanticipated operating or financial challenges, or a further dislocation in the financial markets as experienced in recent years, our ability to pursue new business opportunities, invest in existing and new projects, fund our ongoing operations, retire or service all of our 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.

There can be no assurance that any rating currently assigned by Standard & Poor s Rating Services or Moody s Investors Service to Newmont will remain unchanged 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 our ability to obtain new financing on favorable terms, if at all, and increase our borrowing costs, which in turn could impair our results of operations and financial position.

To the extent that we seek to expand our operations and increase our reserves through acquisitions, we may experience issues in executing acquisitions or integrating acquired operations.

From time to time, we examine opportunities to make selective acquisitions in order to expand our operations and reported reserves. The success of any acquisition would depend on a number of factors, including, but not limited to:

- identifying suitable candidates for acquisition and negotiating acceptable terms;
- obtaining approval from regulatory authorities and potentially Newmont s shareholders;
- maintaining our financial and strategic focus and avoiding distraction of management during the process of integrating the acquired business;
- implementing our standards, controls, procedures and policies at the acquired business and addressing any pre-existing liabilities or claims involving the acquired business; and
- to the extent the acquired operations are in a country in which we have not operated historically, understanding the regulations and challenges of operating in that new jurisdiction.

There can be no assurance that we will be able to conclude any acquisitions successfully, or that any acquisition will achieve the anticipated synergies or other positive results. Any material problems that we encounter in connection with such an acquisition could have a material adverse effect on our business, results of operations and financial position.

Our operations may be adversely affected by energy shortages.

Our mining operations and development projects require significant amounts of energy. Our principal energy sources are electricity, purchased petroleum products, natural gas and coal. Some of our operations are in remote locations requiring long distance transmission of power, and in some locations we compete with other companies for access to third party power generators or electrical supply networks. A disruption in the transmission of energy, inadequate energy transmission infrastructure or the termination of any of our energy supply contracts could interrupt

our energy supply and adversely affect our operations.

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We have periodically experienced power shortages in Ghana resulting primarily from 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 agreement 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 and to distribute available power proportionately between participating mines and other industrial and commercial users. The need to use 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 position.

Continuation of our mining production is dependent on the availability of sufficient water supplies to support our mining operations.

Our mining operations require significant quantities of water for mining, ore processing and related support facilities. Our operations in North and South America and Australia are in areas where water is scarce and competition among users for continuing access to water is significant. Continuous production at our mines is dependent on our ability to maintain our water rights and claims and defeat claims adverse to our current water uses in legal proceedings. Although each of our operations currently has sufficient water rights and claims to cover its operational demands, we cannot predict the potential outcome of pending or future legal proceedings relating to our water rights, claims and uses. The loss of some or all water rights for any of our mines, in whole or in part, or shortages of water to which we have rights could require us to curtail or shut down mining production and could prevent us from pursuing expansion opportunities. Laws and regulations may be introduced in some jurisdictions in which we operate which could limit our access to sufficient water resources in our operations, thus adversely affecting our operations.

We are dependent upon information technology systems, which are subject to disruption, damage, failure and risks associated with implementation and integration.

We are dependent upon information technology systems in the conduct of our operations. Our information technology systems are subject to disruption, damage or failure from a variety of sources, including, without limitation, computer viruses, security breaches, cyber attacks, natural disasters and defects in design. Damage, disruption, or failure of one or more information technology systems may result in interruptions to our operations in the interim or may require a significant investment to fix or replace them. Various measures have been implemented to manage our risks related to the information technology systems and network disruptions, but our business, financial position or results of our operations could be adversely impacted by such interruptions or such investments.

We could also be adversely affected by system or network disruptions if new or upgraded information technology systems are defective, not installed properly or not properly integrated into our operations. We have begun the implementation of new enterprise software that we will use for various operational functions, financial reporting and controls management. The implementation of this new system carries risks such as cost overruns, delays and interruptions. If we are not able to successfully implement our new system in a timely manner, we will have to rely on manual reporting processes and controls over financial reporting that have not been planned, designed or tested. Various measures have been implemented to manage our risks related to the system implementation, but system implementation failures could have a material adverse effect on our business, financial position and results of operations and could, if not successfully implemented, adversely impact the effectiveness of our internal controls over financial reporting.

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The 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 results of operations and financial position.

Our business depends on good relations with our employees.

Production at our mines is dependent upon the efforts of our employees and, consequently, our maintenance of good relationships 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. At December 31, 2011, union represented employees constituted approximately 42% of our worldwide work force. There can be no assurance that any future disputes will be resolved without disruptions to operations.

We rely on contractors to conduct a significant portion of our operations and construction projects.

A significant portion of our operations and construction projects are currently conducted in whole or in part by contractors. As a result, our operations are subject to a number of risks, some of which are outside our control, including:

- negotiating agreements with contractors on acceptable terms;
- the inability to replace a contractor and its operating equipment in the event that either party terminates the agreement;
- reduced control over those aspects of operations which are the responsibility of the contractor;
- failure of a contractor to perform under its agreement;
- interruption of operations or increased costs in the event that a contractor ceases its business due to insolvency or other unforeseen events;
- failure of a contractor to comply with applicable legal and regulatory requirements, to the extent it is responsible for such compliance; and
- problems of a contractor with managing its workforce, labor unrest or other employment issues.

In addition, we may incur liability to third parties as a result of the actions of our contractors. The occurrence of one or more of these risks could adversely affect our results of operations and financial position.

We are subject to litigation and may be subject to additional litigation in the future.

We are currently, or may in the future become, subject to litigation, arbitration or other legal proceedings with other parties. If decided adversely to Newmont, these legal proceedings, or others that could be brought against us in the future, could have a material adverse effect on our financial position or prospects. For a more detailed discussion of pending litigation, see Note 31 to the Consolidated Financial Statements.

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In the event of a dispute arising at our foreign operations, we may be subject to the exclusive jurisdiction of foreign courts or arbitral panels, or may not be successful in subjecting foreign persons to the jurisdiction of courts or arbitral panels in the United States. Our inability to enforce our rights and the enforcement of rights on a prejudicial basis by foreign courts or arbitral panels could have an adverse effect on our results of operations and financial position.

Title to some of our properties may be defective or challenged.

Although we have conducted title reviews of our properties, title review does not preclude third parties from challenging our title or related property rights. While we believe that we have satisfactory title to our properties, 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, and our ability to use these properties is dependent on agreements with traditional owners 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 natural resource companies may harm our business.

We compete with other natural resource companies to attract and retain key executives, skilled labor, contractors and other employees. We also compete with other natural resource companies for specialized equipment, components and supplies, such as drill rigs, necessary for exploration and development, as well as for rights to mine properties containing gold, copper 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.

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. At December 31, 2011, the Company s current and long-term deferred tax assets were $396 and $1,605, respectively.

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 and early 2009, market conditions caused the value of the investments in our pension plans to decrease significantly. As a result, we contributed $27 and $161 to the pension plans in 2011 and 2010, respectively. If future plan investment returns are not sufficient, 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 8 to the Consolidated Financial Statements.

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Holders of our common stock may not receive dividends on the common stock.

Holders of our common stock are entitled to receive only such dividends as our board of directors may declare out of funds legally available for such payments. We are incorporated in Delaware and governed by the Delaware General Corporation Law. Delaware law allows a corporation to pay dividends only out of surplus, as determined under Delaware law or, if there is no surplus, out of net profits for the fiscal year in which the dividend was declared and for the preceding fiscal year. Under Delaware law, however, we cannot pay dividends out of net profits if, after we pay the dividend, our capital would be less than the capital represented by the outstanding stock of all classes having a preference upon the distribution of assets. Furthermore, holders of our common stock may be subject to the prior dividend rights of holders of our preferred stock or depositary shares representing such preferred stock then outstanding. Our ability to pay dividends will be subject to our future earnings, capital requirements and financial condition, as well as our compliance with covenants and financial ratios related to existing or future indebtedness. Although we have historically declared cash dividends on our common stock and recently adopted the enhanced gold price-linked dividend policy described under Item 5, Market for Registrant s Common Equity, Related Stockholders Matters and Issuer Purchase of Equity Securities, we are not required to declare cash dividends on our common stock and our board of directors may reduce, defer or eliminate our common stock dividend in the future.

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

Production and Development Properties

Newmont s significant production and development properties are described below. Operating statistics for each operation are presented in a table in the next section of Item 2.

North America

Nevada, USA. 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 Phoenix mine, located 10 miles south of Battle Mountain, 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 Corporation (Barrick), which utilizes mill capacity at Twin Creeks.

Gold production from Nevada was approximately 1.7 million ounces for 2011 with ore mined from seven open pit and eight underground mines. At December 31, 2011, we reported 34.7 million ounces

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of gold reserves in Nevada, with 77% of those ounces in open pit mines and 23% in underground mines. We are advancing several development opportunities in Nevada, including Long Canyon, with significant reserve expansion potential.

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 79% of Nevada s gold production in 2011, compared with 79% in 2010 and 77% in 2009. With respect to remaining reserves, we estimate that approximately 85% are refractory ores and 15% 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 flotation or direct flotation at Mill 5. Mill 5 flotation concentrates are then processed at the Carlin roaster or the Twin Creeks autoclaves and additional gold is recovered from the flotation tails by cyanide leaching. The Phoenix mill produces a gravity gold concentrate and a copper/gold flotation concentrate and recovers additional gold from cyanide leaching of the flotation tails. 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 pay a royalty equivalent to 16.2% 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.

In Nevada, mining taxes are assessed on up to 5% of net proceeds of a mine. Net proceeds are calculated as the excess of gross yield over direct costs. Gross yield is determined as the value received when minerals are sold, exchanged for anything of value or removed from the state. Direct costs generally include the costs to develop, extract, produce, transport and refine minerals.

We have a 25% interest in a joint venture with Barrick in 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 production of 44,000 ounces in 2011, 38,000 ounces in 2010 and 39,000 ounces in 2009 were attributable to Newmont, based on our 25% ownership interest.

We had ore sale agreements with Yukon-Nevada Gold Corporation (Yukon-Nevada) and Barrick to process the Company s ore. We recognized attributable gold sales, net of treatment charges, of 47,000 ounces in 2011, 15,000 ounces in 2010 and 700 ounces in 2009, pursuant to these agreements.

On April 6, 2011, the Company completed the acquisition of Fronteer Gold Inc. (Fronteer). Fronteer owned among other assets, the exploration stage Long Canyon project, which is located approximately one hundred miles from the Company s existing infrastructure in Nevada and we believe provides the potential for significant development and operating synergies. During 2011, the project entered into the pre-feasibility stage as we further develop our understanding of what we expect could be another Carlin-type trend at Long Canyon. We have received an expanded exploration area permit

allowing access to project targets. We continue to make progress on the drilling program. A total of 72 kilometers of drilling was completed in 2011 and we anticipate an additional 65 kilometers to be drilled in 2012. Our intention is to bring the project into production in 2017 with initial estimated gold production of approximately 200,000 to 300,000 ounces per year.

Mexico. We have a 44% interest in the La Herradura joint venture and related gold properties (Herradura, Soledad-Dipolos and Noche Buena), which are located in Mexico s Sonora desert. La Herradura is operated by Fresnillo PLC (which owns the remaining 56% interest) and comprises open pit operations with run-of-mine heap leach processing. Herradura, located in Sonara, Mexico has been in operation since 1998. Soledad-Dipolos is located 9 kilometers northwest of Herradura and commenced operations in January, 2010. Noche Buena is located 23 kilometers northwest of Herradura and operations are expected to commence in the first half of 2012. La Herradura produced 212,000 attributable ounces of gold in 2011, and at December 31, 2011 we reported 2.3 million attributable ounces of gold reserves.

South America

The properties of Minera Yanacocha S.R.L. (MYSRL) include the mining operations at Yanacocha and the Conga project. We hold a 51.35% interest in MYSRL with the remaining interests held by Compañia de Minas Buenaventura, S.A.A. (Buenaventura) (43.65%) and the International Finance Corporation (5%).

MYSRL has mining rights with respect to a large land position consisting of concessions granted by the Peruvian government to MYSRL and a related entity. These mining concessions provide for both the right to explore and exploit. However, MYSRL must first obtain the respective exploration and exploitation permits, which are generally granted in due course. MYSRL 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. During 2011, Peru enacted a new mining tax and royalty regime, replacing a 3.75% voluntary contribution that expired in 2010. Beginning October 1, 2011, mining companies are subject to a revised royalty and special mining tax, dependent on whether or not a stabilization agreement is in effect. The revised royalty and special mining taxes are based on a sliding scale and are expected to be 5% to 7%.

Yanacocha, Peru. Yanacocha is 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 and currently has active open pit mines at Cerro Yanacocha, La Quinua and Chaquicocha, and in 2011, mining operations were reinitiated at Maqui Maqui and Carachugo. Yanacocha has four leach pads, three processing facilities, and one mill, which began commercial production in the second quarter of 2008. Yanacocha s gold production for 2011 was 1.3 million ounces (728,000 attributable ounces) and at December 31, 2011 we reported 4.0 million attributable ounces of gold reserves.

Conga, Peru. The Conga project is located within close proximity of existing operations at Yanacocha. In July 2011, the project progressed infrastructure works, earthworks construction, drilling, detailed engineering and procurement of equipment and materials. Construction activities were suspended on November 30, 2011, at the request of Peru s central government following increasing protests in Cajamarca by anti-mining activists led by the regional president. At the request of the Peruvian central government, the environmental impact assessment prepared in connection with the project, which was previously approved in October 2010, will be reviewed by independent experts, in an effort to resolve the alleged concerns around the environmental viability of Conga. Construction will remain suspended for the duration of the review, however, progress continues on engineering and procurement. Should we be unable to continue with the current development plan at Conga, we may reprioritize and reallocate capital to development alternatives in Nevada, Australia, Ghana and Indonesia. If the project proceeds, average annual estimated attributable gold production of

approximately 300,000 to 350,000 ounces and average annual estimated attributable copper production of approximately 80 to 120 million pounds per year are expected during the first five years of production. At December 31, 2011, we reported 6.5 million attributable ounces of gold reserves and 1,690 million attributable pounds of copper reserves.

La Zanja, Peru. We hold a 46.94% interest in La Zanja, a gold mine near the city of Cajamarca, Peru. The mine commenced operations in September 2010 and is operated by Buenaventura. The site consists of two small open pits and one oxide leach pad. La Zanja produced 64,000 attributable gold ounces in 2011 and at December 31, 2011 we reported 0.3 million attributable ounces of gold reserves.

Merian, Suriname. We hold a 50% interest in the Merian gold project, a joint venture with a subsidiary of Alcoa. We will earn an 80% interest on completion of the feasibility study, which commenced in the third quarter of 2011 and is expected to be completed in the fourth quarter of 2012. Once we earn our 80% interest, Alcoa may, within 30 days, elect to purchase a 10% interest in the joint venture from us (reducing our interest to 70%). If Alcoa elects this option, it will be required to solely fund the joint venture expenditures in an amount equal to two-thirds of the expenditures we incurred to complete the feasibility study. Negotiations with the government of Suriname on a mineral agreement are continuing, which may affect our equity participation in the project.

Asia Pacific

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.

Native title claims are not expected to 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 and taxes are paid to state and territorial governments, typically based on a percentage of gross revenues or earnings. Indigenous communities have negotiated royalty payments as a condition to granting access to areas where they have native title or other property rights. A carbon dioxide tax will commence in Australia beginning July 1, 2012, whereby the largest emitters of carbon dioxide will be required to pay A$23.00 per metric ton of carbon dioxide released into the atmosphere. The carbon price is indexed for inflation through June 30, 2015, when a cap and trade system will be in place. Carbon costs will primarily be driven by electricity and diesel fuel consumption.

Boddington. Boddington (100% owned) is located 81 miles (130 kilometers) southeast of Perth in Western Australia. Boddington has been wholly owned since June 2009 when Newmont acquired the final 33.33% interest from AngloGold Ashanti Australia Limited (AngloGold). Boddington poured its first gold in September 2009 and commenced commercial production in November 2009. Boddington produced 741,000 ounces of gold and 69 million pounds of copper in 2011, and at December 31, 2011 we reported 19.5 million ounces of gold reserves and 2,260 million pounds of copper reserves.

Kalgoorlie. Kalgoorlie (50% owned) comprises 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 in Western Australia. The mines are managed by Kalgoorlie Consolidated Gold Mines Pty Ltd for the joint venture owners, Newmont and Barrick. The Super Pit is one of Australia s largest gold mines in terms of gold production and annual tons mined. During 2011, the Kalgoorlie operations produced 750,000 ounces of gold (375,000 attributable ounces), and at December 31, 2011 we reported 4.4 million attributable ounces of gold reserves.

Jundee. Jundee (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 2011, with mill feed supplemented from oxide stockpiles for blending purposes. Jundee produced 333,000 ounces of gold in 2011 and at December 31, 2011 we reported 0.6 million ounces of gold reserves.

Tanami. Tanami (100% owned) includes 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. Operations are predominantly focused on the Callie underground mine at Dead Bullock Soak and ore is processed through the Granites treatment plant. In July 2011, a project to develop a shaft to support underground operations was approved by the Board of Directors. The project will support underground expansion at the Callie and Auron ore bodies, reduce cut-off grade, enhance productivity and facilitate possible additional mine expansion. The project is expected to add gold production of approximately 60,000 to 90,000 ounces per year during the first five years of production. First production is expected in 2015. During 2011, the Tanami operations produced 221,000 ounces of gold and at December 31, 2011 we reported 2.5 million ounces of gold reserves.

Waihi. Waihi (100% owned) is located within the town of Waihi, approximately 68 miles (110 kilometers) southeast of Auckland, New Zealand and currently consists of the Favona and Trio (currently under development) underground deposits and the Martha open pit mine. The Waihi operation produced 97,000 ounces of gold in 2011 and at December 31, 2011 we reported 0.4 million ounces of gold reserves.

Duketon. We have a 16.85% interest in Regis Resources Ltd. (Regis), which owns 100% of the Duketon gold mine, located approximately 200 miles northeast of Kalgoorlie. Duketon commenced production in the third quarter of 2010 and produced 17,000 attributable ounces of gold in 2011. At December 31, 2011, we reported 0.5 million attributable ounces of gold reserves.

Batu Hijau, Indonesia. Batu Hijau 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

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discovered in 1990. Development and construction activities began in 1997 and start-up occurred in late 1999. In 2011, Batu Hijau produced 283 million pounds of copper (137 million attributable pounds) and 318,000 ounces of gold (154,000 attributable ounces). At December 31, 2011, we reported 3,730 million attributable pounds of copper reserves and 3.6 million attributable ounces of gold reserves at Batu Hijau.

We own 31.50% of the Batu Hijau mine through Nusa Tenggara Partnership B.V. (NTPBV), which we own with an affiliate of Sumitomo Corporation of Japan. We have a 56.25% interest in NTPBV and the Sumitomo affiliate holds the remaining 43.75%. NTPBV in turn owns 56% of PT Newmont Nusa Tenggara (PTNNT), the Indonesian subsidiary that owns the Batu Hijau copper and gold mine. The remaining 44% interest in PTNNT is owned by PT Multi Daerah Bersaing (PTMDB), 24%; P.T. Pukuafu Indah (PTPI), 17.8%; and PT Indonesia Masbaga Investama (PTIMI), 2.2%.

On May 6, 2011, we announced that a definitive agreement was signed with an agency of the Indonesian Government s Ministry of Finance for the sale of the final 7% divestiture stake, as required under the terms of PTNNT s Contract of Work with the Indonesian Government. NTPBV entered into the agreement with Pusat Investasi Pemerintah (PIP). The Government of Indonesia designated PIP as the buyer for the final 7% interest by exercising a right of first refusal set out in the Contract of Work. Upon closing of the transaction, NTPBV s interest in Batu Hijau will be reduced to 49%, as required under the Contract of Work. The price agreed for the 7% stake is approximately $247. Closing of the transaction is pending receipt of approvals from certain Indonesian government ministries. Subsequent to signing the agreement, a disagreement arose between the Ministry of Finance and the Indonesian parliament in regard to whether parliamentary approval was required to allow PIP to make the share purchase. The Ministry of Finance continues to dispute the need for parliamentary approval and further disputes may arise in regard to the divestiture of the 2010 shares. NTPBV and PIP agreed to extend the period for satisfying the closing conditions of the agreement until May 6, 2012. Our ownership interest in PTNNT following the closing of the transaction will be 27.56%.

We have identified Variable Interest Entities (VIEs) (see Note 2 to the Consolidated Financial Statements) in connection with our economic interests in PTNNT due to certain funding arrangements and shareholder commitments. We have financing arrangements with PTPI and PTIMI, unrelated noncontrolling shareholders of PTNNT, whereby we agreed to advance certain funds to them in exchange for (i) a pledge of their combined 20% share of PTNNT, (ii) an assignment of dividends payable on the shares, net of withholding tax, (iii) a commitment from them to support the application of our standards to the operation of the Batu Hijau mine, and (iv) as of September 16, 2011 in respect of PTPI only, powers of attorney to vote and sell PTNNT shares in support of the pledge, enforceable in an event of default as further security for the funding. As a result, PTPI and PTIMI were determined to be VIEs and our effective economic interest in PTNNT increased by 17% (20% interest net of withholding tax) to 48.50% during 2010. We currently provide management for the Batu Hijau operation and our standards are applied at Batu Hijau.

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 our ownership interest in the Batu Hijau mine s proven and probable reserves may be reduced in the future to as low as 27.56% and ownership interest of NTPBV in PTNNT could be reduced to 49%, thus potentially reducing our ability to control the operation at Batu

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Hijau or apply our operating standards. As part of the negotiation of the divestiture sale agreements with PTMDB, the parties executed an operating agreement under which each party recognizes the right of Newmont and Sumitomo to apply their operating standards at Batu Hijau and binds the parties to adhere to our standards for safety, environmental stewardship and community responsibility. The operating agreement remains in effect for so long as NTPBV owns more shares of PTNNT than PTMDB. If the operating agreement terminates, then we could lose effective control over the operations of Batu Hijau and will be at risk for operations conducted in a manner that could potentially reduce the value of PTNNT or result in safety, environmental or social standards below those adhered to by us. Such loss of control may cause us to deconsolidate PTNNT for accounting purposes, which would reduce our reported consolidated sales, cost applicable to sales, amortization, total assets and operating cash flow attributable to PTNNT. See Note 31 to the Consolidated Financial Statements.

Africa

Ahafo, Ghana. Ahafo (100% owned) is located in the Brong-Ahafo Region of Ghana, approximately 180 miles (290 kilometers) northwest of Accra. We currently operate four open pits at Ahafo with reserves contained in 11 operating and planned pits. Commercial production in the fourth pit, Amoma, began in October 2010. The process plant consists of a conventional mill and carbon-in-leach circuit. Ahafo produced 566,000 ounces of gold in 2011, and at December 31, 2011 we reported 12.1 million ounces of gold reserves.

Akyem, Ghana. Akyem (100% owned) is located approximately 80 miles (125 kilometers) northwest of Accra. The Akyem project is advancing with awarding of 95% of all construction contracts, commencement of bulk earthworks, major civil work and underground utilities. The first structural concrete was placed in August 2011. Establishment of the first set of households at the resettlement villages took place in October 2011. First production is anticipated in late 2013 to early 2014, with approximately three to six months expected for ramp-up from construction completion to commercial production. Gold production is expected to be approximately 350,000 to 450,000 ounces per year for the first five years of the mine s operating life of approximately 16 years (based on current gold reserves). At December 31, 2011, we reported 7.4 million ounces of gold reserves.

In December 2003, Ghana s Parliament unanimously ratified an Investment Agreement (the Investment Agreement) between Newmont and the government of Ghana. The Investment 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 Investment 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. In 2009, the Minister of Finance implemented the National Fiscal Stabilization Levy, which is an additional tax of profits. Negotiations are ongoing with the commissioner of the Ghana Internal Revenue Service on the applicability of the levy, given Newmont s Investment Agreement. While negotiations are pending, we have paid and included $39 in *Income and mining tax expense* to date under the levy.

In 2011, the Minister of Finance proposed the following changes in Ghana s tax laws: (i) an increase in the corporate income tax from 25% to 35%, (ii) the elimination of the National Fiscal Stabilization Levy, (iii) the introduction of a windfall tax of 10% and (iv) a change in capital allowances to 20% over 5 years from the previously allowed 80% deduction in year one and then 50% per year on the remaining balance. Per our Investment Agreement, the increase in the corporate income tax rate would be limited to 32.5% and the windfall tax of 10% would not be applicable to our Ghana operations.

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In addition, the government of Ghana recently established a National Re-Negotiation Team to review fiscal regimes and mining agreements with a view to ensuring that Ghana benefits adequately and fairly from gains in the mining sector. As a result, our Investment Agreement could be subject to requests for renegotiation by the government of Ghana. See Risk Factor Our operations are subject to risks of doing business for a description of risks inherent in contracts with governments.

Operating Statistics

The following tables detail operating statistics related to gold production, sales and production costs per ounce:

		North America			South America	
Year Ended December 31,	**2011**	**2010**	**2009**	**2011**	**2010**	**2009**
Tons mined (000 dry short tons):						
Open pit	236,120	233,359	239,102	164,946	199,467	197,559
Underground	2,685	2,452	2,740			
Tons processed (000 dry short tons):						
Mill	23,860	23,497	24,702	6,843	6,832	6,242
Leach	23,050	17,240	19,697	43,173	58,691	136,293
Average ore grade (oz/ton):						
Mill	0.081	0.085	0.085	0.102	0.081	0.118
Leach	0.018	0.019	0.022	0.020	0.019	0.018
Average mill recovery rate	78.6%	78.9%	81.8%	84.6%	82.5%	86.4%
Ounces produced (000):						
Mill	1,577	1,540	1,700	560	421	630
Leach	361	366	398	709	1,038	1,428
Development[(1)]	15	3	1	24	3	
Consolidated	1,953	1,909	2,099	1,293	1,462	2,058
Attributable to Newmont	1,953	1,909	2,099	728	771	1,057
Consolidated ounces sold (000)	1,933	1,898	2,117	1,271	1,463	2,068
Production costs per ounce sold:						
Direct mining and production costs	$ 658	$ 601	$ 535	$ 555	$ 444	$ 318
By-product credits	(100)	(72)	(55)	(36)	(50)	(31)
Royalties and production taxes	25	15	15	38	32	18
Other	11	7	6	3	5	5
Costs applicable to sales	594	551	501	560	431	310
Amortization	153	153	128	184	111	81
Reclamation and remediation	4	4	3	15	10	6
Total production costs	$ 751	$ 708	$ 632	$ 759	$ 552	$ 397

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Year Ended December 31,	Asia Pacific 2011	2010	2009	Africa 2011	2010	2009
Tons mined (000 dry short tons):						
Open pit	306,796	238,725	204,814	52,332	51,054	51,971
Underground	3,159	3,564	3,778			
Tons milled (000 dry short tons)	81,689	89,293	58,853	8,614	8,372	8,335
Average ore grade (oz/ton)	0.030	0.033	0.034	0.078	0.077	0.074
Average mill recovery rate	85.4%	86.3%	88.3%	89.8%	86.1%	87.2%
Ounces produced (000):						
Mill	2,083	2,535	1,776	559	529	532
Development[(1)]	2		56	7	16	
Consolidated	2,085	2,535	1,832	566	545	532
Attributable to Newmont	1,938	2,167	1,517	566	545	532
Consolidated ounces sold (000)	2,058	2,407	1,803	558	528	546
Production costs per ounce sold:						
Direct mining and production costs	$ 621	$ 457	$ 395	$ 427	$ 411	$ 414
By-product credits	(24)	(14)	(10)	(2)	(1)	(1)
Royalties and production taxes	38	28	24	47	38	29
Other	4	3	1	2	2	2
Costs applicable to sales	639	474	410	474	450	444
Amortization	142	109	100	137	150	125
Reclamation and remediation	7	5	4	4	4	4
Total production costs	$ 788	$ 588	$ 514	$ 615	$ 604	$ 573

Year Ended December 31,	Total Gold 2011	2010	2009
Ounces produced (000):			
Mill	4,779	5,025	4,638
Leach	1,070	1,404	1,826
Development[(1)]	48	22	57
Consolidated	5,897	6,451	6,521
Attributable to Newmont[(2)]	5,185	5,392	5,237
Consolidated ounces sold (000)	5,820	6,296	6,534
Production costs per ounce sold:			
Direct mining and production costs	$ 600	$ 493	$ 418
By-product credits	(50)	(39)	(30)
Royalties and production taxes	35	26	20

Other	6	5	3
Costs applicable to sales	591	485	411
Amortization	154	126	105
Reclamation and remediation	7	6	4
Total production costs	$ 752	$ 617	$ 520

(1) Ounces from the removal and production of de minimis saleable materials during development. Related sales are recorded in *Other income*, net of incremental mining and processing costs.

(2) Includes 32 thousand ounces from discontinued operations at Kori Kollo, Bolivia in 2009.

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The following table details operating statistics related to copper production, sales and production costs per pound.

		Asia Pacific	
Year Ended December 31,	**2011**	**2010**	**2009**
Tons milled (000 dry short tons)	70,487	77,155	47,087
Average grade	0.33%	0.46%	0.60%
Average recovery rate	76.4%	85.1%	89.2%
Consolidated pounds produced (millions)	352	600	504
Attributable to Newmont[1]	206	327	227
Consolidated pounds sold (millions)	356	539	507
Production costs per pound sold:			
Costs applicable to sales	$ 1.26	$ 0.80	$ 0.64
Amortization	0.28	0.21	0.16
Reclamation and remediation	0.02	0.01	0.01
Total production costs	$ 1.56	$ 1.02	$ 0.81

Proven and Probable Reserves

We had attributable proven and probable gold reserves of 98.8 million ounces at December 31, 2011, calculated at a gold price assumption of $1,200, A$1,250 or NZ$1,600 per ounce. Our 2011 reserves would decline by approximately 5% (4.7 million ounces), if calculated at a $1,100 per ounce gold price. An increase in the gold price to $1,300 per ounce would increase reserves by approximately 4% (3.9 million ounces), all other assumptions remaining constant. For 2010, reserves were calculated at a gold price assumption of $950, A$1,100 or NZ$1,350 per ounce.

At December 31, 2011, our proven and probable gold reserves in North America were 37.0 million ounces. Outside of North America, year-end proven and probable gold reserves were 61.8 million ounces, including 31.5 million ounces in Asia Pacific, 19.5 million ounces in Africa and 10.8 million ounces in South America.

Our proven and probable copper reserves at December 31, 2011 were 9,720 million pounds. For 2011, reserves were calculated at a copper price assumption of $3.00 or A$3.15 per pound, increased from $2.50 or A$2.95 per pound, used in 2010.

Our proven and probable silver reserves at December 31, 2011 were 195 million ounces. For 2011, reserves were calculated at a silver price assumption of $22.00 or A$23.00 per ounce. Silver reserves are generally a by-product of gold and/or copper reserves, with significant enough levels to be estimated and included in calculations for mine planning and operations. While details of silver reserves were not provided in 2010, reserves disclosed in footnotes used price assumptions of $15.00 or A$17.50 per ounce in 2010.

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 reserves are based on extensive drilling, sampling, mine modeling and metallurgical testing from which we determined economic feasibility. Metal price assumptions follow U.S. Securities and Exchange Commission guidance not to exceed a three year trailing average. 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 relevant processing methods. The cut-off grade, or lowest grade of mineralized material considered economic to process, varies with material type, price, metallurgical recoveries, operating costs and co- or by-product credits.

The proven and probable 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 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 will recalculate reserves at December 31, 2012, taking into account metal prices, changes, if any, in future production and capital costs, divestments and depletion as well as any acquisitions and additions during 2012.

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The following tables detail gold proven and probable reserves reflecting only those reserves attributable to Newmont s ownership or economic interest at December 31, 2011 and 2010:

		December 31, 2011[1]									
		Proven Reserves			Probable Reserves			Proven and Probable Reserves			
Deposits/Districts	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[3] (000)	Metallurgical Recovery[3]
North America											
Carlin Open Pits, Nevada[4]	100%	92,600	0.058	5,410	239,100	0.030	7,210	331,700	0.038	12,620	77%
Carlin Underground, Nevada	100%	11,300	0.271	3,070	6,700	0.300	2,020	18,000	0.282	5,090	86%
Midas, Nevada	100%	300	0.315	80	500	0.177	80	800	0.226	160	95%
Phoenix, Nevada[5]	100%	24,900	0.018	460	422,200	0.016	6,790	447,100	0.016	7,250	72%
Twin Creeks, Nevada	100%	10,600	0.097	1,020	37,700	0.073	2,760	48,300	0.078	3,780	80%
Turquoise Ridge, Nevada[6]	25%	1,700	0.444	740	2,300	0.440	1,020	4,000	0.442	1,760	92%
Nevada In-Process[7]	100%	23,000	0.020	460				23,000	0.020	460	65%
Nevada Stockpiles[8]	100%	65,100	0.053	3,440	3,100	0.028	90	68,200	0.052	3,530	76%
Total Nevada[9]		229,500	0.064	14,680	711,600	0.028	19,970	941,100	0.037	34,650	78%
La Herradura, Mexico[10]	44%	51,000	0.021	1,090	60,400	0.020	1,240	111,400	0.021	2,330	62%
		280,500	**0.056**	**15,770**	**772,000**	**0.027**	**21,210**	**1,052,500**	**0.035**	**36,980**	**77%**
South America											
Conga, Peru[11]	51.35%				303,400	0.021	6,460	303,400	0.021	6,460	75%
Yanacocha, Peru Open Pits[12]	51.35%	34,200	0.050	1,710	85,700	0.022	1,860	119,900	0.030	3,570	72%
Yanacocha, Peru In -Process[7][12]	51.35%	13,100	0.025	330	2,100	0.027	60	15,200	0.025	390	78%
Total Yanacocha, Peru	51.35%	47,300	0.043	2,040	87,800	0.022	1,920	135,100	0.029	3,960	72%
La Zanja, Peru[13]	46.94%	7,300	0.016	120	14,100	0.015	210	21,400	0.016	330	66%
		54,600	**0.040**	**2,160**	**405,300**	**0.021**	**8,590**	**459,900**	**0.023**	**10,750**	**73%**
Asia Pacific											
Batu Hijau Open Pit[14]	48.50%	127,600	0.017	2,110	196,100	0.005	1,040	323,700	0.010	3,150	75%
Batu Hijau Stockpiles[8][14]	48.50%				156,900	0.003	490	156,900	0.003	490	70%
Total Batu Hijau, Indonesia	48.50%	127,600	0.017	2,110	353,000	0.004	1,530	480,600	0.008	3,640	75%
Boddington, Western Australia	100%	181,800	0.020	3,600	871,700	0.018	15,890	1,053,500	0.019	19,490	81%
Duketon, Western Australia[15]	16.85%	2,000	0.044	90	8,800	0.045	400	10,800	0.045	490	95%
Jundee, Western Australia[16]	100%	3,100	0.160	490	700	0.237	160	3,800	0.174	650	91%
Kalgoorlie Open Pit and Underground	50%	13,300	0.059	790	41,700	0.056	2,350	55,000	0.057	3,140	85%
Kalgoorlie Stockpiles[8]	50%	53,900	0.023	1,260				53,900	0.023	1,260	78%
Total Kalgoorlie, Western Australia[17]	50%	67,200	0.030	2,050	41,700	0.056	2,350	108,900	0.040	4,400	83%
Tanami, Northern Territories[18]	100%	6,200	0.156	960	10,500	0.149	1,560	16,700	0.152	2,520	94%
Waihi, New Zealand[19]	100%				3,200	0.112	360	3,200	0.112	360	89%
		387,900	**0.024**	**9,300**	**1,289,600**	**0.017**	**22,250**	**1,677,500**	**0.019**	**31,550**	**82%**

Africa											
Ahafo Open Pits[20]	100%				194,700	0.055	10,790	194,700	0.055	10,790	87%
Ahafo Underground	100%				5,900	0.112	660	5,900	0.112	660	89%
Ahafo Stockpiles[8]	100%	21,000	0.030	630				21,000	0.030	630	86%
Total Ahafo, Ghana	100%	21,000	0.030	630	200,600	0.057	11,450	221,600	0.055	12,080	87%
Akyem, Ghana[21]	100%				144,500	0.051	7,390	144,500	0.051	7,390	88%
		21,000	**0.030**	**630**	**345,100**	**0.055**	**18,840**	**366,100**	**0.053**	**19,470**	**87%**
Total Gold		**744,000**	**0.037**	**27,860**	**2,812,000**	**0.025**	**70,890**	**3,556,000**	**0.028**	**98,750**	**80%**

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		December 31, 2010[1]									
		Proven Reserves			Probable Reserves			Proven and Probable Reserves			
Deposits/Districts	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[3] (000)	Metallurgical Recovery[3]
North America											
Carlin Open Pits, Nevada	100%	36,600	0.064	2,340	226,900	0.040	8,980	263,500	0.043	11,320	75%
Carlin Underground, Nevada	100%	5,800	0.272	1,570	8,800	0.330	2,910	14,600	0.307	4,480	88%
Midas, Nevada	100%	200	0.394	100	300	0.264	90	500	0.319	190	95%
Phoenix, Nevada	100%				329,800	0.018	6,090	329,800	0.018	6,090	73%
Twin Creeks, Nevada	100%	11,400	0.097	1,110	46,400	0.071	3,280	57,800	0.076	4,390	79%
Turquoise Ridge, Nevada[6]	25%	1,400	0.458	640	1,700	0.456	770	3,100	0.457	1,410	92%
Nevada In-Process[7]	100%	28,500	0.022	610				28,500	0.022	610	62%
Nevada Stockpiles[8]	100%	33,900	0.077	2,630	2,800	0.028	80	36,700	0.074	2,710	78%
Total Nevada		117,800	0.076	9,000	616,700	0.036	22,200	734,500	0.042	31,200	78%
La Herradura, Mexico	44%	44,600	0.023	1,010	61,100	0.021	1,280	105,700	0.022	2,290	66%
		162,400	**0.062**	**10,010**	**677,800**	**0.035**	**23,480**	**840,200**	**0.040**	**33,490**	**77%**
South America											
Conga, Peru	51.35%				317,200	0.019	6,080	317,200	0.019	6,080	79%
Yanacocha, Peru Open Pits	51.35%	23,500	0.028	650	118,800	0.032	3,790	142,300	0.031	4,440	70%
Yanacocha, Peru In-Process[7]	51.35%	21,300	0.025	540				21,300	0.025	540	74%
Total Yanacocha, Peru	51.35%	44,800	0.027	1,190	118,800	0.032	3,790	163,600	0.030	4,980	71%
La Zanja, Peru	46.94%	10,100	0.018	180	10,500	0.016	160	20,600	0.017	340	66%
		54,900	**0.025**	**1,370**	**446,500**	**0.022**	**10,030**	**501,400**	**0.023**	**11,400**	**75%**
Asia Pacific											
Batu Hijau Open Pit	48.50%	168,800	0.014	2,420	124,600	0.006	700	293,400	0.011	3,120	78%
Batu Hijau Stockpiles[8]	48.50%				170,700	0.004	610	170,700	0.004	610	69%
Total Batu Hijau, Indonesia	48.50%	168,800	0.014	2,420	295,300	0.004	1,310	464,100	0.008	3,730	76%
Boddington, Western Australia	100%	181,900	0.021	3,760	885,900	0.019	16,540	1,067,800	0.019	20,300	82%
Duketon, Western Australia	16.22%	1,800	0.056	100	4,500	0.055	250	6,300	0.055	350	94%
Jundee, Western Australia	100%	3,100	0.051	160	1,600	0.373	600	4,700	0.160	760	91%
Kalgoorlie Open Pit and Underground	50%	15,000	0.061	910	40,700	0.059	2,390	55,700	0.059	3,300	85%
Kalgoorlie Stockpiles[8]	50%	15,100	0.031	470				15,100	0.031	470	78%
Total Kalgoorlie, Western Australia	50%	30,100	0.046	1,380	40,700	0.059	2,390	70,800	0.053	3,770	84%
Tanami, Northern Territories	100%	6,400	0.151	970	7,900	0.134	1,070	14,300	0.142	2,040	95%
Waihi, New Zealand	100%				4,200	0.110	460	4,200	0.110	460	89%
		392,100	**0.022**	**8,790**	**1,240,100**	**0.018**	**22,620**	**1,632,200**	**0.019**	**31,410**	**83%**
Africa											
Ahafo Open Pits	100%				148,300	0.064	9,540	148,300	0.064	9,540	87%
Ahafo Stockpiles[8]	100%	14,100	0.033	460				14,100	0.033	460	86%

Total Ahafo, Ghana	100%	14,100	0.033	460	148,300	0.064	9,540	162,400	0.062	10,000	87%
Akyem, Ghana	100%				137,900	0.052	7,200	137,900	0.052	7,200	88%
		14,100	**0.033**	**460**	**286,200**	**0.059**	**16,740**	**300,300**	**0.057**	**17,200**	**88%**
Total Gold		**623,500**	**0.033**	**20,630**	**2,650,600**	**0.027**	**72,870**	**3,274,100**	**0.029**	**93,500**	**81%**

(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

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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.

Proven and probable reserves include gold, copper or silver attributable to Newmont s ownership or economic interest.

Proven and probable 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, copper or silver extraction and type of milling or leaching facilities available.

2011 reserves were calculated at a gold price of $1,200, A$1,250 or NZ$1,600 per ounce unless otherwise noted.

2010 reserves were calculated at a gold price of $950, A$1,100 or NZ$1,350 per ounce 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) Includes reserves currently being developed at the Emigrant deposit of 1.6 million ounces of gold.

(5) Gold cut-off grade varies with level of copper and silver credits.

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

(7) 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.

(8) 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.

(9) Cut-off grades utilized in Nevada 2011 gold reserves were as follows: oxide leach material not less than 0.006 ounce per ton; oxide mill material not less than 0.026 ounce per ton; flotation material not less than 0.016 ounce per ton; and refractory mill material not less than 0.032 ounce per ton.

(10) Cut-off grade utilized in 2011 reserves not less than 0.009 ounce per ton.

(11) Project is currently under development. Gold cut-off grade varies with level of copper and silver credits.

(12) Reserves include the currently undeveloped deposit at La Quinua Sur, which contains attributable reserves of 0.9 million ounces. Cut-off grades utilized in 2011 reserves were as follows: oxide leach material not less than 0.004 ounce per ton; and oxide mill material not less than 0.013 ounce per ton.

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(13) Reserve estimates provided by Buenaventura, the operator of the La Zanja project. Cut-off grade utilized in 2011 reserves not less than 0.004 ounce per ton.

(14) Percentage reflects Newmont s economic interest since December 31, 2010.

(15) Reserve estimates provided by Regis Resources Ltd., in which Newmont holds a 16.85% interest, up from a 16.22% interest in 2010. Gold cut-off grades utilized in 2011 reserves not less than 0.015 ounce per ton.

(16) Cut-off grade utilized in 2011 reserves not less than 0.020 ounce per ton.

(17) Cut-off grade utilized in 2011 reserves not less than 0.015 ounce per ton.

(18) Cut-off grade utilized in 2011 reserves not less than 0.045 ounce per ton.

(19) Cut-off grade utilized in 2011 reserves not less than 0.015 ounce per ton.

(20) Includes undeveloped reserves at seven pits in the Ahafo trend totaling 3.2 million ounces. Cut-off grade utilized in 2011 reserves not less than 0.019 ounce per ton.

(21) Project is currently under development. Cut-off grade utilized in 2011 reserves not less than 0.018 ounce per ton.

The following tables detail copper proven and probable reserves reflecting only those reserves attributable to Newmont s ownership or economic interest at December 31, 2011 and 2010:

		December 31, 2011[1]									
		Proven Reserves			Probable Reserves			Proven and Probable Reserves			
Deposits/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)	Metallurgical Recovery[3]
North America											
Phoenix Mill, Nevada[4]	100%	24,900	0.15%	70	425,400	0.14%	1,230	450,300	0.15%	1,300	61%
Phoenix Copper Leach, Nevada[5]	100%	9,900	0.24%	50	160,300	0.22%	690	170,200	0.22%	740	55%
		34,800	**0.17%**	**120**	**585,700**	**0.16%**	**1,920**	**620,500**	**0.16%**	**2,040**	**58%**
South America											
Conga, Peru[6]	51.35%				303,400	0.28%	1,690	303,400	0.28%	1,690	85%
					303,400	**0.28%**	**1,690**	**303,400**	**0.28%**	**1,690**	**85%**

Asia Pacific											
Batu Hijau Open Pit[7]	48.50%	127,600	0.51%	1,300	196,100	0.35%	1,370	323,700	0.41%	2,670	76%
Batu Hijau Stockpiles[7][8]	48.50%				156,900	0.34%	1,060	156,900	0.34%	1,060	66%
Total Batu Hijau, Indonesia	48.50%	127,600	0.51%	1,300	353,000	0.34%	2,430	480,600	0.39%	3,730	73%
Boddington, Western Australia[9]	100%	181,800	0.10%	350	871,700	0.11%	1,910	1,053,500	0.11%	2,260	83%
		309,400	**0.27%**	**1,650**	**1,224,700**	**0.18%**	**4,340**	**1,534,100**	**0.20%**	**5,990**	**77%**
Total Copper		**344,200**	**0.26%**	**1,770**	**2,113,800**	**0.19%**	**7,950**	**2,458,000**	**0.20%**	**9,720**	**74%**

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		December 31, 2010[1]									
		Proven Reserves			Probable Reserves			Proven and Probable Reserves			
Deposits/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)	Metallurgical Recovery[3]
North America											
Phoenix Mill, Nevada	100%				332,600	0.15%	1,030	332,600	0.15%	1,030	61%
Phoenix Copper Leach, Nevada	100%				132,900	0.23%	610	132,900	0.23%	610	53%
					465,500	**0.18%**	**1,640**	**465,500**	**0.18%**	**1,640**	**58%**
South America											
Conga, Peru	51.35%				317,200	0.26%	1,660	317,200	0.26%	1,660	85%
					317,200	**0.26%**	**1,660**	**317,200**	**0.26%**	**1,660**	**85%**
Asia Pacific											
Batu Hijau Open Pit	48.50%	168,800	0.50%	1,700	124,600	0.34%	860	293,400	0.44%	2,560	80%
Batu Hijau Stockpiles[8]	48.50%				170,700	0.35%	1,200	170,700	0.35%	1,200	66%
Total Batu Hijau, Indonesia	48.50%	168,800	0.50%	1,700	295,300	0.35%	2,060	464,100	0.40%	3,760	76%
Boddington, Western Australia	100%	181,900	0.10%	380	885,900	0.11%	1,980	1,067,800	0.11%	2,360	84%
		350,700	**0.30%**	**2,080**	**1,181,200**	**0.17%**	**4,040**	**1,531,900**	**0.20%**	**6,120**	**79%**
Total Copper		**350,700**	**0.30%**	**2,080**	**1,963,900**	**0.19%**	**7,340**	**2,314,600**	**0.20%**	**9,420**	**76%**

(1) See footnote (1) to the Gold Proven and Probable Reserves tables above. Copper reserves for 2011 were calculated at a copper price of $3.00 or A$3.15 per pound. 2010 copper reserves were calculated at a copper price of $2.50 or A$2.95 per pound.

(2) See footnote (2) to the Gold Proven and Probable Reserves tables above. Tonnages are rounded to nearest 100,000.

(3) See footnote (3) to the Gold Proven and Probable Reserves tables above. Pounds are rounded to the nearest 10 million.

(4) Copper cut-off grade varies with level of gold and silver credits.

(5) Copper cut-off grade varies with level of leach solubility. Leach pad and associated facilities under construction.

(6) Project is currently under development. Copper cut-off grade varies with level of gold and silver credits.

(7) Percentage reflects Newmont s economic interest since December 31, 2010. Copper cut-off grade varies with level of gold and silver credits.

(8) 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. Stockpiles are reported separately where tonnage or contained metal is greater than 5% of the total site reported reserves.

(9) Copper cut-off grade varies with level of gold credits.

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The following table details silver proven and probable reserves reflecting only those reserves attributable to Newmont s ownership or economic interest at December 31, 2011:

		December 31, 2011[1]									
		Proven Reserves			Probable Reserves			Proven and Probable Reserves			
Deposits/Districts	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[3] (000)	Metallurgical Recovery[3]
North America											
Midas, Nevada[4]	100%	300	4.624	1,200	500	8.629	4,050	800	7.201	5,250	88%
Phoenix, Nevada[5]	100%	24,900	0.250	6,250	425,400	0.244	103,730	450,300	0.244	109,980	36%
		25,200	0.296	7,450	425,900	0.253	107,780	451,100	0.255	115,230	38%
South America											
Conga, Peru	51.35%				303,400	0.064	19,400	303,400	0.064	19,400	70%
Yanacocha Open Pits	51.35%	18,500	0.081	1,490	71,100	0.137	9,750	89,600	0.125	11,240	25%
Yanacocha Stockpiles[6]	51.35%	1,300	0.363	460	4,800	1.466	6,970	6,100	1.235	7,430	36%
Yanacocha In-Process[7]	51.35%				59,500	0.485	28,840	59,500	0.485	28,840	12%
Total Yanacocha, Peru[8]	51.35%	19,800	0.099	1,950	135,400	0.337	45,560	155,200	0.306	47,510	19%
		19,800	0.099	1,950	438,800	0.148	64,960	458,600	0.146	66,910	34%
Asia Pacific											
Batu Hijau Open Pit[9]	48.50%	127,600	0.047	5,940	196,100	0.023	4,470	323,700	0.032	10,410	78%
Batu Hijau Stockpiles[6][9]	48.50%				156,900	0.015	2,430	156,900	0.015	2,430	72%
Total Batu Hijau, Indonesia	48.50%	127,600	0.047	5,940	353,000	0.020	6,900	480,600	0.027	12,840	76%
		127,600	0.047	5,940	353,000	0.020	6,900	480,600	0.027	12,840	76%
Total Silver		172,600	0.089	15,340	1,217,700	0.148	179,640	1,390,300	0.140	194,980	39%

(1) See footnote (1) to the Gold Proven and Probable Reserves tables above. Silver reserves for 2011 were calculated at a silver price of $22.00 or A$23.00 per ounce. Silver reserves for 2010 were calculated at a silver price of $15.00 or A$17.50 per ounce.

(2) See footnote (2) to the Gold Proven and Probable Reserves tables above. Tonnages are rounded to nearest 100,000 unless they are less than 50,000.

(3) See footnote (3) to the Gold Proven and Probable Reserves tables above.

(4) 2010 contained reserves of 2.8 million ounces with a metallurgical recovery of 88%.

(5) 2010 contained reserves of 86.3 million ounces with a metallurgical recovery of 36%

(6) 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.

(7) In-process material is the material on leach pads at the end of the year from which silver 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.

(8) 2010 contained attributable reserves of 16.5 million ounces with a metallurgical recovery of 21%.

(9) Percentage reflects Newmont s economic interest since December 31, 2010. 2010 contained attributable reserves of 12.9 million ounces with a metallurgical recovery of 78%.

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The following table reconciles year-end 2011 and 2010 gold and copper proven and probable reserves:

	Gold Ounces (in millions)	Copper Pounds (in millions)
December 31, 2010	93.5	9,420
Depletion[1]	(6.3)	(330)
Revisions and additions, net[2]	11.6	630
December 31, 2011	98.8	9,720

(1) Reserves mined and processed in 2011.

(2) Revisions and additions are due to reserve conversions, optimizations, model updates, metal price changes and updated operating costs and recoveries.

ITEM 3. *LEGAL PROCEEDINGS*

For a discussion of legal proceedings, see Note 31 to the Consolidated Financial Statements.

ITEM 4A. *EXECUTIVE OFFICERS OF THE REGISTRANT*

Newmont s executive officers at February 15, 2012 were:

Name	Age	Office
Richard T. O Brien	57	President and Chief Executive Officer
Russell Ball	43	Executive Vice President and Chief Financial Officer
Gary J. Goldberg	53	Executive Vice President and Chief Operating Officer
Randy Engel	45	Executive Vice President, Strategic Development
Brian A. Hill	52	Executive Vice President, Sustainability and External Affairs
Guy Lansdown	51	Executive Vice President, Discovery and Development
William N. MacGowan	54	Executive Vice President, Human Resources and Communications
Jeffrey R. Huspeni	56	Senior Vice President, Asia Pacific Operations
Thomas Kerr	51	Senior Vice President, North American Operations
Carlos Santa Cruz	56	Senior Vice President, South American Operations
David Schummer	40	Senior Vice President, African Operations
Stephen P. Gottesfeld	44	Vice President, General Counsel and Corporate Secretary
David Gutierrez	57	Vice President, Planning and Tax
David Ottewell	51	Vice President and Controller
Thomas P. Mahoney	56	Vice President and Treasurer

There are no family relationships by blood, marriage or adoption among any of the above executive officers or members of the Board of Directors of Newmont. Each executive officer is elected annually by the Board of Directors of Newmont to serve for one year or until his respective successor is

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elected and qualified. There is no arrangement or understanding between any of the above executive officers and any other person pursuant to which he was selected as an executive officer.

Mr. O Brien was elected President and Chief Executive Officer in July 2007, having served as President and Chief Financial Officer from April 2007 to July 2007, Executive Vice President and Chief Financial Officer from September 2006 to April 2007 and Senior Vice President and Chief Financial Officer during 2005 and 2006. Mr. O Brien was Executive or Senior Vice President and Chief Financial Officer of AGL Resources from 2001 to 2005.

Mr. Ball was elected Executive Vice President and Chief Financial Officer in October 2008, having served as Senior Vice President and Chief Financial Officer since July 2007. Mr. Ball served as Vice President and Controller from 2004 to 2007. Previously, he served as Group Executive, Investor Relations, from 2002 to 2004 and as Financial Director and Controller for Newmont s Indonesian business unit. Mr. Ball joined Newmont in 1994 as senior internal auditor after practicing as a Chartered Accountant (SA) with Coopers and Lybrand in Durban, South Africa.

Mr. Goldberg was elected Executive Vice President and Chief Operating Officer in December 2011, when he joined Newmont. Mr. Goldberg previously served as President and Chief Executive Officer, Rio Tinto Minerals since 2006 and President and Chief Executive Officer, Rio Tinto Borax from 2004 to 2006.

Mr. Engel was elected Executive Vice President, Strategic Development, in October 2008, having served as Senior Vice President, Strategy and Corporate Development, since July 2007. Mr. Engel served as Vice President, Strategic Planning and Investor relations from 2006 to 2007; Group Executive, Investor Relations from 2004 to 2006; and Assistant Treasurer from 2001 to 2004. Mr. Engel has been with Newmont since 1994, and has served in various capacities in the areas of business planning, corporate treasury and human resources.

Mr. Hill was elected Executive Vice President, Sustainability and External Affairs, in December 2011 having served as Executive Vice President, Operations since October 2008. Mr. Hill served as Vice President, Asia Pacific Operations, in 2008. Mr. Hill previously served as Managing Director and Chief Executive Officer of Norilsk Nickel Australia Pty Ltd in 2007; Managing Director and Chief Executive Officer of Equatorial Mining Ltd from 2004 to 2006; and Managing Director of Falconbridge (Australia) Pty Ltd from 2000 to 2004.

Mr. Lansdown was elected Executive Vice President, Discovery and Development, in October 2008, having previously served as Senior Vice President, Project Development and Operations Services, since July 2007. Mr. Lansdown served as Vice President, Project Engineering and Construction from 2006 to 2007; Project Executive, Boddington, from 2005 to 2006; and Operations Manager, Yanacocha from 2003 to 2005. Mr. Lansdown joined Newmont in 1993 after serving as an associate with Knight Piesold and as the manager of projects for Group Five in South Africa.

Mr. MacGowan was elected Executive Vice President, Human Resources and Communications, in February 2010, when he joined Newmont. Mr. MacGowan previously served as Executive Vice President and Chief Human Resources Officer, People and Places from 2006 to 2010; Senior Vice President, Human Resources, 2004 to 2006; Vice President, Human Resources, Global Centers of Expertise, 2002 to 2004; Vice President, Human Resources, Engineering and Operations, 2001 to 2002; Vice President, Human Resources, Enterprise Services, 1999 to 2001 and; Director, Human Resources, Enterprise Services, 1998 to 1999 for Sun Microsystems.

Mr. Huspeni was elected Senior Vice President, Asia Pacific Operations, in April 2011, having served as Senior Vice President, African Operations, since October 2008. Mr. Huspeni previously served as Vice President, African Operations in 2008, Vice President, Exploration Business Development from 2005 to 2008 and Vice President, Mineral District Exploration, from 2002 to 2005.

Mr. Schummer was elected Senior Vice President, African Operations in April 2011, having previously served as Group Executive Operations, North America and Group Executive Business Excellence since 2010, General Manager Operations Yanacocha, Peru from 2007 to 2010, Mine Manager and Mine Superintendent at Yanacocha, Peru from 2003 to 2006. Previously, he served as Mine Superintendent and General Foreman in Sumbawa, Indonesia for the Batu Hijau Project from 1999 to 2003.

Mr. Kerr was elected Senior Vice President, North American Operations, in December 2009, having served as Vice President, Newmont USA Limited, North American Operations since November

2008. Mr. Kerr previously served as Phoenix Project Manager, Senior Manager-Surface Operations and General Manager-Twin Creeks Operation from 2004 to 2008, Midas Site Manager from 2003 to 2004 and Project Manager of Newmont s Corporate Development Transformation Project from 2002 to 2003.

Mr. Gottesfeld was elected Vice President and General Counsel in January 2010 and Corporate Secretary in July 2011 after serving as Vice President, Communications and Public Affairs since 2006. Mr. Gottesfeld was Newmont s Associate General Counsel from 2004 to 2006, responsible for Newmont s Latin American, African and Central Asian legal affairs. From 2002 to 2004, Mr. Gottesfeld was Newmont s Associate General Counsel and General Manager of Newmont Peru S.R.L., working in Lima, Peru. Prior to joining Newmont in 1997 as senior counsel, Mr. Gottesfeld was an associate at the law firm of Holland & Hart LLP.

Mr. Gutierrez was elected Vice President, Planning and Tax in November 2009, having served as Vice President, Accounting and Tax from 2007 to 2009 and Vice President, Tax from 2005 to 2007. Prior to joining Newmont he was a partner with KPMG LLP from 2002 to 2005, serving as the Denver office Tax Managing Partner from 2003 to 2005.

Mr. Ottewell was elected Vice President and Controller in July 2011, having served as Assistant Controller since 2007 and as Senior Director of Financial Reporting from 2005 to 2007. Prior to joining the Company, Mr. Ottewell provided consulting services to the Company and other clients in 2004 and held the position of Controller and Principal Accounting Officer at Echo Bay Mines Limited from 1999 to 2003.

Mr. Mahoney was elected Vice President and Treasurer of Newmont in 2002. He served as Treasurer of Newmont from 2001 to 2002. Previously, he served as Assistant Treasurer from 1997 to 2001. Mr. Mahoney joined Newmont as Assistant Treasurer, International in 1994.

ITEM 4B. *MINE SAFETY DISCLOSURES*

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

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

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

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

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PART II

ITEM 5. ***MARKET FOR REGISTRANT S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASE OF EQUITY SECURITIES***

Our common stock is listed and principally traded on the New York Stock Exchange under the symbol NEM .

On November 9, 2009, Newmont announced its intention to seek removal from the official list of the Australian Stock Exchange (ASX) and to suspend trading of the CHESS Depositary Interests (CDIs). The announcement was due to a low level of CDIs quoted on the ASX with low levels of trading when compared to other exchanges where it may trade. Further, investors seeking to purchase shares in Newmont could do so on the NYSE. The CDIs were suspended from trading on the ASX on February 10, 2010 and removed from the official list of the ASX on February 17, 2010.

Newmont Mining Corporation of Canada Limited s exchangeable shares are listed on the Toronto Stock Exchange under the symbol NMC . On December 15, 2011, as a result of a plan of arrangement, holders of exchangeable shares received, at their election, for each existing exchangeable share, one new exchangeable share of Newmont Mining Corporation of Canada Limited or one share of Newmont common stock. In connection with the plan of arrangement, 1.6 million shares were converted from exchangeable shares to Newmont common stock. For a description of the arrangement, please see our Form 8-K filed with the SEC on December 19, 2012.

On February 15, 2012, there were 4,914,758 exchangeable shares outstanding, which were held by 14 holders of record. The exchangeable shares are exchangeable at the option of the holders into Newmont common stock. Holders of Exchangeable Shares are therefore entitled to receive dividends equivalent to those that Newmont declares on its common stock.

The following table sets forth, for the periods indicated, the closing high and low sales prices per share of Newmont s common stock as reported on the New York Stock Exchange Composite Tape:

	2011		2010	
	High	**Low**	**High**	**Low**
First quarter	$ 61.09	$ 50.39	$ 51.94	$ 42.86
Second quarter	$ 59.23	$ 51.59	$ 61.74	$ 51.53
Third quarter	$ 69.90	$ 53.74	$ 64.94	$ 55.40
Fourth quarter	$ 72.13	$ 59.42	$ 64.72	$ 58.09

On February 15, 2012, there were 490,150,298 shares of Newmont s common stock outstanding, which were held by approximately 12,184 stockholders of record. Dividends of $0.15, $0.20, $0.30 and $0.35 per share of common stock outstanding were declared in the first, second, third and fourth quarters, respectively, of 2011, for a total of $1.00 per share during 2011. A dividend of $0.10 per share of common stock outstanding was declared in the first and second quarters of 2010, while a dividend of $0.15 per share of common stock outstanding was declared in the third and fourth quarters of 2010, for a total of $0.50 per share during 2010.

In April 2011, the Company introduced the first gold price-linked dividend policy, followed by the announcement of an enhanced gold price-linked dividend policy in September 2011, under which the Company s annual dividend has the potential to increase to $4.70 per share if the Company s average realized gold price exceeds $2,500 per ounce. Under the policy, unless otherwise determined by the

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Board of Directors (the Board), the dividend will be calculated based upon the average gold price realized by the Company during the preceding quarter in the manner highlighted in the table below:

Average Realized Gold Price	Quarterly Dividend	Annualized Dividend
$1,100 - $1,199	$0.100	$0.40
$1,200 - $1,299	$0.150	$0.60
$1,300 - $1,399	$0.200	$0.80
$1,400 - $1,499	$0.250	$1.00
$1,500 - $1,599	$0.300	$1.20
$1,600 - $1,699	$0.350	$1.40
$1,700 - $1,799	$0.425	$1.70
$1,800 - $1,899	$0.500	$2.00
$1,900 - $1,999	$0.575	$2.30
$2,000 - $2,099	$0.675	$2.70
$2,100 - $2,199	$0.775	$3.10
$2,200 - $2,299	$0.875	$3.50
$2,300 - $2,399	$0.975	$3.90
$2,400 - $2,499	$1.075	$4.30
$2,500 - $2,599	$1.175	$4.70

This dividend policy is intended as a non-binding guideline which will be periodically reviewed and reassessed by the Board. The declaration and payment of future dividends remains at the discretion of the Board and will depend on the Company s financial results, cash requirements, future prospects and other factors deemed relevant by the Board.

During the period from October 1, 2011 to December 31, 2011, 2,264 shares of Newmont s equity securities registered pursuant to Section 12 of the Exchange Act of 1934, as amended, were purchased by the Company, or an affiliated purchaser.

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid Per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares that may yet be Purchased under the Plans or Programs
October 1, 2011 through October 31, 2011				N/A
November 1, 2011 through November 30, 2011				N/A
December 1, 2011 through December 31, 2011	2,264 [(1)]	$ 66		N/A

[(1)] These shares were acquired in connection with a stock swap transaction related to the exercise of stock options.

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ITEM 6. ***SELECTED FINANCIAL DATA (dollars in millions, except per share)***

	Years Ended December 31,				
	2011	**2010**	**2009**	**2008**	**2007**
Sales	$ 10,358	$ 9,540	$ 7,705	$ 6,124	$ 5,465
Income (loss) from continuing operations	$ 1,108	$ 3,144	$ 2,109	$ 1,147	$ (580)
Net income (loss)	$ 972	$ 3,116	$ 2,093	$ 1,160	$ (1,485)
Net income (loss) attributable to Newmont stockholders [(1)]	$ 366	$ 2,277	$ 1,297	$ 831	$ (1,895)
Income (loss) per common share:					
Basic:					
Continuing operations	$ 1.02	$ 4.69	$ 2.68	$ 1.80	$ (2.18)
Discontinued operations	(0.28)	(0.06)	(0.02)	0.03	(2.01)
	$ 0.74	$ 4.63	$ 2.66	$ 1.83	$ (4.19)
Diluted:					
Continuing operations	$ 1.00	$ 4.61	$ 2.68	$ 1.80	$ (2.18)
Discontinued operations	(0.27)	(0.06)	(0.02)	0.03	(2.01)
	$ 0.73	$ 4.55	$ 2.66	$ 1.83	$ (4.19)
Dividends declared per common share	$ 1.00	$ 0.50	$ 0.40	$ 0.40	$ 0.40

	At December 31,				
	2011	**2010**	**2009**	**2008**	**2007**
Total assets	$ 27,474	$ 25,663	$ 22,299	$ 15,727	$ 15,474
Debt, including current portion	$ 4,313	$ 4,441	$ 4,809	$ 3,237	$ 2,597
Newmont stockholders equity	$ 12,896	$ 13,345	$ 10,703	$ 7,291	$ 7,759

(1) Net income (loss) attributable to Newmont stockholders includes income (loss) from discontinued operations of $(136), $(28), $(11), $15 and $(907) net of tax in 2011, 2010, 2009, 2008 and 2007, respectively.

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ITEM 7. *MANAGEMENT S DISCUSSION AND ANALYSIS OF CONSOLIDATED FINANCIAL CONDITION AND RESULTS OF OPERATIONS (dollars in millions, except per share, per ounce and per pound amounts)*

The following discussion provides information that management believes is relevant to an assessment and understanding of the consolidated financial condition and results of operations of Newmont Mining Corporation and its subsidiaries (collectively, Newmont, the Company, our and we). We use certain non-GAAP financial performance measures in our MD&A. For a detailed description of each of the non-GAAP measures used in this MD&A, please see the discussion under Non-GAAP Financial Performance Measures beginning on page 83. References to A$ refer to Australian currency, C$ to Canadian currency, NZ$ to New Zealand currency, IDR to Indonesian currency and $ to United States currency.

This discussion addresses matters we consider important for an understanding of our consolidated financial condition and results of operations at and for the three years ended December 31, 2011, as well as forward looking information. It consists of the following subsections:

- *Overview*, which provides a brief summary of our consolidated results and financial position and the primary factors affecting those results, as well as a summary of our expectations for 2012;
- *Accounting Developments*, which provides a discussion of recent changes to our accounting policies that have affected, or recently issued pronouncements that could have a material impact on, our consolidated results and financial position;
- *Critical Accounting Policies*, which provides an analysis of the accounting policies we consider critical because of their effect on the reported amounts of assets, liabilities, income and/or expenses in our consolidated financial statements and/or because they require difficult, subjective or complex judgments by our management;
- *Consolidated Financial Results*, which includes a discussion of our consolidated financial results for the last three years;
- *Results of Consolidated Operations*, which provides an analysis of the regional operating results for the last three years;
- *Liquidity and Capital Resources*, which contains a discussion of our cash flows and liquidity, investing activities and financing activities, contractual obligations and off-balance sheet arrangements; and
- *Non-GAAP Financial Measures*, which includes descriptions of the various non-GAAP financial performance measures used by management, the reasons for their usage and a tabular reconciliation of these measures to the closest equivalent generally accepted accounting principle (GAAP) measure.

This item should be read in conjunction with our consolidated financial statements and the notes thereto included in this annual report.

Overview

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

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Our vision is to be the most valued and respected mining company through industry leading performance. In 2011, we successfully executed on the key benchmarks that we set out at the beginning of the year.

Delivering strong operating performance.

- Record *Cash flow from continuing operations* of $3,591, an increase of 13% over 2010;
- Gold operating margin (see Non-GAAP Financial Measures on page 83) of $971 per ounce in 2011, an increase of 32% over 2010 compared to an increase of 28% in the average realized gold price for the same period;
- Record *Sales* of $10,358, an increase of 9% over 2010;
- Consolidated gold production of approximately 5.9 million ounces (5.2 million ounces attributable to Newmont) at *Costs applicable to sales* of $591 per ounce;
- Consolidated copper production of approximately 352 million pounds (206 million pounds attributable to Newmont) at *Costs applicable to sales* of $1.26 per pound;
- *Net income attributable to Newmont stockholders* of $0.74 per share, Adjusted net income (see Non-GAAP Financial Measures on page 83) of $4.39 per share; and
- Net increase of 5.3 million ounces of gold reserves, after depletion, to a record 98.8 million ounces at December 31, 2011.

Advancing our project pipeline.

Our current plans reflect the intended development of assets within our global development portfolio to increase annual attributable gold production to approximately 7 million ounces by 2017. This production target represents a potential increase of approximately 35% in anticipated 2017 annual production from the Company s 2011 attributable gold production of 5.2 million ounces. We also manage our wider project portfolio to maintain flexibility to address the development risks associated with our projects, including permitting, local community and government support, engineering and procurement availability, technical issues, escalating costs and other associated risks that could adversely impact the timing and costs of certain opportunities.

Our development opportunities that have advanced to full funding approval during 2011, and comprise a significant part of the Company s growth strategy, include Akyem in Ghana, Conga in Peru and the Tanami Shaft in Australia, as described further below.

Akyem, Ghana. Since full funding approval by the Board of Directors (the Board) in March 2011, the project has continued to advance with award of the main civil and mechanical construction contracts, commencement of bulk earthworks, major civil work and underground utilities. First structural concrete was placed in August 2011 and the establishment of the first set of households at the resettlement villages took place in October 2011. First production is expected in late 2013 to early 2014 with approximately three to six months expected for ramp-up to commercial production. Gold production is expected to be approximately 350,000 to 450,000 ounces per year at *Costs applicable to sales* of $450 to $550 per ounce for the first five years of the mine s operating life of approximately 16 years (based on current gold reserves). Capital costs are estimated at $850 to $1,100, of which approximately $450 have been incurred at December 31, 2011. At December 31, 2011, we reported 7.4 million ounces of gold reserves at Akyem.

Conga, Peru. Following the full funding approval by the Board in July 2011, the project progressed infrastructure works, earthworks construction, drilling, detailed engineering and procurement of equipment and materials. Construction activities on the Conga project were suspended on November 30, 2011, at the request of Peru s central government following increasing protests in Cajamarca by anti-mining activists led by the regional president. At the request of the Peruvian central

government, the environmental impact assessment prepared in connection with the project, which was previously approved by the central government in October 2010, will be reviewed by independent experts in an effort to resolve allegations around the environmental viability of Conga. Construction will remain suspended for the duration of the review; however, progress continues on engineering and procurement work. Should we be unable to continue with the current development plan at Conga, we may reprioritize and reallocate capital to development alternatives in Nevada, Australia, Ghana and Indonesia. If the project proceeds, gold production is expected to be approximately 300,000 to 350,000 attributable ounces per year during the first five years of production at average *Costs applicable to sales* of $400 to $450 per ounce. Copper production is expected to be approximately 80 to 120 million pounds per year during the first five years of production at average *Costs applicable to sales* of $1.25 to $1.75 per pound. The project has an anticipated mine life of approximately 19 years, with additional district exploration potential. Capital costs are estimated at $4,000 to $4,800 ($2,000 to $2,400 attributable to Newmont) of which approximately $1,000 have been incurred at December 31, 2011. At December 31, 2011 we reported 6.5 million attributable ounces of gold reserves and 1,690 million attributable pounds of copper reserves at Conga. See Risk Factor Our operations at Yanacocha and the development of our Conga Project in Peru are subject to political and social unrest risks, which have resulted most recently in the suspension of construction activities in our Conga project for a description of political risks related to the project s development.

Tanami Shaft, Australia. Following the full funding approval by the Board in July 2011, development efforts have progressed. The project will support underground expansion at the Callie and Auron ore bodies, reduce cut-off grade, enhance productivity and facilitate possible additional mine expansion. The project is expected to add gold production of approximately 60,000 to 90,000 ounces per year during the first five years of production while lowering *Costs applicable to sales* for the first five years by approximately $100 per ounce. First production is expected in 2015. Capital costs are expected to be approximately $400 to $450, of which approximately $30 have been incurred at December 31, 2011.

In addition to these projects receiving full funding decisions in 2011, as described above, we advanced approximately 20 earlier stage development assets through our project pipeline in our four operating regions. The exploration, construction and operation of these earlier stage development assets will require significant funding when they go into execution. Two of these projects are described further below:

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

Long Canyon, Nevada. Since completing the acquisition of Fronteer Gold Inc. (Fronteer) in April 2011, the project entered into the pre-feasibility stage as we further develop our understanding of what we expect could be another Carlin-type trend at Long Canyon. We have received an expanded exploration area permit allowing access to project targets. We continue to make progress on the drilling program. A total of 72 kilometers of drilling was completed in 2011 and we anticipate an additional 65 kilometers to be drilled in 2012. Our intention is to bring the project into production in 2017 with initial estimated gold production of approximately 200,000 to 300,000 ounces per year.

Hope Bay, Canada. On January 31, 2012, we announced that our Hope Bay project was placed on care and maintenance following our evaluation of development options and economic feasibility for the project compared with other project and development opportunities within our wider project pipeline. The Hope Bay project is not included as part of our 2017 strategic growth plan or capital

expenditure outlook for 2012. At December 31, 2011, we recorded an impairment of $2,097 related to Hope Bay.

Gold Price-Linked Dividend

In April 2011, the Company introduced the first gold price-linked dividend policy, followed by the announcement of an enhanced gold price-linked dividend policy in September 2011, under which the Company s annual dividend has the potential to increase to $4.70 per share if the Company s average realized gold price exceeds $2,500 per ounce. Under the policy, unless otherwise determined by the Board, the dividend will be calculated based upon our average realized gold price during the preceding quarter in the manner highlighted in the table below:

Average Realized Gold Price	Quarterly Dividend	Annualized Dividend
$1,100 - $1,199	$0.100	$0.40
$1,200 - $1,299	$0.150	$0.60
$1,300 - $1,399	$0.200	$0.80
$1,400 - $1,499	$0.250	$1.00
$1,500 - $1,599	$0.300	$1.20
$1,600 - $1,699	$0.350	$1.40
$1,700 - $1,799	$0.425	$1.70
$1,800 - $1,899	$0.500	$2.00
$1,900 - $1,999	$0.575	$2.30
$2,000 - $2,099	$0.675	$2.70
$2,100 - $2,199	$0.775	$3.10
$2,200 - $2,299	$0.875	$3.50
$2,300 - $2,399	$0.975	$3.90
$2,400 - $2,499	$1.075	$4.30
$2,500 - $2,599	$1.175	$4.70

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

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Summary of Consolidated Financial and Operating Performance

	Years Ended December 31,		
	2011	**2010**	**2009**
Sales	$ 10,358	$ 9,540	$ 7,705
Income from continuing operations	$ 1,108	$ 3,144	$ 2,109
Net income	$ 972	$ 3,116	$ 2,093
Net income attributable to Newmont stockholders	$ 366	$ 2,277	$ 1,297
Per common share, basic			
Income from continuing operations	$ 1.02	$ 4.69	$ 2.68
Net income	$ 0.74	$ 4.63	$ 2.66
Adjusted net income(1)	$ 2,170	$ 1,893	$ 1,359
Adjusted net income per share(1)	$ 4.39	$ 3.85	$ 2.79
Gold ounces produced (thousands)			
Consolidated	5,897	6,451	6,521
Attributable to Newmont(2)	5,185	5,392	5,237
Copper pounds produced (millions)			
Consolidated	352	600	504
Attributable to Newmont	206	327	227
Gold ounces sold (thousands)			
Consolidated	5,820	6,296	6,534
Attributable to Newmont	5,104	5,274	5,217
Copper pounds sold (millions)			
Consolidated	356	539	507
Attributable to Newmont	203	292	226
Average price realized, net			
Gold (per ounce)	$ 1,562	$ 1,222	$ 977
Copper (per pound)	$ 3.54	$ 3.43	$ 2.60
Costs applicable to sales(3)			
Gold (per ounce)	$ 591	$ 485	$ 411
Copper (per pound)	$ 1.26	$ 0.80	$ 0.64
Operating margin(1)			
Gold (per ounce)	$ 971	$ 737	$ 566
Copper (per pound)	$ 2.28	$ 2.63	$ 1.96

(1) See Non-GAAP Financial Measures on page 83.

(2) Includes 64 and 21 thousand ounces in 2011 and 2010, respectively, from our non-consolidated interest in La Zanja and 17 and 5 thousand ounces in 2011 and 2010, respectively, from our non-consolidated interest in Duketon and 32 thousand ounces from discontinued operations at Kori Kollo, Bolivia in 2009.

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

Consolidated Financial Performance

Sales increased 9% in 2011 compared to 2010 due to higher average realized gold and copper prices, partially offset by fewer consolidated gold ounces and copper pounds sold. The average realized gold price increased 28% to $1,562 per ounce in 2011 from $1,222 per ounce in 2010. The average realized copper price, including $92 unfavorable mark to market adjustments on provisionally priced copper sales, increased 3% to

$3.54 per pound in 2011 compared to $3.43 per pound in 2010. Gold ounces sold decreased in 2011 compared to 2010 due to lower production in Asia Pacific,

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primarily Batu Hijau, and South America, partially offset by higher production in North America. Copper pounds sold decreased in 2011 compared to 2010 due to lower production at Batu Hijau, partially offset by higher production at Boddington. *Costs applicable to sales* increased 12% in 2011 compared to 2010 due to higher waste mining activities, higher milling and royalty costs, higher diesel prices and a stronger Australian dollar.

Liquidity

Our financial position was as follows:

	At December 31,	
	2011	**2010**
Debt	$ 4,313	$ 4,441
Newmont stockholders equity	$ 12,896	$ 13,345
Cash and cash equivalents	$ 1,760	$ 4,056
Investments	$ 1,566	$ 1,681

During 2011, our debt and liquidity positions were affected by the following:

- Net cash provided from continuing operations of $3,591;
- Capital expenditures of $2,787;
- Acquisition of Fronteer for $2,257;
- Income and mining taxes paid of $1,526;
- Debt payments of $262, net;
- Dividends paid to common shareholders of $494; and
- Dividends paid to noncontrolling interests of $117.

Looking Forward

We will continue to focus on operational and project excellence in 2012 to deliver on our plans and continue the advancement of our project pipeline, resulting in the following expectations for 2012:

- Attributable gold production of approximately 5.0 to 5.2 million ounces, primarily due to lower production at Batu Hijau as it continues with Phase 6 stripping, partially offset by higher production at Nevada and Ahafo;

Costs applicable to sales per consolidated gold ounce sold of $625 to $675 due to lower production at Batu Hijau combined with higher expected costs for energy, labor and contracted services;

Attributable copper production of approximately 150 to 170 million pounds, primarily due to the continuation of Phase 6 stripping at Batu Hijau, at *Costs applicable to sales* per consolidated copper pound sold of approximately $1.80 to $2.20 due to lower production at Batu Hijau;

Consolidated capital expenditures of approximately $4,000 to $4,300 in 2012, with approximately 60% to be spent on major project initiatives, including further development of Akyem in Ghana, the Tanami shaft in Australia and potentially Conga in Peru. The remaining 40% is expected to be spent on sustaining and maintenance capital;

Exploration expense of approximately $400 to $430 focused primarily on Ahafo in Africa, Long Canyon in Nevada, Tanami in Australia and other projects in all regions; and

Advanced projects, research and development expense of approximately $475 to $525 focused primarily on Merian in Suriname, Midas, Long Canyon and Vista Vein in Nevada, Chaquicocha underground in Peru, Elang in Indonesia and Ahafo mill expansion in Africa.

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Certain key factors will affect our future financial and operating results. These include, but are not limited to, the following:

- Our 2012 expectations, particularly with respect to production volumes and *Costs applicable to sales* per ounce or pound, may differ significantly from actual quarter and full year results due to variations in mine planning and sequencing, ore grades and hardness, metal recoveries, waste removal, commodity input prices and foreign currency exchange rates; and

- Future investments in the Akyem project in Ghana, the Conga project in Peru, the Long Canyon project in Nevada, the Merian project in Suriname and the Tanami shaft in Australia will require significant funding. Our operating cash flow may become insufficient 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 and our operational performance, among other factors. 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 and pay dividends could be significantly constrained.

- In 2011, we entered into forward starting swap contracts with a total notional amount of $2,000. These contracts hedge movements in treasury rates related to an expected debt issuance in the first half of 2012. At December 31, 2011, the hedge contracts were in a liability position of $399. The proceeds from the expected debt issuance will be adjusted by the fair value of the swap contracts at the time of issuance. If the anticipated debt issuance does not proceed, we will be required to cash settle the swap contracts with the full amount of the payment charged against earnings.

- In 2011, the Company expressed the intent to exercise the early purchase option on the refractory ore treatment plant capital lease related to Mill 6 in Nevada. As a result, we anticipate aggregate principal payments of approximately $165 in 2012.

Accounting Developments

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

Critical Accounting Policies

Listed below are the accounting policies that we believe are critical to our financial statements due to the degree of uncertainty regarding the estimates or assumptions involved and the magnitude of the asset, liability, revenue or expense being reported.

Amortization

Expenditures for new facilities or equipment and expenditures that extend the useful lives of existing facilities or equipment are capitalized and amortized using the straight-line method at rates sufficient to amortize such costs over the estimated future lives of such facilities or equipment and their components. These lives do not exceed the estimated mine life based on proven and probable reserves as the useful lives of these assets are considered to be limited to the life of the relevant mine.

Costs incurred to develop new properties are capitalized as incurred where it has been determined that the property can be economically developed based on the existence of proven and probable reserves. At our surface mines, these costs include costs to further delineate the ore body and remove overburden to initially expose the ore body. At our underground mines, these costs include the cost of building access ways, shaft sinking and access, lateral development, drift development, ramps and

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infrastructure development. All such costs are amortized using the units-of-production (UOP) method over the estimated life of the ore body based on estimated recoverable ounces to be produced from proven and probable reserves.

Major development costs incurred after the commencement of production are amortized using the UOP method based on estimated recoverable ounces to be produced from proven and probable reserves. To the extent that such costs benefit the entire ore body, they are amortized over the estimated recoverable ounces or pounds in proven and probable reserves of the entire ore body. Costs incurred to access specific ore blocks or areas that only provide benefit over the life of that block or area are amortized over the estimated recoverable ounces or pounds in proven and probable reserves of that specific ore block or area.

The calculation of the UOP rate of amortization, and therefore the annual amortization charge to operations, could be materially impacted to the extent that actual production in the future is different from current forecasts of production based on proven and probable reserves. This would generally occur to the extent that there were significant changes in any of the factors or assumptions used in determining reserves. These changes could include: (i) an expansion of proven and probable reserves through exploration activities; (ii) differences between estimated and actual costs of production, due to differences in grade, metal recovery rates and foreign currency exchange rates; and (iii) differences between actual commodity prices and commodity price assumptions used in the estimation of reserves. If reserves decreased significantly, amortization charged to operations would increase; conversely, if reserves increased significantly, amortization charged to operations would decrease. Such changes in reserves could similarly impact the useful lives of assets depreciated on a straight-line basis, where those lives are limited to the life of the mine, which in turn is limited to the life of the proven and probable reserves.

The expected useful lives used in amortization calculations are determined based on applicable facts and circumstances, as described above. Significant judgment is involved in the determination of useful lives, and no assurance can be given that actual useful lives will not differ significantly from the useful lives assumed for the purpose of amortization calculations.

Carrying Value of Stockpiles

Stockpiles represent ore that has been extracted from the mine and is available for further processing. Mine sequencing may result in mining material at a faster rate than can be processed. We generally process the highest ore grade material first to maximize metal production; however, a blend of stockpiled material may be processed to balance hardness and/or metallurgy in order to maximize throughput and recovery. Processing of lower grade stockpiled ore may continue after mining operations are completed. Sulfide ore stockpiles are subject to oxidation over time which can reduce expected future recoveries. Stockpiles are measured by estimating the number of tons added and removed from the stockpile, the number of contained ounces or pounds (based on assay data), and the estimated metallurgical recovery rates (based on the expected processing method). Stockpile ore tonnages are verified by periodic surveys. Costs are added to stockpiles based on current mining costs incurred up to the point of stockpiling the ore, including applicable overhead and amortization relating to mining operations. Costs are removed at each stockpile s average cost per recoverable ounce of gold or pound of copper as material is processed. At December 31, 2011 and 2010, stockpiles had a total carrying value of $2,410 and $1,786, respectively.

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The following is a summary of our ore stockpiles:

	At December 31,		At December 31,	
	2011	2010	2011	2010
	($ in millions)		($ per ounce)	
Gold				
Nevada	$ 414	$ 324	$ 152	$ 175
Yanacocha	108	69	166	167
Boddington	345	192	467	348
Other Australia/New Zealand	161	145	338	308
Batu Hijau	185	142	287	172
Ahafo	173	121	314	307
Total/Weighted Average	$ 1,386	$ 993	$ 239	$ 220

	At December 31,		At December 31,	
	2011	2010	2011	2010
	($ in millions)		($ per pound)	
Copper				
Boddington	$ 90	$ 56	$ 1.09	$ 0.95
Batu Hijau	934	737	0.67	0.47
Total/Weighted Average	$ 1,024	$ 793	$ 0.69	$ 0.49

We record stockpiles at the lower of average cost or net realizable value (NRV), and carrying values are evaluated at least quarterly. NRV represents the estimated future sales price based on short-term and long-term metals prices, less estimated costs to complete production and bring the product to sale. The primary factors that influence the need to record write-downs of stockpiles include short-term and long-term metals prices and costs for production inputs such as labor, fuel and energy, materials and supplies, as well as realized ore grades and recovery rates. The significant assumptions in determining the stockpile NRV for each mine site reporting unit at December 31, 2011 included production cost and capitalized expenditure assumptions unique to each operation, a long-term gold price of $1,500 per ounce, a long-term copper price of $3.50 per pound and a U.S. to Australian dollar exchange rate of $1.00 per A$1.00. If short-term and long-term metals prices decrease, the value of the stockpiles decrease, and it may be necessary to record a write-down of stockpiles to NRV.

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

Carrying Value of Ore on Leach Pads

Ore on leach pads represent ore that has been mined and placed on leach pads where a weak cyanide solution is applied to the surface of the heap to dissolve the gold. Costs are added to ore on leach pads based on current mining costs, including applicable amortization relating to mining operations. Costs are removed from ore on leach pads as ounces are recovered based on the average cost per estimated recoverable ounce of gold on the leach pad.

Estimates of recoverable gold on the leach pads are calculated from the quantities of ore placed on the leach pads (measured tons added to the leach pads), the grade of ore placed on the leach pads

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(based on assay data) and a recovery percentage (based on ore type). In general, leach pads recover between 50% and 95% of the recoverable ounces in the first year of leaching, declining each year thereafter until the leaching process is complete.

Although the quantities of recoverable gold placed on the leach pads are reconciled by comparing the grades of ore placed on pads to the quantities of gold actually recovered (metallurgical balancing), the nature of the leaching process inherently limits the ability to precisely monitor inventory levels. As a result, the metallurgical balancing process is constantly monitored and estimates are refined based on actual results over time. Historically, our operating results have not been materially impacted by variations between the estimated and actual recoverable quantities of gold on our leach pads. Variations between actual and estimated quantities resulting from changes in assumptions and estimates that do not result in write-downs to NRV are accounted for on a prospective basis. The significant assumptions in determining the NRV for each mine site reporting unit at December 31, 2011 apart from production cost and capitalized expenditure assumptions unique to each operation included a long-term gold price of $1,500 per ounce. If short-term and long-term gold prices decrease, the value of the ore on leach pads decrease, and it may be necessary to record a write-down of ore on leach pads to NRV. At December 31, 2011 and 2010, leach pads had a total carrying value of $532 and $588, respectively.

The following is a summary of our ore on leach pads:

	At December 31, ($ in millions)		At December 31, ($ per ounce)	
	2011	2010	2011	2010
Gold				
Nevada	$ 122	$ 155	$ 389	$ 431
La Herradura	6	6	535	526
Yanacocha	404	427	730	558
Total/Weighted Average	$ 532	$ 588	$ 606	$ 517

Carrying Value of Long-Lived Assets

We review and evaluate our long-lived assets for impairment when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. Asset impairment is considered to exist if the total estimated future cash flows on an undiscounted basis are less than the carrying amount of the asset, including goodwill, if any. An impairment loss is measured and recorded based on discounted estimated future cash flows. Future cash flows are estimated based on estimated quantities of recoverable minerals, expected gold and other commodity prices (considering current and historical prices, trends and related factors), production levels, operating costs, capital requirements and reclamation costs, all based on life-of-mine plans. The significant assumptions in determining the future cash flows for each mine site reporting unit at December 31, 2011 apart from production cost and capitalized expenditure assumptions unique to each operation, included a long-term gold price of $1,500 per ounce, a long-term copper price of $3.50 per pound and U.S. to Australian dollar exchange rate of $1.00 per A$1.00. During 2011, 2010 and 2009, we recorded impairments of $2,084, $6, and $7, respectively, to reduce the carrying value of property, plant and mine development as part of *Write-down of property, plant and mine development.*

Existing proven and probable reserves and value beyond proven and probable reserves, including mineralization other than proven and probable reserves are included when determining the fair value of mine site reporting units at acquisition and, subsequently, in determining whether the assets are impaired. The term recoverable minerals refers to the estimated amount of gold or other commodities that will be obtained after taking into account losses during ore processing and treatment. Estimates of

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recoverable minerals from such exploration stage mineral interests are risk adjusted based on management s relative confidence in such materials. In estimating future cash flows, assets are grouped at the lowest level for which there are identifiable cash flows that are largely independent of future cash flows from other asset groups.

As discussed above under Amortization, various factors could impact our ability to achieve our forecasted production schedules from proven and probable reserves. Additionally, production, capital and reclamation costs could differ from the assumptions used in the cash flow models used to assess impairment. The ability to achieve the estimated quantities of recoverable minerals from exploration stage mineral interests involves further risks in addition to those factors applicable to mineral interests where proven and probable reserves have been identified, due to the lower level of confidence that the identified mineralized material could ultimately be mined economically. Assets classified as exploration potential have the highest level of risk that the carrying value of the asset can be ultimately realized, due to the still lower level of geological confidence and economic modeling.

Derivative Instruments

With the exception of the Call Spread Transactions (as described in Note 14 to the Consolidated Financial Statements), all financial instruments that meet the definition of a derivative are recorded on the balance sheet at fair value. Changes in the fair value of derivatives are recorded in the statements of consolidated income, except for the effective portion of the change in fair value of derivatives that are designated as cash flow hedges. Management applies judgment in estimating the fair value of instruments that are highly sensitive to assumptions regarding commodity prices, market volatilities, foreign currency exchange rates and interest rates. Variations in these factors could materially affect amounts credited or charged to earnings to reflect the changes in fair value of derivatives. Certain derivative contracts are accounted for as cash flow hedges, whereby the effective portion of changes in fair value of these instruments are deferred in *Accumulated other comprehensive income* and will be recognized in the statements of consolidated income when the underlying transaction designated as the hedged item impacts earnings. The derivative contracts accounted for as cash flow hedges are designated against foreign currency expenditures, diesel purchases, or future debt interest payments where management believes the forecasted transaction is probable of occurring. To the extent that management determines that the forecasted transactions are no longer probable of occurring, gains and losses deferred in *Accumulated other comprehensive income* would be reclassified to the statements of consolidated income immediately.

Reclamation and Remediation Obligations

Reclamation costs are allocated to expense over the life of the related assets and are periodically adjusted to reflect changes in the estimated present value resulting from the passage of time and revisions to the estimates of either the timing or amount of the reclamation and remediation costs. Reclamation obligations are based on when the spending for an existing environmental disturbance will occur. We review, on at least an annual basis, the reclamation obligation at each mine.

Reclamation obligations for inactive mines are accrued based on management s best estimate of the costs expected to be incurred at a site. Such cost estimates include, where applicable, ongoing care, maintenance and monitoring costs. Changes in estimates at inactive mines are reflected in earnings in the period an estimate is revised.

Accounting for reclamation and remediation obligations requires management to make estimates unique to each mining operation of the future costs we will incur to complete the reclamation and remediation work required to comply with existing laws and regulations. Actual costs incurred in future periods could differ from amounts estimated. Additionally, future changes to environmental laws and

regulations could increase the extent of reclamation and remediation work required. Any such increases in future costs could materially impact the amounts charged to earnings for reclamation and remediation.

Income and Mining Taxes

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. 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 and the application of existing tax laws in each jurisdiction. Refer above to Carrying Value of Long-Lived Assets for a discussion of the factors that could cause future cash flows to differ from estimates. To the extent that future cash flows and taxable income differ significantly from estimates, our ability to realize deferred tax assets recorded at the balance sheet date could be impacted. Additionally, future changes in tax laws in the jurisdictions in which we operate could limit our ability to obtain the future tax benefits represented by our deferred tax assets recorded at the reporting date.

Our operations involve dealing with uncertainties and judgments in the application of complex tax regulations in multiple jurisdictions. The final taxes paid are dependent upon many factors, including negotiations with taxing authorities in various jurisdictions and resolution of disputes arising from federal, state, and international tax audits. We recognize potential liabilities and record tax liabilities for anticipated tax audit issues in the U.S. and other tax jurisdictions based on our estimate of whether, and the extent to which, additional taxes will be due. We adjust these reserves in light of changing facts and circumstances; however, due to the complexity of some of these uncertainties, the ultimate resolution may result in a payment that is materially different from our current estimate of the tax liabilities. If our estimate of tax liabilities proves to be less than the ultimate assessment, an additional charge to expense would result. If an estimate of tax liabilities proves to be greater than the ultimate assessment, a tax benefit would result. We recognize interest and penalties, if any, related to unrecognized tax benefits in *Income and mining tax expense*.

Consolidated Financial Results

Gold *Sales* increased $1,404 in 2011 compared to 2010 due to a $340 per ounce increase in the average realized price after treatment and refining charges, partially offset by 476,000 fewer ounces sold. Gold *Sales* increased $1,306 in 2010 compared to 2009 due to a $245 per ounce increase in the average realized price after treatment and refining charges, partially offset by 238,000 fewer ounces sold. For a complete discussion regarding variations in gold volumes, see *Results of Consolidated Operations* below.

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The following analysis summarizes the changes in consolidated gold sales:

	Years Ended December 31,		
	2011	2010	2009
Consolidated gold sales:			
Gross before provisional pricing	$ 9,128	$ 7,706	$ 6,397
Provisional pricing mark-to-market	31	41	15
Gross after provisional pricing	9,159	7,747	6,412
Treatment and refining charges	(63)	(55)	(26)
Net	$ 9,096	$ 7,692	$ 6,386
Consolidated gold ounces sold (thousands)	5,820	6,296	6,534
Average realized gold price (per ounce):			
Gross before provisional pricing	$ 1,568	$ 1,224	$ 979
Provisional pricing mark-to-market	5	7	2
Gross after provisional pricing	1,573	1,231	981
Treatment and refining charges	(11)	(9)	(4)
Net	$ 1,562	$ 1,222	$ 977

The change in consolidated gold sales is due to:

	2011 vs. 2010	2010 vs. 2009
Change in consolidated ounces sold	$ (585)	$ (234)
Change in average realized gold price	1,997	1,569
Change in treatment and refining charges	(8)	(29)
	$ 1,404	$ 1,306

Copper *Sales* decreased $586 in 2011 compared to 2010 due to 183 million fewer pounds sold, partially offset by an $0.11 per pound increase in the average realized price after treatment and refining charges. Copper *Sales* increased $529 in 2010 compared to 2009 due to 32 million additional pounds sold and a $0.83 per pound increase in the average realized price after treatment and refining charges. For a complete discussion regarding variations in copper volumes, see *Results of Consolidated Operations* below.

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The following analysis reflects the changes in consolidated copper sales:

	Years Ended December 31,		
	2011	2010	2009
Consolidated copper sales:			
Gross before provisional pricing	$ 1,434	$ 1,842	$ 1,283
Provisional pricing mark-to-market	(92)	120	173
Gross after provisional pricing	1,342	1,962	1,456
Treatment and refining charges	(80)	(114)	(137)
Net	$ 1,262	$ 1,848	$ 1,319
Consolidated copper pounds sold (millions)	356	539	507
Average realized copper price (per pound):			
Gross before provisional pricing	$ 4.02	$ 3.42	$ 2.53
Provisional pricing mark-to-market	(0.26)	0.22	0.33
Gross after provisional pricing	3.76	3.64	2.86
Treatment and refining charges	(0.22)	(0.21)	(0.26)
Net	$ 3.54	$ 3.43	$ 2.60

The change in consolidated copper sales is due to:

	2011 vs. 2010	2010 vs. 2009
Change in consolidated pounds sold	$ (665)	$ 88
Change in average realized copper price	45	418
Change in treatment and refining charges	34	23
	$ (586)	$ 529

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

	Years Ended December 31,		
	2011	**2010**	**2009**
Gold			
North America:			
Nevada	$ 2,700	$ 2,111	$ 1,943
La Herradura	331	217	113
	3,031	2,328	2,056
South America:			
Yanacocha	2,003	1,778	2,013
Asia Pacific:			
Boddington	1,056	834	101
Batu Hijau	524	776	550
Kalgoorlie	589	463	329
Jundee	529	416	413
Tanami	346	311	280
Waihi	149	131	116
	3,193	2,931	1,789
Africa:			
Ahafo	869	655	528
	9,096	7,692	6,386
Copper			
Asia Pacific:			
Batu Hijau	1,052	1,686	1,292
Boddington	210	162	27
	1,262	1,848	1,319
	$ 10,358	$ 9,540	$ 7,705

Costs applicable to sales for gold increased in 2011 compared to 2010 due to higher mining and milling costs, higher royalties and allocation of costs to gold from a higher gold price, partially offset by lower sales volumes, higher silver and copper by-product credits and a buildup of stockpiles. The increase in 2010 compared to 2009 was due to a full year of Boddington production and higher mining and milling costs, partially offset by lower sales volumes, higher silver by-product credits and a build-up of inventories and stockpiles. *Costs applicable to sales* for copper increased in 2011 from 2010 due to higher waste mining at Batu Hijau and milling costs at Boddington, partially offset by a higher allocation of costs to gold. The increase in 2010 from 2009 was due to higher production and waste mining costs at Batu Hijau and a full year of Boddington production. For a complete discussion regarding variations in operations, see *Results of Consolidated Operations* below.

Amortization expense increased in 2011 from 2010 due to additional investments in mine development and equipment and higher asset retirement costs. *Amortization* expense increased in 2010 from 2009 due to a full year of Boddington production, additional equipment purchases and higher capitalized mine development. *Amortization* expense fluctuates as capital expenditures increase or decrease and as production levels increase or decrease due to the use of the units-of-production

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amortization method for mineral interests and mine development. For a complete discussion, see *Results of Consolidated Operations*, below. We expect *Amortization* expense to be approximately $1,050 to $1,080 in 2012.

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

	Costs Applicable to Sales Years Ended December 31,			Amortization Years Ended December 31,		
	2011	2010	2009	2011	2010	2009
Gold						
North America:						
Nevada	$ 1,039	$ 974	$ 1,019	$ 277	$ 271	$ 261
La Herradura	110	73	42	20	19	11
	1,149	1,047	1,061	297	290	272
South America:						
Yanacocha	711	630	642	234	162	168
Asia Pacific:						
Boddington	470	400	45	122	113	15
Batu Hijau	164	155	118	35	42	30
Kalgoorlie	235	211	210	17	15	15
Jundee	140	132	136	56	33	49
Tanami	205	173	174	40	43	47
Waihi	101	69	57	22	17	25
	1,315	1,140	740	292	263	181
Africa:						
Ahafo	265	237	242	76	78	68
	3,440	3,054	2,685	899	793	689
Copper						
Asia Pacific:						
Batu Hijau	332	337	307	71	90	78
Boddington	118	93	16	28	25	4
	450	430	323	99	115	82
Other						
Hope Bay				14	13	12
Asia Pacific				3	2	3
Corporate and other				21	22	20
				38	37	35
	$ 3,890	$ 3,484	$ 3,008	$ 1,036	$ 945	$ 806

Exploration expense increased to $350 in 2011 from $218 in 2010 due to additional near mine expenditures in all regions, with the largest increases at Nevada, Yanacocha, Ahafo, Jundee and Tanami and increased regional expenditures at Long Canyon and Hope Bay. *Exploration* expense increased in 2010 from $187 in 2009 due to additional near mine expenditures in all regions, with the

largest increase in Nevada at Leeville/Turf and Midas. We expect *Exploration* expense to increase to

approximately $400 to $430 in 2012, focused primarily on Long Canyon in Nevada, Tanami in Australia and other projects in all other regions.

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During 2011, we added 11.6 million ounces to proven and probable reserves, with 6.3 million ounces of depletion. Reserve additions were primarily due to conversion of mineralized material at Ahafo (2.7 million ounces), Carlin open pit, (2.3 million ounces), Phoenix (1.5 million ounces), Carlin underground (1.2 million ounces), Kalgoorlie (1.0 million ounces) and Tanami (0.7 million ounces) with the remaining additions coming from open pit and underground sources in all regions (2.2 million ounces). The estimated impact of the change in gold price assumption on these reserve additions was an increase of 3.3 million ounces.

During 2010, we added 8.2 million ounces to proven and probable reserves, with 6.5 million ounces of depletion. Reserve additions were primarily due to conversion of mineralized material at Leeville (1.8 million ounces), Ahafo (1.5 million ounces), Twin Creeks (1.4 million ounces), Phoenix (0.8 million ounces), La Herradura (0.7 million ounces) and Tanami (0.7 million ounces) with most of the remaining additions coming from open pit and underground sources in the United States, Australia and South America (1.8 million ounces). Gold reserves were revised down by 0.5 million ounces at Akyem in Ghana, primarily due to new mining assumptions and higher cutoff grades. The estimated impact of the change in gold price assumption on these reserve additions was an increase of 1.7 million ounces.

During 2009, we added 6.4 million ounces to proven and probable reserves, with 6.8 million ounces of depletion. Reserve additions were primarily due to conversion of mineralized material at Gold Quarry (2.9 million ounces), Boddington (1.3 million ounces), Tanami (0.5 million ounces) and Ahafo (0.5 million ounces) with most of the remaining additions coming from open pit and underground sources in Australia and South America (0.6 million ounces). Gold reserves were revised down by 0.3 million ounces at Phoenix in Nevada, primarily due to metallurgy, geology and modeling impacts. The estimated impact of the change in gold price assumption on these reserve additions was an increase of 1.7 million ounces.

Advanced projects, research and development expense includes development project management costs, feasibility studies and certain drilling costs. *Advanced projects, research and development* expense increased 73% in 2011 compared to 2010 due to increased spending to accelerate internal growth opportunities across our portfolio. Projects in North America include Hope Bay in Canada, the Nevada portfolio project including Long Canyon, Vista Vein and the Phoenix copper leach. Projects in South America include the Conga and Chaquicocha projects in Peru and the Merian gold project in Suriname. Projects in Asia Pacific include Elang in Indonesia. Projects in Africa include the Akyem gold project in Ghana and Subika expansion at Ahafo in Ghana. We expect *Advanced projects, research and development* expense to be approximately $475 to $525 in 2012 focused primarily on Merian in Suriname, Midas, Long Canyon and Vista Vein in Nevada, Chaquicocha underground in Peru, Elang in Indonesia and Ahafo mill expansion in Africa.

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	Years Ended December 31,		
	2011	2010	2009
North America			
Nevada	$ 24	$ 10	$ 14
La Herradura	2		
Hope Bay	155	74	25
South America			
Yanacocha	19	15	7
Conga	20	8	4
Other South America	13	2	2
Asia Pacific			
Boddington	5		25
Batu Hijau	6	3	
Other Australia/New Zealand	5	9	5
Africa			
Ahafo	10	11	2
Akyem	5	5	8
Corporate and Other			
Technical and project services	89	57	24
Corporate	20	22	19
	$ 373	$ 216	$ 135

General and administrative expense increased to $198 in 2011 compared to $178 in 2010 due to higher benefit and compensation costs and higher consulting fees. *General and administrative* expense increased in 2010 compared to $159 in 2009 due to higher benefit and compensation costs. *General and administrative* expense as a percentage of *Sales* was 1.9% in 2011, compared to 1.9% and 2.1% in 2010 and 2009, respectively. We expect *General and administrative* expense to be approximately $210 to $230 in 2012.

Write-down of property, plant and mine development totaled $2,084, $6 and $7 for 2011, 2010 and 2009, respectively. The write-down in 2011 is primarily related to the Hope Bay project that resulted from our decision to place the project on care and maintenance and to focus on environmental and regulatory compliance spending. We placed the Hope Bay project on care and maintenance after evaluating development options and economic feasibility for the project compared with other project and development opportunities within our wider project pipeline. The 2010 write-down is primarily related to asset impairments at Nevada and the 2009 write-down is primarily related to asset impairments at Batu Hijau.

Other expense, net was $265, $261 and $358 for 2011, 2010 and 2009, respectively. The increase in 2011 over 2010 is due to Fronteer acquisition costs, an impairment of materials and supplies related to a decision to place the Hope Bay project on care and maintenance and higher regional and administration costs, partially offset by lower community development costs at Batu Hijau. The decrease in 2010 over 2009 is due to costs related to acquiring the remaining interest in Boddington in 2009, higher charges related to the Western Australian power plant in 2009, and a workforce reduction that impacted 3% of our global workforce in 2009, partially offset by higher community development costs at Batu Hijau in 2010.

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Other income, net was $12, $109 and $88 for 2011, 2010 and 2009, respectively. The decrease in 2011 over 2010 is due to other-than-temporary impairment charges for marketable securities primarily acquired with the Fronteer acquisition of $180 in 2011, a decrease in Canadian Oil Sands dividends as well as the sale of non-core assets in 2010, partially offset by the gain on the sale of other marketable equity securities, an increase in income from developing projects and a decrease in foreign exchange losses. The increase in 2010 over 2009 is primarily related to an increase in Canadian Oil Sands dividends due to higher oil prices in 2010 and sales of non-core assets, partially offset by foreign currency exchange losses.

Interest expense, net was $244, $279 and $120 for 2011, 2010 and 2009, respectively. Capitalized interest totaled $52, $21 and $111 in each year, respectively. *Interest expense, net* decreased in 2011 compared to 2010 due to the increase in capitalized interest for the advancement of our Conga and Akyem projects. *Interest expense, net* increased in 2010 from 2009 due to the reduction in capitalized interest as Boddington achieved commercial production in November 2009 and interest related to the 2019 and 2039 senior notes issued during September 2009, partially offset by lower interest due to the prepayment in 2010 of the PTNNT project financing and Yanacocha senior notes and credit facility. We expect *Interest expense, net* to be approximately $240 to $260 in 2012.

Income and mining tax expense was $713, $856 and $829 in 2011, 2010 and 2009, respectively. The effective tax rates were 39%, 21% and 28% in 2011, 2010 and 2009, respectively. The higher tax rate in 2011 is primarily due to the impairment related to the Hope Bay project and the impact it had on the realizability of our Canadian deferred tax assets. Without the write-down on the Hope Bay project, the annual effective tax rate would have been 30%. The impairment resulted in a 12% tax rate increase due to the recording of valuation allowances on Canadian deferred tax assets, partially offset by a 3% benefit from other items. The lower effective tax rate in 2010 is primarily due to tax benefits recognized as a result of check the box elections made with respect to certain of our non-U.S. subsidiaries. As a result of the elections, the subsidiaries are treated as flow-through entities for U.S. federal income tax purposes. Without the restructuring, the effective tax rate for 2010 would have been 32%.

The factors that most significantly impacted our effective tax rates for the three periods are percentage depletion, changes in estimates of reserves for income tax uncertainties, valuation allowances related to deferred tax assets, and the impact of certain specific transactions. Many of these factors are sensitive to the average realized price of gold and other metals. For a complete discussion, see Note 10 to the Consolidated Financial Statements.

During the year, the U.S. Internal Revenue Service issued a Technical Advice Memorandum (TAM) to the Company regarding the U.S. income tax treatment of the Price Capped Forward Sales Contracts settled in cash in 2007. The TAM provides guidance which is unfavorable to the Company. The Company intends to vigorously defend its positions through all processes available to it and believes it should prevail.

Based on the uncertainty and inherent unpredictability of the factors influencing our effective tax rate and the sensitivity of such factors to gold and other metals prices as discussed above, the effective tax rate is expected to be volatile in future periods. The effective tax rate is expected to be between 28% and 32% in 2012.

Net income attributable to noncontrolling interests was as follows:

	Years Ended December 31,		
	2011	**2010**	**2009**
Yanacocha	$ 326	$ 292	$ 354
Batu Hijau	287	549	445
Other	(7)	(2)	(3)
	$ 606	$ 839	$ 796

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Net income attributable to noncontrolling interests decreased in 2011 from 2010 as a result of decreased earnings at Batu Hijau, partially offset by increased earnings at Yanacocha. The 2010 increase over 2009 was a result of higher earnings at Batu Hijau and the required March 2010 divestiture of shares in Batu Hijau, partially offset by lower earnings at Yanacocha and the additional 17% economic interest in Batu Hijau as a result of advancing funds to certain noncontrolling shareholders in exchange for an assignment of their Batu Hijau dividends, net of withholding tax. See Note 13 to the Consolidated Financial Statements for a discussion of the changes in our Batu Hijau ownership and economic interests.

Equity income (loss) of affiliates was as follows:

	Years Ended December 31,		
	2011	2010	2009
Minera La Zanja S.R.L. (46.9%)	$ 52	$ 10	$ (4)
Euronimba Ltd. (43.5%)	(41)	(10)	(17)
AGR Matthey Joint Venture		3	5
	$ 11	$ 3	$ (16)

We have a 46.94% interest in Minera La Zanja, S.R.L. (La Zanja), a gold project near the city of Cajamarca, Peru. The remaining interest is held by Compañia de Minas Buenaventura, S.A.A. (Buenaventura). The mine commenced operations in September 2010 and is operated by Buenaventura. Newmont received dividends of $31 during 2011 from its interest in La Zanja. We have a 43.50% interest in Euronimba Ltd. (Euronimba), with the remaining interests held by BHP Billiton (43.50%) and Areva (13%). Euronimba owns 95% of the Nimba iron ore project located in the Republic of Guinea which is in the early stages of development. The AGR Matthey Joint Venture (AGR), a gold refinery in which Newmont held a 40% interest, was dissolved on March 30, 2010. Newmont received consideration of $14 from the dissolution and recorded a gain of $6 during 2010. Newmont received dividends of $7 and $2 during 2010 and 2009, respectively, from its interests in AGR.

Loss from discontinued operations was as follows:

	Years Ended December 31,		
	2011	2010	2009
Sales	$	$	$ 32
Income from operations	$	$	$ 1
Non-operating loss	(143)	(40)	(44)
Pre-tax loss	(143)	(40)	(43)
Income tax benefit	7	12	27
Loss from discontinued operations	$ (136)	$ (28)	$ (16)

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

In 2009, we sold our interest in Kori Kollo in Bolivia. As part of the transaction, a reclamation trust fund was established with the proceeds to be made available exclusively to pay for closure and reclamation costs when operations eventually cease. We recognized a $16 charge in 2009, net of tax benefits of $27, related to the sale.

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Other comprehensive loss, net of tax was $456 in 2011 and included non-cash adjustments for a $195 net loss in value of marketable securities primarily related to Canadian Oil Sands Trust and Gabriel Resources Ltd., a $8 net gain on the translation of subsidiaries with non-U.S. dollar functional currencies, a $60 net loss related to pension and other post-retirement benefit adjustments primarily as a result of utilizing a lower discount rate and lower than expected return on plan assets, and a $209 net loss on derivatives designated as cash flow hedges due mainly to a loss on forward starting swap contracts partially offset by foreign currency hedge gains. *Other comprehensive income,* net of tax was $484 in 2010 and included non-cash adjustments for a $269 net gain in value of marketable securities primarily related to Gabriel Resources Ltd. and Regis Resources Ltd., a $98 net gain on the translation of subsidiaries with non-U.S. dollar functional currencies, a $13 net loss related to pension and other post-retirement benefit adjustments primarily as a result of utilizing a lower discount rate, and a $130 net gain on derivatives designated as cash flow hedges due mainly to foreign currency hedge gains. *Other comprehensive income,* net of tax was $882 in 2009 and included non-cash adjustments for a $418 net gain in value of marketable securities related to Canadian Oil Sands Trust and Gabriel Resources Ltd., a $264 net gain on the translation of subsidiaries with non-U.S. dollar functional currencies, a $14 net gain related to pension and other post-retirement benefit adjustments primarily as a result of utilizing a higher discount rate, and a $186 net gain on derivatives designated as cash flow hedges due mainly to foreign currency hedge gains.

Results of Consolidated Operations

	Gold or Copper Produced[1]			Costs Applicable to Sales[2]			Amortization		
	2011	2010	2009	2011	2010	2009	2011	2010	2009
	(ounces in thousands)			($ per ounce)			($ per ounce)		
Gold									
North America	1,953	1,909	2,099	$ 594	$ 551	$ 501	$ 153	$ 153	$ 128
South America	1,293	1,462	2,058	560	431	310	184	111	81
Asia Pacific	2,085	2,535	1,832	639	474	410	142	109	100
Africa	566	545	532	474	450	444	137	150	125
Total/Weighted-Average	5,897	6,451	6,521	$ 591	$ 485	$ 411	$ 154	$ 126	$ 105
Attributable to Newmont[3][4]	5,185	5,392	5,237	$ 597	506	440			
Net Attributable to Newmont[3]				$ 509	365	355			
	(pounds in millions)			($ per pound)			($ per pound)		
Copper									
Asia Pacific	352	600	504	$ 1.26	$ 0.80	$ 0.64	$ 0.28	$ 0.21	$ 0.16
Attributable to Newmont[3]	206	327	227	$ 1.37	$ 0.89	$ 0.66			

(1) Contained basis. (Attributable production after smelter recoveries was 5,166, 5,370 and 5,229 thousand gold ounces and 197, 314 and 220 million copper pounds for the years ended 2011, 2010 and 2009, respectively.)

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

(3) See Non-GAAP Financial Measures on page 83.

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(4) Includes 64 and 21 thousand ounces in 2011 and 2010, respectively, from our non-consolidated interest in La Zanja and 17 and 5 thousand ounces in 2011 and 2010, respectively, from our non-consolidated interest in Duketon and 32 thousand ounces from discontinued operations at Kori Kollo, Bolivia in 2009.

2011 compared to 2010

Consolidated gold ounces produced decreased 9% due to:

- lower production from South America due to lower leach placement at Yanacocha from changes in mine sequencing; and
- lower production from Asia Pacific due to higher waste stripping in Phase 6 at Batu Hijau, resulting in processing lower grade stockpiled material; partially offset by
- higher production from North America due to a full year of Soledad-Dipolos production at La Herradura in 2011; and
- higher production from Africa due to a full year of production from the Amoma pit at Ahafo.

Consolidated copper pounds produced decreased 41% due to higher waste stripping in Phase 6 at Batu Hijau resulting in processing lower grade stockpiled material, partially offset by higher grade and throughput at Boddington.

Attributable gold ounces produced decreased 4% due to lower production from Batu Hijau and Yanacocha, partially offset by higher production from La Herradura. Lower attributable copper pounds produced also resulted from lower production at Batu Hijau.

Costs applicable to sales per consolidated gold ounce sold increased 22% due to lower production from Batu Hijau and Yanacocha, higher royalty and waste mining costs, higher co-product allocation of costs to gold and a stronger Australian dollar, partially offset by higher silver and copper by-product credits. *Costs applicable to sales* per consolidated copper pound sold increased 58% due to lower production from Batu Hijau, higher waste mining at Batu Hijau and higher mill maintenance costs at Boddington, partially offset by lower co-product allocation of costs to copper.

2010 compared to 2009

Consolidated gold ounces produced decreased slightly due to:

- lower production from South America due to mine sequencing at Yanacocha resulting in increased waste mining, lower leach placement and lower mill ore grade; and
- lower production from North America due to completion of mining at Deep Post in 2009 and geotechnical issues at Gold Quarry in Nevada; mostly offset by
- higher production from Asia Pacific due to a full year of Boddington production and higher ore grade and throughput at Batu Hijau; and

higher production from Africa due to higher ore grade at Ahafo.

Consolidated copper pounds produced increased 19% due to higher ore grade and throughput at Batu Hijau and a full year of Boddington production.

Attributable gold ounces produced increased 3% due to higher production from Batu Hijau and a full year of production from Boddington, partially offset by lower production from Yanacocha and Nevada. Higher attributable copper pounds produced also resulted from higher production from Batu Hijau and full year of production from Boddington.

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Costs applicable to sales per consolidated gold ounce sold increased 18% due to lower production from South America, a full year of higher cost production at Boddington and higher diesel, royalty and waste mining costs, partially offset by higher by-product credits. *Costs applicable to sales* per consolidated copper pound sold increased 25% due to higher waste mining at Batu Hijau and a full year of higher cost production at Boddington, partially offset by higher production at Batu Hijau.

We expect 2012 gold production of approximately 5.0 to 5.2 million ounces attributable to Newmont, primarily due to lower production at Batu Hijau as it continues to process lower grade stockpiled ore during Phase 6 stripping, partially offset by higher production at Nevada and Ahafo. Consolidated *Costs applicable to sales* per ounce for 2012 are expected to be approximately $625 to $675 due to lower production at Batu Hijau combined with higher expected costs for energy, labor and contracted services. We expect 2012 copper production attributable to Newmont of approximately 150 to 170 million pounds at consolidated *Costs applicable to sales* per pound of approximately $1.80 to $2.20 due to lower production at Batu Hijau.

North America Operations

	Gold Ounces Produced[1]			Costs Applicable to Sales[2]			Amortization		
	2011	2010	2009	2011	2010	2009	2011	2010	2009
	(in thousands)			($ per ounce)			($ per ounce)		
Nevada	1,741	1,735	1,986	$ 603	$ 565	$ 509	$ 160	$ 157	$ 130
La Herradura[3]	212	174	113	527	420	372	95	110	95
Total/Weighted-Average	1,953	1,909	2,099	$ 594	$ 551	$ 501	$ 153	$ 153	$ 128
Attributable to Newmont	1,953	1,909	2,099						

(1) Contained basis. (Attributable production after smelter recoveries was 1,950, 1,909 and 2,099 thousand gold ounces for the years ended 2011, 2010 and 2009, respectively.)

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

(3) Our proportionate 44% share.

2011 compared to 2010

Nevada, USA. Gold ounces produced increased slightly due to the commencement of underground mining at Exodus and Pete Bajo in 2011, higher Gold Quarry production in 2011 after resolution of previous geotechnical issues and higher underground production at Leeville, partially offset by lower production from the Chukar underground mine. Total surface ore tons mined were 75% higher primarily due to completing the remediation of the slope failure at Gold Quarry. Ore placed on leach pads increased 84% to 8.3 million tons due to higher leach ore tons mined from Lantern as well as re-leaching of ore at Lone Tree. *Costs applicable to sales* per ounce increased 7% due to higher surface mining and milling costs and higher royalties, partially offset by higher silver and copper by-product credits. *Amortization* per ounce increased 2% due to equipment additions and higher underground development costs.

La Herradura, Mexico. Gold ounces produced increased 22% due to higher leach placement and additional mining equipment at Herradura and Soledad-Dipolos. *Costs applicable to sales* per ounce increased 25% due to higher waste tons mined and higher employee profit sharing costs, partially offset by higher production and silver by-product credits. *Amortization* per ounce decreased 14% due to higher production.

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2010 compared to 2009

Nevada, USA. Gold ounces produced decreased 13% due to the completion of underground mining at Deep Post in 2009, lower Gold Quarry ore mined as a result of a geotechnical issue which occurred in December 2009 and lower leach tons placed at Twin Creeks and Carlin, partially offset by increased underground mining at Leeville. Total ore tons mined were 26% lower primarily due to the Gold Quarry slope failure and the completion of mining at North Lantern in April 2010. Ore placed on leach pads decreased 62% to 4.5 million tons. *Costs applicable to sales* per ounce increased 11% due to lower production, partially offset by higher by-product credits. *Amortization* per ounce increased 21% due to lower production and higher underground development costs.

La Herradura, Mexico. Gold ounces produced increased 54% due to the commencement of commercial production at Soledad-Dipolos in January 2010. *Costs applicable to sales* per ounce increased 13% due to higher waste tons mined. *Amortization* per ounce increased 16% due to new equipment purchases.

Gold production for North America in 2012 is expected to remain at approximately 1.9 to 2.0 million ounces at *Costs applicable to sales* per ounce of approximately $570 to $630. In 2012, we expect to complete repairs on the ventilation shaft at Leeville in Nevada and production from the Noche Buena open pit mine at La Herradura is expected to commence in the first half.

South America Operations

	Gold Ounces Produced			Costs Applicable to Sales[1]			Amortization		
	2011	2010	2009	2011	2010	2009	2011	2010	2009
	(in thousands)			($ per ounce)			($ per ounce)		
Yanacocha	1,293	1,462	2,058	$ 560	$ 431	$ 310	$ 184	$ 111	$ 81
Attributable to Newmont:									
Yanacocha (51.35%)	664	750	1,057						
La Zanja (46.94%)	64	21							
	728	771	1,057						

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

2011 compared to 2010

Yanacocha, Peru. Gold ounces produced decreased 12% due to mine sequencing resulting in lower leach placement at La Quinua, Yanacocha and Carachugo, partially offset by higher mill grade and recovery. Leach tons placed decreased 27% from 59 million tons to 43 million tons. *Costs applicable to sales* per ounce increased 30% due to lower production, higher milling costs and lower silver by-product credits. *Amortization* per ounce increased 66% due to lower production and higher mine development and asset retirement costs.

La Zanja, Peru. Attributable gold ounces increased 205% due to a full year of production from our non-consolidated interest in La Zanja.

2010 compared to 2009

Yanacocha, Peru. Gold ounces produced decreased 29% due to mine sequencing resulting in increased waste mining, lower leach placement, transitional ore stockpiling at La Quinua and lower grade and recovery resulting in lower mill production. Leach tons placed decreased from 136 million tons to 59 million tons. *Costs applicable to sales* per ounce increased 39% due to higher waste

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material mined, lower production, higher labor, diesel and maintenance costs, and higher workers participation and royalty costs as a result of higher gold prices, partially offset by higher by-product credits. *Amortization* per ounce increased 37% due to lower production.

Gold production for South America in 2012 is expected to remain at approximately 700,000 to 750,000 ounces attributable to Newmont. *Costs applicable to sales* per ounce are expected to decrease in 2012 to approximately $480 to $530, primarily due to mine sequencing resulting in mining higher grade mill ore.

Asia Pacific Operations

	Gold Ounces Produced[1]			Costs Applicable to Sales[2]			Amortization		
	2011	2010	2009	2011	2010	2009	2011	2010	2009
	(in thousands)			($ per ounce)			($ per ounce)		
Gold									
Boddington	741	728	122	$ 682	$ 590	$ 468	$ 176	$ 166	$ 160
Batu Hijau[3]	318	737	560	476	237	214	102	63	55
Other									
Kalgoorlie[4]	375	377	337	626	558	624	46	41	43
Jundee	333	335	411	420	393	331	167	99	120
Tanami	221	250	289	926	689	599	181	170	160
Waihi	97	108	113	1,057	647	481	228	156	215
	1,026	1,070	1,150	664	546	499	131	101	117
Total/Weighted-Average	2,085	2,535	1,832	$ 639	$ 474	$ 410	$ 142	$ 109	$ 100
Attributable to Newmont[5]	1,938	2,167	1,517						

	Copper Pounds Produced[1]			Costs Applicable to Sales[2]			Amortization		
	2011	2010	2009	2011	2010	2009	2011	2010	2009
	(in millions)			($ per pound)			($ per pound)		
Copper									
Boddington	69	58	10	$ 2.03	$ 1.86	$ 1.77	$ 0.49	$ 0.51	$ 0.46
Batu Hijau[3]	283	542	494	1.11	0.69	0.62	0.24	0.19	0.16
Total/Weighted-Average	352	600	504	$ 1.26	$ 0.80	$ 0.64	$ 0.28	$ 0.21	$ 0.16
Attributable to Newmont	206	327	227						

(1) Contained basis. (Attributable production after smelter recoveries was 1,922, 2,145 and 1,509 thousand gold ounces and 197, 314 and 220 million copper pounds for the years ended 2011, 2010 and 2009, respectively.)

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

(3) Our weighted-average economic interest was 48.50%, 49.55% and 43.89% in 2011, 2010 and 2009, respectively.

(4) Our proportionate 50% share.

(5) Includes 17 and 5 thousand ounces in 2011 and 2010, respectively, from our non-consolidated interest in Duketon.

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2011 compared to 2010

Boddington, Australia. Gold and copper production increased 2% and 19%, respectively, due to higher mill throughput and higher copper grade, partially offset by lower recoveries and lower gold grade. *Costs applicable to sales* increased 16% per ounce and 9% per pound, respectively, due to higher mining and mill maintenance costs, higher royalty costs and a stronger Australian dollar, net of hedging gains, partially offset by higher production and higher silver by-product credits. Changes in Australia exchange rates increased *Costs applicable to sales* per ounce by $33 and per pound by $0.08. *Costs applicable to sales* and *Amortization* per ounce and per pound were also impacted by a higher allocation of costs to gold.

Batu Hijau, Indonesia. Copper and gold production decreased 48% and 57%, respectively, due to lower throughput, grade and recovery as a result of processing more stockpiled material, compared to a higher proportion of high grade Phase 5 ore in 2010, and mill down time from motor replacements during the second and third quarters of 2011. Waste tons mined increased 135% as Phase 6 waste removal continues as planned. The Company expects to process primarily stockpiled ore until Phase 6 ore becomes the primary mill feed in late 2013. *Costs applicable to sales* increased 61% per pound and 101% per ounce due to lower production, higher waste mining and higher labor. *Amortization* increased 26% per pound and 62% per ounce due to equipment additions and lower production. *Costs applicable to sales* and *Amortization* per pound and per ounce were also impacted by a higher allocation of costs to gold.

Other Australia/New Zealand. Gold production decreased 4% due to lower throughput at Tanami and lower grade at Waihi. *Costs applicable to sales* per ounce increased 22% due to lower production, higher mining and milling costs and a stronger Australian dollar, net of hedging gains. Changes in Australia and New Zealand exchange rates increased *Costs applicable to sales* per ounce by $26. *Amortization* per ounce increased 30% due to lower production at Tanami and Waihi and higher mine development costs at Jundee.

2010 compared to 2009

Boddington, Australia. Boddington produced 728,000 ounces of gold and 58 million pounds of copper at *Costs applicable to sales* of $590 per ounce and $1.86 per pound. As Boddington continued to ramp-up in 2010, production was below original expectations due to lower than anticipated gold grade and mill throughput. *Costs applicable to sales* were higher than expected due to higher mining and mill maintenance costs. Changes in Australia exchange rates increased *Costs applicable to sales* per ounce and per pound by $59 and $0.19, respectively. *Amortization* per ounce was higher than expected due to lower production.

Batu Hijau, Indonesia. Copper and gold production increased 10% and 32%, respectively, due to higher grade and mill throughput as a result of mining at the bottom of Phase 5 and processing softer ore, partially offset by lower recovery. Unseasonably dry weather permitted additional mining in the bottom of Phase 5 during the fourth quarter. *Costs applicable to sales* increased 11% per pound and per ounce due to higher waste mining and milling costs, including higher labor and diesel costs. *Amortization* increased 19% per pound and 15% per ounce due to equipment additions, partially offset by higher production.

Other Australia/New Zealand. Gold production decreased 7% due to lower mill grade at Jundee and Waihi and lower mill grade and throughput at Tanami, partially offset by higher grade, throughput and recovery at Kalgoorlie. *Costs applicable to sales* per ounce increased 9% due to lower production and a stronger Australian dollar, net of hedging gains. Changes in Australia and New Zealand exchange rates increased *Costs applicable to sales* per ounce by $17. *Amortization* per ounce decreased 14% due to lower mine development costs at Waihi and Jundee, partially offset by lower production.

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Gold production for Asia Pacific is expected to decrease in 2012 to approximately 1.8 to 1.9 million ounces attributable to Newmont at higher consolidated *Costs applicable to sales* per ounce of approximately $800 to $850 in 2012, primarily due to lower production at Batu Hijau, a stronger forecasted Australian dollar, net of hedging and higher labor and commodity costs. We expect copper production for the Asia Pacific region of approximately 150 to 170 million pounds attributable to Newmont at consolidated *Costs applicable to sales* per pound of approximately $1.80 to $2.20 in 2012.

Africa Operations

	Gold Ounces Produced			Costs Applicable to Sales[1]			Amortization		
	2011	2010	2009	2011	2010	2009	2011	2010	2009
	(in thousands)			($ per ounce)			($ per ounce)		
Ahafo	566	545	532	$ 474	$ 450	$ 444	$ 137	$ 150	$ 125
Attributable to Newmont	566	545	532						

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

2011 compared to 2010

Ahafo, Ghana. Gold ounces produced increased 4% due to higher throughput and recovery. Ore tons mined increased 28% from a full year of production at Amoma. *Costs applicable to sales* per ounce increased 5% due to higher labor, commodity and royalty costs, partially offset by higher production. *Amortization* per ounce decreased 9% due to higher production.

2010 compared to 2009

Ahafo, Ghana. Gold ounces produced increased due to higher grade ore mined at Apensu in 2010 and the commencement of production at Amoma in October 2010. *Costs applicable to sales* per ounce increased slightly due to higher labor, power, diesel and royalty costs, partially offset by higher production. *Amortization* per ounce increased 20% due to higher capitalized mine development and equipment additions.

Gold production for the Africa operations is expected to increase in 2012 to approximately 570,000 to 600,000 ounces due to higher ore grade. *Costs applicable to sales* per ounce of approximately $500 to $550 are expected for 2012, primarily as a result of higher mining and milling costs.

Foreign Currency Exchange Rates

Foreign currency exchange rates can increase or decrease profit margins and *Costs applicable to sales* to the extent costs are paid in foreign currencies. Such fluctuations have not had a material impact on our revenue since gold and copper are sold throughout the world principally in U.S. dollars. Approximately 43%, 36% and 24% of our *Costs applicable to sales* were paid in currencies other than the U.S. dollar in 2011, 2010 and 2009, respectively. Our *Costs applicable to sales* are most significantly impacted by variations in the Australian dollar/U.S. dollar exchange rate. We estimate that every $0.10 increase in the U.S. dollar/Australian dollar exchange rate increases annually the U.S. dollar *Costs applicable to sales* by approximately $90 for each ounce of gold sold from operations in Australia before taking into account the impact of currency hedging. However, variations in the Australian dollar/U.S. dollar exchange rate historically have been strongly correlated to variations in the U.S. dollar gold price over the long-term. Changes in costs at Australian locations due to exchange rate changes have therefore tended to be mitigated by changes in sales reported in U.S. dollars at Australian locations. No assurance, however, can be given that the Australian dollar/U.S. dollar exchange rate will continue to be strongly correlated to the U.S. dollar gold price in the future.

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Variations in foreign currency exchange rates increased *Costs applicable to sales* per ounce $9, net of hedging, in 2011 compared to 2010, and increased *Costs applicable to sales* per ounce $10, net of hedging, in 2010 from 2009, primarily due to movements in the Australian dollar.

We hedge a portion of our forecasted Australian dollar denominated operating expenditures. At December 31, 2011, we have hedged 76%, 62%, 46%, 26% and 10% of our forecasted Australian denominated operating costs in 2012, 2013, 2014, 2015 and 2016, respectively, at an average rate of 0.91, 0.92, 0.89, 0.87 and 0.89, respectively.

Foreign currency exchange rates have not had a material impact on our determination of proven and probable reserves. However, if a sustained weakening of the U.S. dollar in relation to the Australian dollar, and/or to other foreign currencies that impact our cost structure, were not mitigated by offsetting increases in the U.S. dollar gold price or by other factors, the amount of proven and probable reserves in the applicable foreign country could be reduced as certain proven and probable reserves may no longer be economic. The extent of any such reduction would be dependent on a variety of factors including the length of time of any such weakening of the U.S. dollar, and management s long-term view of the applicable exchange rate. Future reductions of proven and probable reserves would primarily result in reduced gold or copper sales and increased amortization and, depending on the level of reduction, could also result in impairments of property, plant and mine development, mineral interests and/or goodwill.

Liquidity and Capital Resources

Cash Provided from Operations

Net cash provided from continuing operations was $3,591, $3,180 and $2,914 for 2011, 2010 and 2009, respectively, and was impacted by the following key factors:

	Years Ended December 31,		
	2011	**2010**	**2009**
Consolidated gold ounces sold (in thousands)	5,820	6,296	6,534
Average price received per ounce of gold, net	$ 1,562	$ 1,222	$ 977
Costs applicable to sales per ounce of gold[1]	(591)	(485)	(411)
Operating margin per ounce of gold[2]	$ 971	$ 737	$ 566
Consolidated copper pounds sold (in millions)	356	539	507
Average price received per pound of copper, net	$ 3.54	$ 3.43	$ 2.60
Costs applicable to sales per pound of copper[1]	(1.26)	(0.80)	(0.64)
Operating margin per pound of copper[2]	$ 2.28	$ 2.63	$ 1.96

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

(2) See Non-GAAP Financial Measures on page 83.

Net cash provided from continuing operations was a record $3,591 in 2011, an increase of $411 from 2010 due to higher realized gold prices resulting in an increase in gold operating margin and a lower increase in working capital of $443 (trade receivables, accounts payable and other accrued liabilities); partially offset by higher *Costs applicable to sales* resulting in a decrease in copper operating margin and lower gold and copper sales volumes as discussed above in *Consolidated Financial Results.* The increase was also partially offset by higher investments in advanced projects of $157 and exploration of $132 and higher current income and mining tax expense of $148. Cash flow provided from

operations during 2010 was $3,180, an increase of $266 from 2009 due to higher realized gold and copper prices resulting in an increase in operating margins and increased consolidated copper sales volume; partially offset by

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decreased gold sales volume as discussed above in *Consolidated Financial Results.* The increase was also partially offset by higher *Costs applicable to sales*, primarily from a full year of Boddington operations, higher interest expense of $159, higher current income and mining tax expense of $408, and an additional $527 investment in working capital (trade receivables, inventories, stockpiles and ore on leach pads).

We are currently planning to contribute $35 to our retirement benefit programs in 2012. For additional discussion see Note 8 to the Consolidated Financial Statements.

Investing Activities

Net cash used in investing activities was $5,067 in 2011 compared to $1,419 and $2,781 in 2010 and 2009, respectively, for the reasons explained below.

Additions to property, plant and mine development were $2,787, $1,402 and $1,769 in 2011, 2010 and 2009, respectively, as follows:

	Years Ended December 31,		
	2011	**2010**	**2009**
North America:			
Nevada	$ 559	$ 298	$ 205
Hope Bay	101	115	5
La Herradura	81	41	54
	741	454	264
South America:			
Yanacocha	360	167	119
Conga	739	134	27
	1,099	301	146
Asia Pacific:			
Boddington	217	146	1,093
Batu Hijau	196	67	44
Other Australia/New Zealand	294	176	122
Other Asia Pacific	18	17	3
	725	406	1,262
Africa:			
Ahafo	116	109	75
Akyem	248	70	10
	364	179	85
Corporate and Other	35	34	16
Accrual basis	2,964	1,374	1,773
Decrease (increase) in accrued capital expenditures	(177)	28	(4)
Cash basis	$ 2,787	$ 1,402	$ 1,769

Capital expenditures in Nevada during 2011 included $52 for Leeville/Turf development, $227 for surface and underground development, $98 for process facilities improvements and upgrades, $25 for mine equipment and $24 for reserve conversion and other capital drilling in Nevada. Expenditures at La Herradura were $81 primarily for land purchases, development of Noche Buena and equipment

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purchases. Hope Bay expenditures included $101 primarily for construction activities and mill equipment. South America capital expenditures included $229 for surface development and $53 for surface equipment at Yanacocha and $739 primarily for engineering, construction, equipment and off-site infrastructure at Conga. Capital expenditures in Asia Pacific included $228 for surface and underground equipment, $149 for surface and underground mine development, $78 for land purchases, $71 for process facilities and $65 for tailings facilities. Capital expenditures in Africa included $55 for Subika underground expansion, $18 for equipment at Ahafo and $248 primarily for land acquisitions, engineering, construction and surface development at the Akyem project.

Capital expenditures in North America during 2010 included $41 for La Herradura primarily for equipment purchases, leach pad expansion and surface development, $43 for Leeville/Turf development, $95 for surface and underground development, $37 for process facilities improvements and upgrades, $26 for reserve conversion and other capital drilling and $22 for mine equipment in Nevada. Hope Bay expenditures included $115 primarily for equipment and other infrastructure. South America capital expenditures included $134 primarily for engineering, capitalized labor costs and land acquisitions for the Conga project and $53 for leach pad expansions, $31 for surface equipment and $20 for surface improvements at Yanacocha. Capital expenditures in Asia Pacific included $109 for surface and underground equipment, $83 for surface improvements and underground mine development, $88 for tailings facilities and $55 for process facilities. Capital expenditures in Africa included $26 for Amoma construction, $38 for the Subika expansion project, $21 for tailings dams and $70 primarily for land acquisitions and surface development for the Akyem project.

Capital expenditures in North America during 2009 included $54 for La Herradura development of Soledad-Dipolos, $20 for Leeville/Turf development, $71 for surface and underground development, $24 for reserve conversion and other capital drilling and $23 for mine equipment in Nevada. Hope Bay expenditures included $5 for project infrastructure. South America capital expenditures included $27 for the Conga project and $37 for leach pad expansions and $32 for surface improvements at Yanacocha. Capital expenditures in Asia Pacific included $1,093 for Boddington and $106 for surface and underground mine development in Other Australia/New Zealand. Batu Hijau s capital expenditures included $10 for mine equipment purchases and $17 for mine dewatering. Capital expenditures in Africa included $6 for infrastructure and land, $28 for Amoma land acquisition and road construction, $14 for tailings dams and $10 for the Akyem project.

During 2011, 2010 and 2009, $52, $57 and $29, respectively, of drilling and related costs were capitalized and included in mine development costs. These capitalized costs included $11 at North America, $16 at South America, $14 at Asia Pacific and $11 at Africa in 2011; $26 at North America, $23 at Asia Pacific and $8 at Africa in 2010; $24 at North America and $5 at Asia Pacific in 2009.

During 2011, 2010 and 2009, $214, $36 and $26, respectively, of pre-stripping costs were capitalized and included in mine development costs. Pre-stripping costs included Nevada (East Carlin, Star Complex and North Lantern) pits in North America and Yanacocha (El Tapado Oeste, Cerro Negro and Maqui Maqui) and Conga pits in South America in 2011, the Lantern 3 pit in Nevada and El Tapado Oeste pit at Yanacocha in 2010 and the North Lantern pit in Nevada in 2009.

We anticipate capital expenditures of approximately $4,000 to $4,300 in 2012, with approximately 60% to be spent on major project initiatives, including further development of Akyem in Ghana, the Tanami Shaft in Australia, the Nevada project portfolio and potentially Conga in Peru. The remaining 40% is expected to be spent on several expansion and optimization projects, routine replacements, new project development and other mine life extension efforts.

Acquisitions, net. On April 6, 2011, Newmont acquired all of the outstanding common shares of Fronteer Gold Inc. (Fronteer) for total consideration of $2,259 less cash received from the acquisition of $2 for a net payment of $2,257. In connection with the acquisition, Newmont incurred transaction costs of $22 during 2011, which were recorded in *Other Expense, net*. In 2009, we paid $982 to

acquire the remaining 33.33% interest in Boddington. Consideration also included quarterly contingent payments capped at a combined $100, equal to 50% of the average realized operating margin (*Sales* 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 beginning in the second quarter of 2010. During 2011 and 2010, we paid $30 and $4, respectively, in contingent payments in accordance with the Boddington acquisition agreement. Additionally, we paid $11 for our share of the Noche Buena mining property near the La Herradura, Mexico operation in 2009.

Purchases and sales of marketable securities. During 2011, we purchased marketable securities of $21 and we received $81 from the sale of our investments in New Gold, Inc. and other marketable securities. During 2010, we purchased marketable securities of $28 and we received $3 for the sale of marketable securities. During 2009, we purchased marketable securities of Regis Resources for $5 and we received $17 for the sale of Regis Resources shares and other marketable securities.

Proceeds from sale of other assets. During 2011, we received $9 primarily from the sale of investments. During 2010, we received $13 from the sale of our 40% interest in AGR and $5 and $4 for the sale of exploration properties in Armenia and Guyana, respectively. We also received $34 from the sale of other assets including non-core assets held at Tanami. During 2009, proceeds included $14 for the sale of other mining projects.

Financing Activities

Net cash provided from (used in) financing activities of continuing operations was $(854) in 2011, compared to $(915) and $2,572 in 2010 and 2009, respectively, for the reasons explained below.

Proceeds from debt, net. During 2011, we borrowed $2,041 under our revolving credit facility and paid debt issuance costs of $30.

During 2009, we received proceeds from debt of $4,299, including $1,756 under our revolving credit facility, $1,080 net proceeds from the issuance of senior notes due in 2039, $895 net proceeds from the issuance of senior notes due in 2019, $504 net proceeds from the issuance of convertible senior notes due in 2012 and $64 from other credit facilities.

At December 31, 2011, $244 of the $2,500 revolving credit facility was used to secure the issuance of letters of credit, primarily supporting reclamation obligations (see *Off-Balance Sheet Arrangements* below) and $33 was used in outstanding borrowings.

Repayment of debt. During 2011, we repaid $2,273 of debt, including repayment of $2,008 under our revolving credit facility and scheduled debt repayments of $223 for our 8 5/8% debentures, $30 related to the sale-leaseback of the refractory ore treatment plant (classified as a capital lease) and $12 on other credit facilities and capital leases.

During 2010, we repaid $430 of debt, including pre-payment of the $220 remaining under the PTNNT project financing facility and $96 and $52 under Yanacocha s senior notes and credit facility, respectively, and scheduled debt repayments of $24 related to the sale-leaseback of the refractory ore treatment plant and $38 on other credit facilities and capital leases. During 2009, we repaid $2,731 of debt, including $2,513 under our revolving credit facility, $86 for Batu Hijau project financing scheduled debt repayments, $72 for short-term borrowings at Batu Hijau, $24 related to the sale-leaseback of the refractory ore treatment plant and $36 on other credit facilities and capital leases.

Scheduled minimum debt repayments are $689 in 2012, $10 in 2013, $522 in 2014, $10 in 2015, $43 in 2016 and $3,039 thereafter. We expect to be able to fund maturities of debt from *Net cash provided by operating activities*, short-term investments, existing cash balances, available credit facilities and an expected debt issuance in the first half of 2012.

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At December 31, 2011 and 2010, we were in compliance with all required debt covenants and other restrictions related to our debt agreements.

Proceeds from stock issuance, net. We received proceeds of $40, $60 and $1,278 during 2011, 2010 and 2009, respectively, from the issuance of common stock. In February 2009, we completed a public offering of 34,500,000 shares of common stock at $37 per share for net proceeds of $1,236.

Sale of noncontrolling interests. In March 2010, November 2009 and December 2009, NTPBV completed the sale of 7%, 10% and 7%, respectively, of shares in PTNNT to a third party buyer. These transactions reduced our ownership interest in PTNNT to 31.5%. Cash proceeds from the 2010 and 2009 sales were $229 and $638, respectively, with our 56.25% share being $129 and $359, respectively, and the remaining balances paid to our NTPBV partner.

Acquisition of noncontrolling interests. In June 2010, PTPI, an unrelated noncontrolling shareholder of PTNNT, completed the sale of a 2.2% interest in PTNNT to PTIMI. To enable the transaction to proceed, we released our rights to the dividends payable on this 2.2% interest and released our security interest in the associated shares. We agreed to advance certain funds to PTIMI to enable it to purchase the 2.2% interest in exchange for (i) a pledge of their share of PTNNT, (ii) an assignment of dividends payable on the shares, net of withholding tax, and (iii) a commitment to support the application of Newmont standards to the operation of the Batu Hijau mine. The funds that we advanced to PTIMI and which it paid to PTPI for the shares were used by PTPI to reduce its outstanding loan balance with us. Upon completion of this transaction, PTPI requested and was allowed to make additional draw-downs under our agreement with PTPI. Our economic interest in PTPI s and PTIMI s combined 20% ownership interest in PTNNT remains at 17% and did not change as a result of these transactions.

In December 2009, we entered into a transaction with PTPI whereby we agreed to advance certain funds to PTPI in exchange for (i) a pledge of its 20% share of PTNNT, (ii) an assignment of dividends payable on the shares, net of withholding tax, (iii) a commitment to support the application of Newmont standards to the operation of the Batu Hijau mine, and (iv) as of September 16, 2011, powers of attorney to vote and sell PTNNT shares in support of the pledge, enforceable in the event of default as further security for the funding. As a result, our effective economic interest in PTNNT increased by 17%.

Dividends paid to noncontrolling interests. We paid dividends of $117, $462 and $394 to noncontrolling interests during 2011, 2010 and 2009, respectively. The payments in 2011 included $15 of Indonesian withholding taxes related to dividends paid to noncontrolling interests in December 2010. The dividends paid in 2010 and 2009, included $100 and $279, respectively, for our NTPBV partner s share of the interest sold in Batu Hijau during those years.

Dividends paid to common stockholders. We paid annual dividends of $1.00, $0.50 and $0.40 per common share during 2011, 2010 and 2009, respectively. Additionally, Newmont Mining Corporation of Canada Limited, a subsidiary of the Company, paid annual dividends of C$1.00, C$0.52 and C$0.46 during 2011, 2010 and 2009, respectively. On February 22, 2012, we declared a regular quarterly dividend of $0.35 per share, payable March 30, 2012 to holders of record at the close of business on March 15, 2012. Total dividends paid to common stockholders were $494, $246 and $196 in 2011, 2010 and 2009, respectively.

Discontinued Operations

Net operating cash provided from (used in) discontinued operations was $(7) in 2011, compared to $(13) and $33 in 2010 and 2009, respectively. Discontinued operations in 2011 relate to payments on the Holt property royalty. The 2010 and 2009 amounts related to the Kori Kollo operation in Bolivia which was sold in 2009.

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Net cash used in financing activities of discontinued operations was $2 in 2009 for repayment of debt at Kori Kollo.

Corporate Revolving Credit Facility

Effective May 20, 2011, the Company entered into a new uncollateralized $2,500 revolving credit facility with a syndicate of commercial banks. This new revolving credit facility replaced the existing revolving credit facility which was cancelled upon the effectiveness of the new facility. The new facility provides for borrowings in U.S. dollars and contains a letter of credit sub-facility. The new facility matures in May 2016. Facility fees vary based on the credit ratings of the Company s senior, uncollateralized, long-term debt. Borrowings under the facility bear interest at a market based rate plus a margin determined by the Company s credit rating. At December 31, 2011, we had $33 borrowings outstanding under the facility. There was $244 and $153 outstanding in letters of credit at December 31, 2011 and 2010, respectively.

Subsidiary Financings

PTNNT Revolving Credit Facility

Effective May 27, 2011, PTNNT entered into a new $600 reducing revolving credit facility with a syndicate of banks. This new reducing revolving facility provides for borrowings in U.S. dollars. The facility matures in March 2017. The facility is non-recourse to Newmont and substantially all of PTNNT s assets are pledged as collateral. Borrowings under the facility bear interest at a rate per annum equal to LIBOR plus a margin of 4.00%. Commitment fees currently accrue on the daily average unused amount of the commitment of each lender at an annual rate of 2.00%. There were no borrowings outstanding under the facility at December 31, 2011.

Debt Covenants

The Company s senior notes and sale-leaseback of the refractory ore treatment plant debt facilities contain various covenants and default provisions including payment defaults, limitation on liens, limitation on sales and leaseback agreements and merger restrictions.

The Ahafo project facility contains a financial ratio covenant requiring the Company to maintain a net debt (total debt net of cash and cash equivalents) to EBITDA (earnings before interest expense, income and mining taxes, depreciation and amortization) ratio of less than or equal to 4.0 and a net debt to total capitalization ratio of less than or equal to 62.5%.

In addition to the covenants noted above, the corporate revolving credit facility contains a financial ratio covenant requiring the Company to maintain a net debt (total debt net of cash and cash equivalents) to total capitalization ratio of less than or equal to 62.5%. Furthermore, the corporate revolving credit facility contains covenants limiting the sale of all or substantially all of the Company s assets, certain change of control provisions and a negative pledge on certain assets.

At December 31, 2011 and 2010, we were in compliance with all debt covenants and provisions related to potential defaults.

Shelf Registration Statement

In September 2009, we filed with the Securities and Exchange Commission (the SEC) a shelf registration statement on Form S-3 which enables the Company to issue an indeterminate number or amount of common stock, preferred stock, debt securities, guarantees of debt securities and warrants from time to time at indeterminate prices. It also included the resale of an indeterminate amount of common stock, preferred stock and debt securities from time to time upon exercise of warrants or conversion of convertible securities.

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Contractual Obligations

Our contractual obligations at December 31, 2011 are summarized as follows:

		Payments Due by Period			
Contractual Obligations	**Total**	**Less than 1 Year**	**1 - 3 Years**	**4 - 5 Years**	**More than 5 Years**
Debt[1]	$ 7,374	$ 701	$ 1,038	$ 815	$ 4,820
Capital lease obligations[2]	168	167	1		
Reclamation and remediation obligations[3]	1,959	72	214	152	1,521
Employee-related benefits[4]	657	71	136	84	366
Uncertain income tax liabilities and interest[5]	88				88
Operating leases	100	23	40	20	17
Minimum royalty payments	362	28	83	55	196
Purchase obligations[6]	725	142	188	89	306
Other[7]	884	258	482	70	74
	$ 12,317	$ 1,462	$ 2,182	$ 1,285	$ 7,388

(1) Amounts represent principal ($4,147) and estimated interest payments ($3,227) assuming no early extinguishment.

(2) Amounts represent principal ($166) and estimated interest payments ($2) which includes the early buy-out option of the refractory ore treatment plant discussed in Note 23 to the Consolidated Financial Statements.

(3) Mining operations are subject to extensive environmental regulations in the jurisdictions in which they operate. Pursuant to environmental regulations, we are required to close our operations and reclaim and remediate the lands that operations have disturbed. The estimated undiscounted cash outflows of these reclamation and remediation obligations are reflected here. For more information regarding reclamation and remediation liabilities, see Note 4 to the Consolidated Financial Statements.

(4) Contractual obligations for *Employee-related benefits* include severance, workers participation, pension and other benefit plans. Pension plan benefit payments beyond 2016 cannot be reasonably estimated given variable market conditions and actuarial assumptions and are not included.

(5) We are unable to reasonably estimate the timing of our uncertain income tax liabilities and interest payments beyond 2012 due to uncertainties in the timing of the effective settlement of tax positions.

(6) Purchase obligations are not recorded in the Consolidated Financial Statements. Purchase obligations represent contractual obligations for purchase of power, materials and supplies, consumables, inventories and capital projects.

(7) Other includes accrued Boddington contingent consideration of $54, the accrued Holt royalty of $176 and other obligations which are not reflected in our Consolidated Financial Statements including labor and service contracts. Payments related to derivative contracts cannot be reasonably estimated given variable market conditions. See Note 17 to the Consolidated Financial Statements.

Off-Balance Sheet Arrangements

We have the following off-balance sheet arrangements: operating leases (as disclosed in the above table) and $1,354 of outstanding letters of credit, surety bonds and bank guarantees (see Note 31 to the Consolidated Financial Statements).

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

	2012	2013	2014	2015	2016	Thereafter
Batu Hijau	327	344	518			
Boddington	220	243	154	154	154	253
Nevada	75					
	622	587	672	154	154	253

For information regarding these copper sales agreements, see Item 7A, Quantitative and Qualitative Disclosures about Market Risk-Hedging, Provisional Copper and Gold Sales, below.

Future Cash Flows

We anticipate significant future capital expenditures (see Investing Activities, above), funding of exploration and advanced projects, debt repayments and dividends to both common shareholders and noncontrolling interests will impact *Net cash used in investing activities* and *Net cash used in financing activities* and exceed *Net cash provided by operations*. Our ability to raise and service significant new sources of capital will be a function of macroeconomic conditions, future gold and copper prices as well as our operational performance, current cash flow and debt position, among other factors. We may determine that it is necessary or appropriate to issue additional equity or other securities, defer projects or sell assets. Additional financing may not be available when needed or, if available, the terms of such financing may not be favorable to us and, if raised by offering equity securities, may involve substantial dilution to existing stockholders. 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. For information on our long-term debt, capital lease obligations and operating leases, see Note 23 to the Consolidated Financial Statements.

In 2011, we entered into forward starting swaps position amounts with a total notional value of $2,000. These swaps hedge movements in treasury rates related to an expected debt issuance in the first half of 2012. At December 31, 2011, the hedge contracts were in a liability position of $399. The proceeds from the expected debt issuance will be impacted by the fair value of the swap contracts at the time of issuance. If the anticipated debt issuance does not proceed, we will be required to cash settle the swap contracts with the full amount of the payment charged against earnings.

Cash flows are expected to be impacted by variations in the realized prices of gold and copper. For information on the sensitivity of our *Net cash provided by operations* to metal prices, see Item 7A, Quantitative and Qualitative Disclosures about Market Risk.

Cash flows are also expected to be impacted by variations in foreign currency exchange rates in relation to the U.S. dollar, particularly with respect to the Australian dollar. Accordingly, we have entered into derivative instruments to reduce the volatility of *Costs applicable to sales* in Asia Pacific. For information concerning the sensitivity of our *Costs applicable to sales* to changes in foreign currency exchange rates, see Results of Consolidated Operations, Foreign Currency Exchange Rates, above. For information on the sensitivity of our *Net cash provided from operations* to foreign currency exchange rates, see Item 7A, Quantitative and Qualitative Disclosures about Market Risk. *Net cash provided from operations* will also be impacted in 2012 as a result of planned contributions of $35 for our post-retirement benefit programs.

Based on expected attributable production of between 5.0 and 5.2 million ounces of gold and between 150 and 170 million pounds of copper in 2012, we do not anticipate reasonably expected

variations in our production profile alone to influence our ability to pay our debt and other obligations in 2012.

Environmental

Our mining and exploration activities are subject to various federal and state laws and regulations governing the protection of the environment. We have made, and expect to make in the future, expenditures to comply with such laws and regulations, but cannot predict the full amount of such future expenditures. At December 31, 2011 and 2010, $1,070 and $904, respectively, were accrued for reclamation costs relating to currently, recently producing or developmental stage mineral properties, of which $47 is classified as a current liability. For more information on the Company s reclamation and remediation liabilities, see Note 4 to the Consolidated Financial Statements.

In addition, we are involved in several matters concerning environmental obligations associated with former mining activities. Based upon our best estimate of our liability for these matters, $170 and $144 were accrued for such obligations at December 31, 2011 and 2010, respectively. We spent $15, $23 and $20 in 2011, 2010 and 2009, respectively, for environmental obligations related to former, primarily historic, mining activities, and have classified $24 as a current liability. Expenditures for 2011 related primarily to the Con mine in Canada which was acquired as part of the Miramar acquisition, the Mt. Leyshon property in Australia, which is a legacy Normandy site and the Dawn mill site in Washington State. Expenditures for 2010 related primarily to the Con mine in Canada, the Mt. Leyshon property in Australia, the Dawn mill site in Washington State and Resurrection, a mine site in Leadville, Colorado. Expenditures for 2009 related primarily to Grass Valley in California, the Mt. Leyshon property, the Dawn mill site and the Con mine. For more information on the Company s obligations associated with former mining activities, see Note 31 to the Consolidated Financial Statements.

Included in capital expenditures were $172, $118 and $131 in 2011, 2010 and 2009, respectively, to comply with environmental regulations. Ongoing costs to comply with environmental regulations have not been a significant component of *Costs applicable to sales*.

Forward-Looking Statements

The foregoing discussion and analysis, as well as certain information contained elsewhere in this Annual Report, contain 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 created thereby. See the discussion in Forward-Looking Statements in Item 1, Business.

Non-GAAP Financial Measures

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

Adjusted net income

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

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analysts. *Net income attributable to Newmont stockholders* is reconciled to *Adjusted net income* as follows:

	Years Ended December 31,		
	2011	**2010**	**2009**
Net income attributable to Newmont stockholders	$ 366	$ 2,277	$ 1,297
Hope Bay impairment	1,609		
Loss from discontinued operations	136	28	11
Other impairments/asset sales	105	(35)	(8)
Acquisition costs	18		44
Boddington contingent consideration	1	1	15
PTNNT community contribution		13	
Income tax planning, net	(65)	(391)	
Adjusted net income	$ 2,170	$ 1,893	$ 1,359
Net income per share	$ 0.74	$ 4.63	$ 2.66
Adjusted net income per share	$ 4.39	$ 3.85	$ 2.79

Costs applicable to sales per ounce/pound

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

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

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

Costs applicable to sales per ounce/pound

	Gold			Copper		
	Years Ended December 31,			Years Ended December 31,		
	2011	2010	2009	2011	2010	2009
Costs applicable to sales:						
Consolidated per financial statements	$ 3,440	$ 3,054	$ 2,685	$ 450	$ 430	$ 323
Noncontrolling interests[1]	(442)	(395)	(391)	(171)	(169)	(174)
Attributable to Newmont	$ 2,998	$ 2,659	$ 2,294	$ 279	$ 261	$ 149
Gold/Copper sold (thousand ounces/million pounds):						
Consolidated	5,820	6,296	6,534	356	539	507
Noncontrolling interests[1]	(795)	(1,043)	(1,317)	(153)	(246)	(281)
Attributable to Newmont	5,025	5,253	5,217	203	293	226
Costs applicable to sales per ounce/pound:						
Consolidated	$ 591	$ 485	$ 411	$ 1.26	$ 0.80	$ 0.64
Attributable to Newmont	$ 597	$ 506	$ 440	$ 1.37	$ 0.89	$ 0.66

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Net attributable costs applicable to sales per ounce

	Years Ended December 31,		
	2011	**2010**	**2009**
Attributable costs applicable to sales:			
Gold	$ 2,998	$ 2,659	$ 2,294
Copper	279	261	149
	3,277	2,920	2,443
Copper revenue:			
Consolidated	(1,262)	(1,848)	(1,319)
Noncontrolling interests[1]	542	847	730
	(720)	(1,001)	(589)
Net attributable costs applicable to sales	$ 2,557	$ 1,919	$ 1,854
Attributable gold ounces sold (thousands)	5,025	5,253	5,217
Net attributable costs applicable to sales per ounce	$ 509	$ 365	$ 355

[1] Relates to partners interests in Batu Hijau and Yanacocha.

Operating margin per ounce/pound

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

	Gold			Copper		
	Years Ended December 31,			Years Ended December 31,		
	2011	**2010**	**2009**	**2011**	**2010**	**2009**
Average realized price per ounce/pound	$ 1,562	$ 1,222	$ 977	$ 3.54	$ 3.43	$ 2.60
Costs applicable to sales per ounce/pound	(591)	(485)	(411)	(1.26)	(0.80)	(0.64)
	$ 971	$ 737	$ 566	$ 2.28	$ 2.63	$ 1.96

ITEM 7A. ***QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK (dollars in millions except per share, per ounce and per pound amounts)***

Metal Price

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

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Foreign Currency

Changes in the foreign currency exchange rates in relation to the U.S. dollar may affect our profitability and cash flow. Foreign currency exchange rates can fluctuate widely due to numerous factors, such as supply and demand for foreign and U.S. currencies and U.S. and foreign country economic conditions. In addition to our operations in the United States, we have assets or operations in Australia, Peru, Indonesia, Ghana, Mexico, New Zealand and Canada. All of our operations sell their metal production based on U.S. dollar gold and copper prices. Fluctuations in the local currency exchange rates in relation to the U.S. dollar can increase or decrease profit margins and *Costs applicable to sales* per ounce to the extent costs are paid in local currency at foreign operations. The Australian dollar/U.S. dollar exchange rate has had the greatest impact on our *Costs applicable to sales*, as measured in U.S. dollars. However, variations in the Australian dollar/U.S. dollar exchange rate have historically been strongly correlated to variations in the U.S. dollar gold price over the long-term. Increases or decreases in costs at Australian gold operations due to exchange rate changes have therefore tended to be mitigated by changes in sales reported in U.S. dollars for such locations. No assurance can be given that the Australian dollar/U.S. dollar exchange rate will continue to be strongly correlated to the U.S. dollar gold price in the future, or that short-term changes in the Australian dollar/U.S. dollar exchange rate will not have an impact on our profitability and cash flow. Foreign currency exchange rates in relation to the U.S. dollar have not had a material impact on our determination of proven and probable reserves in the past. However, if a sustained weakening of the U.S. dollar in relation to the Australian dollar, and/or to other foreign currencies that impact our cost structure, were not mitigated by offsetting increases in the U.S. dollar gold price or by other factors, profitability, cash flows and the amount of proven and probable reserves in the applicable foreign country could be reduced. The extent of any such reduction would be dependent on a variety of factors including the length of time of any such weakening of the U.S. dollar, and management s long-term view of the applicable exchange rate. For information concerning the sensitivity of our *Costs applicable to sales* to changes in foreign currency exchange rates, see Item 7, Management s Discussion and Analysis of Consolidated Results of Operations and Financial Condition-Results of Consolidated Operations-Foreign Currency Exchange Rates, above.

Hedging

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

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

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Cash Flow Hedges

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

Foreign Currency Exchange Risk

We had the following foreign currency derivative contracts outstanding at December 31, 2011 and 2010:

	Expected Maturity Date					Total Average	Fair Value, Net At December 31,	
	2012	2013	2014	2015	2016		2011	2010
A$ Operating Fixed Forward Contracts:								
A$ notional (millions)	1,218	951	665	375	141	3,350	$ 223	$ 295
Average rate ($/A$)	0.91	0.92	0.89	0.87	0.89	0.90		
Expected hedge ratio	76%	62%	46%	26%	10%			
A$ Capital Fixed Forward Contracts:								
A$ notional (millions)	57	51	22			130	$ (1)	$
Average rate ($/A$)	1.01	0.98	0.96			0.99		
Expected hedge ratio	42%	28%	23%					
NZ$ Operating Fixed Forward Contracts:								
NZ$ notional (millions)	62	23				85	$ 1	$ 6
Average rate ($/NZ$)	0.75	0.77				0.76		
Expected hedge ratio	48%	20%						

Diesel Price Risk

We had the following diesel derivative contracts outstanding at December 31, 2011 and 2010:

	Expected Maturity Date			Total Average	Fair Value, Net At December 31,	
	2012	2013	2014		2011	2010
Diesel Fixed Forward Contracts:						
Diesel gallons (millions)	25	11	3	39	$ 1	$ 8
Average rate ($/gallon)	2.81	2.90	2.82	2.84		
Expected Nevada hedge ratio	56%	24%	7%			

Forward Starting Swap Contracts

In 2011, we entered into forward starting swap contracts with a total notional value of $2,000. These contracts hedge movements in treasury rates related to an expected debt issuance. Subsequent to entering into the forward starting swap contracts, we revised our expected debt issuance date to the first half of 2012 and extended the terms of the forward starting swap contracts resulting in the recognition of a $15 charge related to hedge ineffectiveness. At December 31, 2011, the hedge contracts were in a liability position of $399. The proceeds from the expected debt issuance will be adjusted by the fair value of the swap contracts at the time of issuance. If the anticipated debt issuance does not proceed, we will be required to cash settle the swap contracts with the full amount of the payment charged against earnings.

Treasury Rate Lock Contracts

In connection with the 2019 and 2039 notes issued in September 2009, we acquired treasury rate lock contracts to reduce the variability of the proceeds realized from the bond issuances. The treasury rate locks resulted in $6 and $5 unrealized gains in *Accumulated other comprehensive income* for the 2019 and 2039 notes, respectively. We previously acquired treasury rate locks in connection with the issuance of the 2035 notes that resulted in a $10 unrealized loss in *Accumulated other comprehensive income*. The gains/losses from these contracts are recognized in *Interest expense, net* over the terms of the respective notes.

Fair Value Hedges

Interest Rate Risk

We had $222 fixed to floating swap contracts designated as a hedge against debt which matured in May 2011. The fair value of the interest rate swaps was $3 at December 31, 2010.

Provisional Copper and Gold Sales

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

The average LME copper price was $4.00 per pound during 2011, compared with the Company s recorded average provisional price of $4.02 before mark-to-market losses and treatment and refining charges. During 2011, decreasing copper prices resulted in a provisional pricing mark-to-market loss of $92 ($0.26 per pound). At December 31, 2011, Newmont had copper sales of 79 million pounds priced at an average of $3.43 per pound, subject to final pricing over the next several months. Each $0.10 change in the price for provisionally priced sales would have an approximate $3 effect on our *Net income attributable to Newmont stockholders*.

The average London P.M. fix for gold was $1,572 per ounce during 2011, compared with the Company s recorded average provisional price of $1,567 per ounce before mark-to-market gains and treatment and refining charges. During 2011, increasing gold prices resulted in a provisional pricing mark-to-market gain of $31 ($5 per ounce). At December 31, 2011, Newmont had gold sales of 85,000 ounces priced at an average of $1,576 per ounce, subject to final pricing over the next several months. Each $25 change in the price for provisionally priced gold sales would have an approximate $1 effect on our *Net income attributable to Newmont stockholders*.

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Fixed and Variable Rate Debt

We have both fixed and variable rate debt. 98% and 99% of our debt portfolio was fixed rate debt at December 31, 2011 and 2010, respectively. The carrying value of fixed rate debt slightly decreased primarily due to the repayment of the 2011 8 5/8% debentures, partially offset by note discount amortization. Our fixed rate debt exposure at December 31, 2011 and 2010 is summarized as follows:

	At December 31,	
	2011	**2010**
Carrying value of fixed rate debt	$ 4,059	$ 4,209
Fair value of fixed rate debt[1]	$ 5,010	$ 5,016
Pro forma fair value sensitivity of fixed rate debt of a +/ 10 basis point interest rate change[2]	$ +/-36	$ +/ 38

[1] Excludes specialized and hybrid debt instruments for which it is not practicable to estimate fair values and pro forma fair values or sensitivities. These instruments include the Sale-Leaseback of the Refractory Ore Treatment Plant and certain capital leases. The estimated fair value quoted above may or may not reflect the actual trading value of these instruments.

[2] The pro forma information assumes a +/ 10 basis point change in market interest rates at December 31 of each year, and reflects the corresponding estimated change in the fair value of fixed rate debt outstanding at that date under that assumption. Actual changes in the timing and amount of interest rate variations may differ from the above assumptions.

NEWMONT MINING CORPORATION

ITEM 8. ***FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA***
MANAGEMENT S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed by, or under the supervision of, the Company s principal executive and principal financial officers and effected by the Company s board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Company s management assessed the effectiveness of the Company s internal control over financial reporting at December 31, 2011. In making this assessment, the Company s management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control-Integrated Framework*. Based upon its assessment, management concluded that, at December 31, 2011, the Company s internal control over financial reporting was effective.

The effectiveness of the Company s assessment of internal control over financial reporting at December 31, 2011 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein.

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NEWMONT MINING CORPORATION

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Newmont Mining Corporation:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, comprehensive income (loss), changes in equity and cash flows present fairly, in all material respects, the financial position of Newmont Mining Corporation and its subsidiaries at December 31, 2011 and 2010, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2011 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting at December 31, 2011, based on criteria established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company s management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management s Report on Internal Control Over Financial Reporting appearing under Item 8. Our responsibility is to express opinions on these financial statements and on the Company s internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP

Denver, Colorado

February 23, 2012

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NEWMONT MINING CORPORATION

STATEMENTS OF CONSOLIDATED INCOME

	Years Ended December 31,		
	2011	**2010**	**2009**
	(in millions, except per share)		
Sales (Note 3)	$ 10,358	$ 9,540	$ 7,705
Costs and expenses			
Costs applicable to sales[(1)] (Note 3)	3,890	3,484	3,008
Amortization (Note 3)	1,036	945	806
Reclamation and remediation (Note 4)	120	65	59
Exploration	350	218	187
Advanced projects, research and development	373	216	135
General and administrative	198	178	159
Write-down of property, plant and mine development (Note 5)	2,084	6	7
Other expense, net (Note 6)	265	261	358
	8,316	5,373	4,719
Other income (expense)			
Other income, net (Note 7)	12	109	88
Interest expense, net of capitalized interest of $52, $21 and $111, respectively	(244)	(279)	(120)
	(232)	(170)	(32)
Income before income and mining tax and other items	1,810	3,997	2,954
Income and mining tax expense (Note 10)	(713)	(856)	(829)
Equity income (loss) of affiliates (Note 11)	11	3	(16)
Income from continuing operations	1,108	3,144	2,109
Loss from discontinued operations (Note 12)	(136)	(28)	(16)
Net income	972	3,116	2,093
Net income attributable to noncontrolling interests (Note 13)	(606)	(839)	(796)
Net income attributable to Newmont stockholders	$ 366	$ 2,277	$ 1,297
Net income (loss) attributable to Newmont stockholders:			
Continuing operations	$ 502	$ 2,305	$ 1,308
Discontinued operations	(136)	(28)	(11)
	$ 366	$ 2,277	$ 1,297
Income (loss) per common share (Note 14)			
Basic:			
Continuing operations	$ 1.02	$ 4.69	$ 2.68
Discontinued operations	(0.28)	(0.06)	(0.02)
	$ 0.74	$ 4.63	$ 2.66
Diluted:			
Continuing operations	$ 1.00	$ 4.61	$ 2.68

Discontinued operations	(0.27)	(0.06)	(0.02)
	$ 0.73	$ 4.55	$ 2.66
Cash dividends declared per common share	$ 1.00	$ 0.50	$ 0.40

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

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

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NEWMONT MINING CORPORATION

STATEMENTS OF CONSOLIDATED COMPREHENSIVE INCOME (LOSS)

	Years Ended December 31,		
	2011	2010	2009
		(in millions)	
Net income	$ 972	$ 3,116	$ 2,093
Other comprehensive income (loss):			
Unrealized gain (loss) on marketable securities, net of $41, $(60) and $(82) tax benefit (expense), respectively	(195)	269	418
Foreign currency translation adjustments	8	98	264
Change in pension and other post-retirement benefits, net of $32, $7 and $(7) tax benefit (expense), respectively			
Net change from periodic revaluations	(76)	(23)	4
Net amount reclassified to income	16	10	10
Net unrecognized gain (loss) on pension and other post-retirement benefits	(60)	(13)	14
Change in fair value of cash flow hedge instruments, net of $168, $(59) and $(82) tax benefit (expense), respectively			
Net change from periodic revaluations	(73)	202	183
Net amount reclassified to income	(136)	(72)	3
Net unrecognized gain (loss) on derivatives	(209)	130	186
Other comprehensive income (loss)	(456)	484	882
Comprehensive income	$ 516	$ 3,600	$ 2,975
Comprehensive income (loss) attributable to:			
Newmont stockholders	$ (90)	$ 2,759	$ 2,176
Noncontrolling interests	606	841	799
	$ 516	$ 3,600	$ 2,975

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

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NEWMONT MINING CORPORATION

STATEMENTS OF CONSOLIDATED CASH FLOWS

	Years Ended December 31,		
	2011	2010	2009
		(in millions)	
Operating activities:			
Net income	$ 972	$ 3,116	$ 2,093
Adjustments:			
Amortization	1,036	945	806
Stock based compensation and other non-cash benefits	79	70	57
Reclamation and remediation	101	65	59
Revaluation of contingent consideration	1	2	23
Loss from discontinued operations	136	28	16
Write-down of property, plant and mine development	2,084	6	7
Impairment of marketable securities	180	1	6
Deferred income taxes	(671)	(380)	1
Gain on asset sales, net	(81)	(64)	(24)
Other operating adjustments and write-downs	65	145	97
Net change in operating assets and liabilities (Note 27)	(311)	(754)	(227)
Net cash provided from continuing operations	3,591	3,180	2,914
Net cash provided from (used in) discontinued operations (Note 12)	(7)	(13)	33
Net cash provided from operations	3,584	3,167	2,947
Investing activities:			
Additions to property, plant and mine development	(2,787)	(1,402)	(1,769)
Acquisitions, net	(2,309)	(4)	(1,007)
Proceeds from sale of marketable securities	81	3	17
Purchases of marketable securities	(21)	(28)	(5)
Proceeds from sale of other assets	9	56	18
Other	(40)	(44)	(35)
Net cash used in investing activities	(5,067)	(1,419)	(2,781)
Financing activities:			
Proceeds from debt, net	2,011		4,299
Repayment of debt	(2,273)	(430)	(2,731)
Proceeds from stock issuance, net	40	60	1,278
Sale of noncontrolling interests		229	638
Acquisition of noncontrolling interests		(110)	(287)
Dividends paid to noncontrolling interests	(117)	(462)	(394)
Dividends paid to common stockholders	(494)	(246)	(196)
Other	(21)	44	(35)
Net cash provided from (used in) financing activities of continuing operations	(854)	(915)	2,572
Net cash used in financing activities of discontinued operations (Note 12)			(2)
Net cash provided from (used in) financing activities	(854)	(915)	2,570
Effect of exchange rate changes on cash	41	8	44

Net change in cash and cash equivalents	(2,296)	841	2,780
Cash and cash equivalents at beginning of period	4,056	3,215	435
Cash and cash equivalents at end of period	$ 1,760	$ 4,056	$ 3,215

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

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NEWMONT MINING CORPORATION

CONSOLIDATED BALANCE SHEETS

	At December 31, 2011	At December 31, 2010
	(in millions)	
ASSETS		
Cash and cash equivalents	$ 1,760	$ 4,056
Trade receivables	300	582
Accounts receivable	320	88
Investments (Note 18)	94	113
Inventories (Note 19)	714	658
Stockpiles and ore on leach pads (Note 20)	671	617
Deferred income tax assets (Note 10)	396	177
Other current assets (Note 21)	1,133	962
Current assets	5,388	7,253
Property, plant and mine development, net (Note 22)	15,881	12,907
Investments (Note 18)	1,472	1,568
Stockpiles and ore on leach pads (Note 20)	2,271	1,757
Deferred income tax assets (Note 10)	1,605	1,437
Other long-term assets (Note 21)	857	741
Total assets	$ 27,474	$ 25,663
LIABILITIES		
Debt (Note 23)	$ 689	$ 259
Accounts payable	561	427
Employee-related benefits (Note 8)	307	288
Income and mining taxes (Note 10)	250	355
Other current liabilities (Note 24)	2,133	1,418
Current liabilities	3,940	2,747
Debt (Note 23)	3,624	4,182
Reclamation and remediation liabilities (Note 4)	1,169	984
Deferred income tax liabilities (Note 10)	2,147	1,488
Employee-related benefits (Note 8)	459	325
Other long-term liabilities (Note 24)	364	221
Total liabilities	11,703	9,947
Commitments and contingencies (Note 31)		
EQUITY		
Common stock $1.60 par value;		
Authorized 750 million shares		
Issued and outstanding		
Common: 490 million and 487 million shares issued, less 273,000 and 271,000 treasury shares, respectively	784	778
Exchangeable: 56 million shares issued, less 51 million and 50 million redeemed shares, respectively		
Additional paid-in capital	8,408	8,279
Accumulated other comprehensive income (Note 25)	652	1,108
Retained earnings	3,052	3,180
Newmont stockholders equity	12,896	13,345
Noncontrolling interests	2,875	2,371
Total equity	15,771	15,716

Total liabilities and equity	$ 27,474	$ 25,663

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

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NEWMONT MINING CORPORATION

STATEMENTS OF CONSOLIDATED CHANGES IN EQUITY

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Noncontrolling Interests	Total Equity
	Shares	Amount					
				(in millions)			
Balance at December 31, 2008	455	$ 709	$ 6,831	$ (253)	$ 4	$ 1,370	$ 8,661
Net income					1,297	796	2,093
Other comprehensive income				879		3	882
Dividends paid			(44)		(152)	(394)	(590)
Common stock offering	34	55	1,179				1,234
Convertible debt issuance			46				46
Sale of subsidiary shares to noncontrolling interests			63			467	530
Acquisition of subsidiary shares from noncontrolling interests						(332)	(332)
Stock based awards and related share issuances	2	3	86				89
Shares issued in exchange for exchangeable shares		3	(3)				
Balance at December 31, 2009	491	$ 770	$ 8,158	$ 626	$ 1,149	$ 1,910	$ 12,613
Net income					2,277	839	3,116
Other comprehensive income				482		2	484
Dividends paid					(246)	(476)	(722)
Sale of subsidiary shares to noncontrolling interests			16			183	199
Acquisition of subsidiary shares from noncontrolling interests						(87)	(87)
Stock based awards and related share issuances	2	4	109				113
Shares issued in exchange for exchangeable shares		4	(4)				
Balance at December 31, 2010	493	$ 778	$ 8,279	$ 1,108	$ 3,180	$ 2,371	$ 15,716
Net income					366	606	972
Other comprehensive loss				(456)			(456)
Dividends paid					(494)	(102)	(596)
Stock based awards and related share issuances	2	3	132				135
Shares issued in exchange for exchangeable shares		3	(3)				
Balance at December 31, 2011	495	$ 784	$ 8,408	$ 652	$ 3,052	$ 2,875	$ 15,771

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

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

NOTE 1 THE COMPANY

Newmont Mining Corporation and its affiliates and subsidiaries (collectively, Newmont or the Company) predominantly operates in the mining industry, focused on the exploration for and production of gold and copper. The Company has significant assets in the United States, Australia, Peru, Indonesia, Ghana, Canada, New Zealand and Mexico. The cash flow and profitability of the Company s operations are significantly affected by the market price of gold, and to a lesser extent, copper. The prices of gold and copper are affected by numerous factors beyond the Company s control.

References to A$ refers to Australian currency, C$ to Canadian currency, NZ$ to New Zealand currency, IDR to Indonesian currency and $ United States currency.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The Company s Consolidated Financial Statements have been prepared in accordance with United States generally accepted accounting principles (GAAP). The preparation of the Company s Consolidated Financial Statements requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and the related disclosure of contingent assets and liabilities at the date of the Consolidated Financial Statements and the reported amounts of revenues and expenses during the reporting period. The more significant areas requiring the use of management estimates and assumptions relate to mineral reserves that are the basis for future cash flow estimates utilized in impairment calculations and units-of-production amortization calculations; environmental, reclamation and closure obligations; estimates of recoverable gold and other minerals in stockpile and leach pad inventories; estimates of fair value for certain reporting units and asset impairments (including impairments of goodwill, long-lived assets and investments); write-downs of inventory, stockpiles and ore on leach pads to net realizable value; post-employment, post-retirement and other employee benefit liabilities; valuation allowances for deferred tax assets; reserves for contingencies and litigation; and the fair value and accounting treatment of financial instruments including marketable securities and derivative instruments. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Accordingly, actual results will differ from these amounts estimated in these financial statements.

Principles of Consolidation

The Consolidated Financial Statements include the accounts of Newmont Mining Corporation and more-than-50%-owned subsidiaries that it controls and entities over which control is achieved through means other than voting rights. The Company also includes its pro-rata share of assets, liabilities and operations for unincorporated joint ventures in which it has an interest. All significant intercompany balances and transactions have been eliminated. The functional currency for the majority of the Company s operations, including the Australian operations, is the U.S. dollar.

The Company follows *FASB Accounting Standards Codification* (ASC) guidance for identification and reporting of entities over which control is achieved through means other than voting rights. The guidance defines such entities as Variable Interest Entities (VIEs). The Company has identified VIEs in connection with our interests in PT Newmont Nusa Tenggara (PTNNT or Batu Hijau) due to certain funding arrangements and shareholder commitments. The Company has financing arrangements with PT Pukuafu Indah (PTPI) and PT Indonesia Masbaga Investama (PTIMI), unrelated noncontrolling shareholders of PTNNT, whereby the Company agreed to advance certain funds to them in exchange for (i) a pledge of their combined 20% share of PTNNT, (ii) an assignment of dividends payable on the shares, net of withholding tax, (iii) a commitment from them to support the

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

application of our standards to the operation of Batu Hijau and (iv) as of September 16, 2011 in respect of PTPI only, powers of attorney to vote and sell PTNNT shares in support of the pledge, enforceable in an event of default as further security for the funding. The Company has determined itself to be the primary beneficiary of these entities and controls the operations of Batu Hijau, and therefore consolidates PTNNT in the Company s financial statements.

Cash and Cash Equivalents

Cash and cash equivalents consist of all cash balances and highly liquid investments with an original maturity of three months or less. Because of the short maturity of these investments, the carrying amounts approximate their fair value. Cash and cash equivalents are invested in United States Treasury securities and money market securities. Restricted cash is excluded from cash and cash equivalents and is included in other current and long-term assets.

Investments

Management determines the appropriate classification of its investments in equity securities at the time of purchase and reevaluates such determinations at each reporting date. Investments in incorporated entities in which the Company s ownership is greater than 20% and less than 50%, or which the Company does not control through majority ownership or means other than voting rights, are accounted for by the equity method and are included in long-term assets. The Company accounts for its marketable security investments as available for sale securities in accordance with ASC guidance on accounting for certain investments in debt and equity securities. The Company periodically evaluates whether declines in fair values of its investments below the Company s carrying value are other-than-temporary in accordance with ASC guidance. The Company s policy is to generally treat a decline in the investment s quoted market value that has lasted continuously for more than six months as an other-than-temporary decline in value. The Company also monitors its investments for events or changes in circumstances that have occurred that may have a significant adverse effect on the fair value of the investment and evaluates qualitative and quantitative factors regarding the severity and duration of the unrealized loss and the Company s ability to hold the investment until a forecasted recovery occurs to determine if the decline in value of an investment is other-than-temporary. Declines in fair value below the Company s carrying value deemed to be other-than-temporary are charged to earnings.

Stockpiles, Ore on Leach Pads and Inventories

As described below, costs that are incurred in or benefit the productive process are accumulated as stockpiles, ore on leach pads and inventories. Stockpiles, ore on leach pads and inventories are carried at the lower of average cost or net realizable value. Net realizable value represents the estimated future sales price of the product based on current and long-term metals prices, less the estimated costs to complete production and bring the product to sale. Write-downs of stockpiles, ore on leach pads and inventories to net realizable value are reported as a component of *Costs applicable to sales*. The current portion of stockpiles, ore on leach pads and inventories is determined based on the expected amounts to be processed within the next 12 months. Stockpiles, ore on leach pads and inventories not expected to be processed within the next 12 months are classified as long-term. The major classifications are as follows:

Stockpiles

Stockpiles represent ore that has been extracted from the mine and is available for further processing. Stockpiles are measured by estimating the number of tons added and removed from the stockpile, the number of contained ounces or pounds (based on assay data) and the estimated

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

metallurgical recovery rates (based on the expected processing method). Stockpile ore tonnages are verified by periodic surveys. Costs are allocated to stockpiles based on relative values of material stockpiled and processed using current mining costs incurred up to the point of stockpiling the ore, including applicable overhead and amortization relating to mining operations, and removed at each stockpile s average cost per recoverable unit.

Ore on Leach Pads

The recovery of gold from certain gold oxide ores is achieved through the heap leaching process. Under this method, oxide ore is placed on leach pads where it is treated with a chemical solution, which dissolves the gold contained in the ore. The resulting gold-bearing solution is further processed in a plant where the gold is recovered. Costs are added to ore on leach pads based on current mining costs, including applicable amortization relating to mining operations. Costs are removed from ore on leach pads as ounces are recovered based on the average cost per estimated recoverable ounce of gold on the leach pad.

The estimates of recoverable gold on the leach pads are calculated from the quantities of ore placed on the leach pads (measured tons added to the leach pads), the grade of ore placed on the leach pads (based on assay data) and a recovery percentage (based on ore type). In general, leach pads recover between 50% and 95% of the recoverable ounces in the first year of leaching, declining each year thereafter until the leaching process is complete.

Although the quantities of recoverable gold placed on the leach pads are reconciled by comparing the grades of ore placed on pads to the quantities of gold actually recovered (metallurgical balancing), the nature of the leaching process inherently limits the ability to precisely monitor inventory levels. As a result, the metallurgical balancing process is constantly monitored and estimates are refined based on actual results over time. Historically, the Company s operating results have not been materially impacted by variations between the estimated and actual recoverable quantities of gold on its leach pads. Variations between actual and estimated quantities resulting from changes in assumptions and estimates that do not result in write-downs to net realizable value are accounted for on a prospective basis.

In-process Inventory

In-process inventories represent materials that are currently in the process of being converted to a saleable product. Conversion processes vary depending on the nature of the ore and the specific processing facility, but include mill in-circuit, flotation, leach and carbon-in-leach in circuits. In-process material is measured based on assays of the material fed into the process and the projected recoveries of the respective plants. In-process inventories are valued at the average cost of the material fed into the process attributable to the source material coming from the mines, stockpiles and/or leach pads plus the in-process conversion costs, including applicable amortization relating to the process facilities incurred to that point in the process.

Precious Metals Inventory

Precious metals inventories include gold doré and/or gold bullion. Precious metals that result from the Company s mining and processing activities are valued at the average cost of the respective in-process inventories incurred prior to the refining process, plus applicable refining costs.

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Concentrate Inventory

Concentrate inventories represent copper and gold concentrate available for shipment. The Company values concentrate inventory at the average cost, including an allocable portion of support costs and amortization. Costs are added and removed to the concentrate inventory based on tons of concentrate and are valued at the lower of average cost or net realizable value.

Materials and Supplies

Materials and supplies are valued at the lower of average cost or net realizable value. Cost includes applicable taxes and freight.

Property, Plant and Mine Development

Facilities and equipment

Expenditures for new facilities or equipment and expenditures that extend the useful lives of existing facilities or equipment are capitalized and recorded at cost. The facilities and equipment are amortized using the straight-line method at rates sufficient to amortize such costs over the estimated productive lives, which do not exceed the related estimated mine lives, of such facilities based on proven and probable reserves.

Mine Development

Mine development costs include engineering and metallurgical studies, drilling and other related costs to delineate an ore body, the removal of overburden to initially expose an ore body at open pit surface mines and the building of access ways, shafts, lateral access, drifts, ramps and other infrastructure at underground mines. Costs incurred before mineralization is classified as proven and probable reserves are expensed and classified as *Exploration* or *Advanced projects, research and development* expense. Capitalization of mine development project costs, that meet the definition of an asset, begins once mineralization is classified as proven and probable reserves.

Drilling and related costs are capitalized for an ore body where proven and probable reserves exist and the activities are directed at obtaining additional information on the ore body or converting non-reserve mineralization to proven and probable reserves. All other drilling and related costs are expensed as incurred. Drilling costs incurred during the production phase for operational ore control are allocated to inventory costs and then included as a component of *Costs applicable to sales*.

The cost of removing overburden and waste materials to access the ore body at an open pit mine prior to the production phase are referred to as pre-stripping costs. Pre-stripping costs are capitalized during the development of an open pit mine. Where multiple open pits exist at a mining complex utilizing common processing facilities, pre-stripping costs are capitalized at each pit. The removal, production, and sale of de minimis saleable materials may occur during development and are recorded as *Other income*, net of incremental mining and processing costs.

The production phase of an open pit mine commences when saleable minerals, beyond a de minimis amount, are produced. Stripping costs incurred during the production phase of a mine are variable production costs that are included as a component of inventory to be recognized in *Costs applicable to sales* in the same period as the revenue from the sale of inventory. The Company s definition of a mine and the mine s production phase may differ from that of other companies in the mining industry resulting in incomparable allocations of stripping costs to deferred mine development and production costs. Other mining companies may expense pre-stripping costs associated with subsequent pits within a mining complex.

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Mine development costs are amortized using the units-of-production (UOP) method based on estimated recoverable ounces or pounds in proven and probable reserves. To the extent that these costs benefit an entire ore body, they are amortized over the estimated life of the ore body. Costs incurred to access specific ore blocks or areas that only provide benefit over the life of that area are amortized over the estimated life of that specific ore block or area.

Mineral Interests

Mineral interests include acquired interests in production, development and exploration stage properties. The mineral interests are capitalized at their fair value at the acquisition date, either as an individual asset purchase or as part of a business combination.

The value of such assets is primarily driven by the nature and amount of mineralized material believed to be contained in such properties. Production stage mineral interests represent interests in operating properties that contain proven and probable reserves. Development stage mineral interests represent interests in properties under development that contain proven and probable reserves. Exploration stage mineral interests represent interests in properties that are believed to potentially contain mineralized material consisting of (i) mineralized material such as inferred material within pits; measured, indicated and inferred material with insufficient drill spacing to qualify as proven and probable reserves; and inferred material in close proximity to proven and probable reserves; (ii) around-mine exploration potential such as inferred material not immediately adjacent to existing reserves and mineralization, but located within the immediate mine area; (iii) other mine-related exploration potential that is not part of measured, indicated or inferred material and is comprised mainly of material outside of the immediate mine area; (iv) greenfields exploration potential that is not associated with any other production, development or exploration stage property, as described above; or (v) any acquired right to explore or extract a potential mineral deposit. The Company s mineral rights generally are enforceable regardless of whether proven and probable reserves have been established. In certain limited situations, the nature of a mineral right changes from an exploration right to a mining right upon the establishment of proven and probable reserves. The Company has the ability and intent to renew mineral interests where the existing term is not sufficient to recover all identified and valued proven and probable reserves and/or undeveloped mineralized material.

Asset Impairment

The Company reviews and evaluates its long-lived assets for impairment when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. An impairment is considered to exist if the total estimated future cash flows on an undiscounted basis are less than the carrying amount of the assets, including goodwill, if any. An impairment loss is measured and recorded based on discounted estimated future cash flows. Future cash flows are estimated based on quantities of recoverable minerals, expected gold and other commodity prices (considering current and historical prices, trends and related factors), production levels, operating costs, capital requirements and reclamation costs, all based on life-of-mine plans. Existing proven and probable reserves and value beyond proven and probable reserves, including mineralization that is not part of the measured, indicated or inferred resource base, are included when determining the fair value of mine site reporting units at acquisition and, subsequently, in determining whether the assets are impaired. The term recoverable minerals refers to the estimated amount of gold or other commodities that will be obtained after taking into account losses during ore processing and treatment. Estimates of recoverable minerals from such exploration stage mineral interests are risk adjusted based on management s relative confidence in such materials. In estimating future cash flows, assets are

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grouped at the lowest level for which there are identifiable cash flows that are largely independent of future cash flows from other asset groups. The Company s estimates of future cash flows are based on numerous assumptions and it is possible that actual future cash flows will be significantly different than the estimates, as actual future quantities of recoverable minerals, gold and other commodity prices, production levels and costs and capital are each subject to significant risks and uncertainties.

Revenue Recognition

Revenue is recognized, net of treatment and refining charges, from a sale when persuasive evidence of an arrangement exists, the price is determinable, the product has been delivered, the title has been transferred to the customer and collection of the sales price is reasonably assured. Revenues from by-product sales are credited to *Costs applicable to sales* as a by-product credit.

Concentrate sales are initially recorded based on 100% of the provisional sales prices. Until final settlement occurs, adjustments to the provisional sales prices are made to take into account the mark-to-market changes based on the forward prices for the estimated month of settlement. For changes in metal quantities upon receipt of new information and assay, the provisional sales quantities are adjusted as well. The principal risks associated with recognition of sales on a provisional basis include metal price fluctuations between the date initially recorded and the date of final settlement. If a significant decline in metal prices occurs between the provisional pricing date and the final settlement date, it is reasonably possible that the Company could be required to return a portion of the sales proceeds received based on the provisional invoice.

The Company s sales based on a provisional price contain an embedded derivative that is required to be separated from the host contract for accounting purposes. The host contract is the receivable from the sale of the concentrates at the forward exchange price at the time of sale. The embedded derivative, which does not qualify for hedge accounting, is marked to market through earnings each period prior to final settlement.

Income and Mining Taxes

The Company accounts for income taxes using the liability method, recognizing certain temporary differences between the financial reporting basis of the Company s liabilities and assets and the related income tax basis for such liabilities and assets. This method generates either a net deferred income tax liability or asset for the Company, as measured by the statutory tax rates in effect. The Company derives its deferred income tax charge or benefit by recording the change in either the net deferred income tax liability or asset balance for the year. Mining taxes represent state and provincial taxes levied on mining operations and are classified as income taxes; as such taxes are based on a percentage of mining profits. With respect to the earnings that the Company derives from the operations of its consolidated subsidiaries, in those situations where the earnings are indefinitely reinvested, no deferred taxes have been provided on the unremitted earnings (including the excess of the carrying value of the net equity of such entities for financial reporting purposes over the tax basis of such equity) of these consolidated companies.

The Company s deferred income tax assets include certain future tax benefits. The Company records a valuation allowance against any portion of those deferred income tax assets when it believes, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred income tax asset will not be realized.

The Company s operations involve dealing with uncertainties and judgments in the application of complex tax regulations in multiple jurisdictions. The final taxes paid are dependent upon many factors, including negotiations with taxing authorities in various jurisdictions and resolution of disputes arising

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from federal, state, and international tax audits. The Company recognizes potential liabilities and records tax liabilities for anticipated tax audit issues in the U.S. and other tax jurisdictions based on its estimate of whether, and the extent to which, additional taxes will be due. The Company adjusts these reserves in light of changing facts and circumstances; however, due to the complexity of some of these uncertainties, the ultimate resolution may result in a payment that is materially different from the Company s current estimate of the tax liabilities. If the Company s estimate of tax liabilities proves to be less than the ultimate assessment, an additional charge to expense would result. If the estimate of tax liabilities proves to be greater than the ultimate assessment, a tax benefit would result. The Company recognizes interest and penalties, if any, related to unrecognized tax benefits in *Income and mining tax expense*.

Reclamation and Remediation Costs

Reclamation obligations are recognized when incurred and recorded as liabilities at fair value. The liability is accreted over time through periodic charges to earnings. In addition, the asset retirement cost is capitalized as part of the asset s carrying value and amortized over the life of the related asset. Reclamation costs are periodically adjusted to reflect changes in the estimated present value resulting from the passage of time and revisions to the estimates of either the timing or amount of the reclamation costs. The reclamation obligation is based on when spending for an existing disturbance will occur. The Company reviews, on an annual basis, unless otherwise deemed necessary, the reclamation obligation at each mine site in accordance with ASC guidance for reclamation obligations.

Future remediation costs for inactive mines are accrued based on management s best estimate at the end of each period of the costs expected to be incurred at a site. Such cost estimates include, where applicable, ongoing care, maintenance and monitoring costs. Changes in estimates at inactive mines are reflected in earnings in the period an estimate is revised.

Foreign Currency

The functional currency for the majority of the Company s operations, including the Australian operations, is the U.S. dollar. All monetary assets and liabilities where the functional currency is the U.S. dollar are translated at current exchange rates and the resulting adjustments are included in *Other income, net*. All assets and liabilities recorded in functional currencies other than U.S. dollars are translated at current exchange rates and the resulting adjustments are charged or credited directly to *Accumulated other comprehensive income* in *Equity.* Revenues and expenses in foreign currencies are translated at the weighted-average exchange rates for the period.

Derivative Instruments

Newmont has forward contracts designated as cash flow hedges in place to hedge against changes in foreign exchanges rates and diesel prices, and forward starting swap contracts to hedge against changes in treasury rates. The fair value of derivative contracts qualifying as cash flow hedges are reflected as assets or liabilities in the balance sheet. To the extent these hedges are effective in offsetting forecasted cash flows from production costs (the effective portion), changes in fair value are deferred in *Accumulated other comprehensive income*. Amounts deferred in *Accumulated other comprehensive income* are reclassified to income when the hedged transaction has occurred. The ineffective portion of the change in the fair value of the derivative is recorded in *Other income, net* in each period. Cash transactions related to the Company s derivative contracts accounted for as hedges are classified in the same category as the item being hedged in the statement of cash flows.

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When derivative contracts qualifying as cash flow hedges are settled, accelerated or restructured before the maturity date of the contracts, the related amount in *Accumulated other comprehensive income* at the settlement date is deferred and reclassified to earnings, as applicable, when the originally designated hedged transaction impacts earnings.

The fair value of derivative contracts qualifying as fair value hedges are reflected as assets or liabilities in the balance sheet. Changes in fair value are recorded in income in each period, consistent with recording changes to the mark-to-market value of the underlying hedged asset or liability in income. Prior to maturity in May 2011, changes in the mark-to-market value of the effective portion of interest rate swaps utilized by the Company to swap a portion of its fixed rate interest rate risk to floating rate risk were recognized as a component of *Interest expense, net*.

Newmont assesses the effectiveness of the derivative contracts periodically using either regression analysis or the dollar offset approach, both retrospectively and prospectively, to determine whether the hedging instruments have been highly effective in offsetting changes in the fair value of the hedged items. The Company will also assess periodically whether the hedging instruments are expected to be highly effective in the future. If a hedging instrument is not expected to be highly effective, the Company will stop hedge accounting prospectively. In those instances, the gains or losses remain in *Accumulated other comprehensive income* until the hedged item affects earnings.

Net Income per Common Share

Basic and diluted income per share are presented for *Net income attributable to Newmont stockholders* and for *Income from continuing operations attributable to Newmont stockholders*. Basic income per share is computed by dividing income available to common shareholders by the weighted-average number of outstanding common shares for the period, including the exchangeable shares (see Notes 14 and 23). Diluted income per share reflects the potential dilution that could occur if securities or other contracts that may require the issuance of common shares in the future were converted. Diluted income per share is computed by increasing the weighted-average number of outstanding common shares to include the additional common shares that would be outstanding after conversion and adjusting net income for changes that would result from the conversion. Only those securities or other contracts that result in a reduction in earnings per share are included in the calculation.

Comprehensive Income

In addition to *Net income, Comprehensive income (loss)* includes all changes in equity during a period, such as adjustments to minimum pension liabilities, foreign currency translation adjustments, the effective portion of changes in fair value of derivative instruments that qualify as cash flow hedges and cumulative unrecognized changes in fair value of marketable securities available-for-sale or other investments, except those resulting from investments by and distributions to owners.

Recently Adopted Accounting Pronouncements

Business Combinations

In December 2010, the ASC guidance for business combinations was updated to clarify existing guidance which requires a public entity to disclose pro forma revenue and earnings of the combined entity as though the business combination(s) that occurred during the current year had occurred as of the beginning of the comparable prior annual period only. The update also expands the supplemental pro forma disclosures required to include a description of the nature and amount of material, nonrecurring pro forma adjustments directly attributable to the business combination included in the reported pro forma revenue and earnings. Adoption of the updated guidance, effective for the

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Company s fiscal year beginning January 1, 2011, had no impact on the Company s consolidated financial position, results of operations or cash flows. Refer to Note 15 for further details regarding the Company s acquisitions.

Fair Value Accounting

In January 2010, the ASC guidance for fair value measurements and disclosure was updated to require additional disclosures related to transfers in and out of level 1 and 2 fair value measurements. The guidance was amended to clarify the level of disaggregation required for assets and liabilities and the disclosures required for inputs and valuation techniques used to measure the fair value of assets and liabilities that fall in either level 2 or level 3. The updated guidance was effective for the Company s fiscal year beginning January 1, 2010. The adoption had no impact on the Company s consolidated financial position, results of operations or cash flows.

Also in January 2010, the ASC guidance for fair value measurements and disclosure was updated to require enhanced detail in the level 3 reconciliation. Adoption of the updated guidance, effective for the Company s fiscal year beginning January 1, 2011, had no impact on the Company s consolidated financial position, results of operations or cash flows. Refer to Note 16 for further details regarding the Company s assets and liabilities measured at fair value.

Variable Interest Entities

In June 2009, the ASC guidance for consolidation accounting was updated to require an entity to perform a qualitative analysis to determine whether the enterprise s variable interest gives it a controlling financial interest in a VIE. This qualitative analysis identifies the primary beneficiary of a VIE as the entity that has both of the following characteristics: (i) the power to direct the activities of a VIE that most significantly impact the entity s economic performance and (ii) the obligation to absorb losses or receive benefits from the entity that could potentially be significant to the VIE. The updated guidance also requires ongoing reassessments of the primary beneficiary of a VIE. Adoption of the updated guidance, effective for the Company s fiscal year beginning January 1, 2010, had no impact on the Company s consolidated financial position, results of operations or cash flows.

Recently Issued Accounting Pronouncements

Goodwill Impairment

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

Comprehensive Income

In June 2011, the ASC guidance was issued related to comprehensive income. Under the updated guidance, an entity will have the option to present the total of comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. In addition, the update required certain disclosure requirements when reporting other comprehensive

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income. The update does not change the items reported in other comprehensive income or when an item of other comprehensive income must be reclassified to income. Subsequently, in December 2011, the FASB issued its final standard to defer the new requirement to present components of reclassifications of other comprehensive income on the face of the income statement. Companies will still be required to adopt the other requirements contained in the new standard on comprehensive income. The Company adopted the new guidance and its deferral and opted to present the total of comprehensive income in two separate but consecutive statements effective for its fiscal year beginning January 1, 2011. The early adoption had no impact on the Company s consolidated financial position, results of operations or cash flows.

Fair Value Accounting

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

NOTE 3 SEGMENT INFORMATION

The Company s reportable segments are based upon the Company s management structure that is focused on the geographic region for the Company s operations and include North America, South America, Asia Pacific, Africa and Corporate and Other. The Company s major operations include Nevada, Yanacocha, Boddington, Batu Hijau, Other Australia/New Zealand and Ahafo. The Company identifies its reportable segments as those consolidated mining operations or functional groups that represent more than 10% of the combined revenue, profit or loss or total assets of all reported operating segments. Consolidated mining operations or functional groups not meeting this threshold are aggregated at the applicable geographic region or corporate level for segment reporting purposes. Earnings from operations do not reflect general corporate expenses, interest (except project-specific interest) or income and mining taxes (except for equity investments). Intercompany revenue and

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expense amounts have been eliminated within each segment in order to report on the basis that management uses internally for evaluating segment performance. The financial information relating to the Company s segments is as follows:

	Sales	Costs Applicable to Sales	Amortization	Advanced Projects and Exploration	Pre-Tax Income	Total Assets	Capital Expenditures[1]
Year Ended December 31, 2011							
Nevada	$ 2,700	$ 1,039	$ 277	$ 132	$ 1,213	$ 6,957	$ 559
La Herradura	331	110	20	18	190	329	81
Hope Bay			14	194	(2,306)	127	101
Other North America				3	42	65	
North America	3,031	1,149	311	347	(861)	7,478	741
Yanacocha	2,003	711	234	39	988	2,712	360
Conga				27	(28)	1,086	739
Other South America				45	(47)	31	
South America	2,003	711	234	111	913	3,829	1,099
Boddington:							
Gold	1,056	470	122				
Copper	210	118	28				
Total Boddington	1,266	588	150	11	506	4,629	217
Batu Hijau:							
Gold	524	164	35				
Copper	1,052	332	71				
Total Batu Hijau	1,576	496	106	8	890	3,582	196
Other Australia/New Zealand	1,613	681	135	51	730	1,257	294
Other Asia Pacific			3	18	(66)	630	18
Asia Pacific	4,455	1,765	394	88	2,060	10,098	725
Ahafo	869	265	76	40	465	1,146	116
Akyem				9	(10)	552	248
Other Africa				7	(11)		
Africa	869	265	76	56	444	1,698	364
Corporate and Other			21	121	(746)	4,371	35

Consolidated	$ 10,358	$ 3,890	$ 1,036	$ 723	$ 1,810	$ 27,474	$ 2,964

(1) Accrual basis includes an increase in accrued capital expenditures of $177; consolidated capital expenditures on a cash basis were $2,787.

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	Sales	Costs Applicable to Sales	Amortization	Advanced Projects and Exploration	Pre-Tax Income	Total Assets	Capital Expenditures[1]
Year Ended December 31, 2010							
Nevada	$ 2,111	$ 974	$ 271	$ 85	$ 738	$ 3,387	$ 298
La Herradura	217	73	19	6	118	216	41
Hope Bay			13	98	(111)	2,152	115
Other North America			1	1	(1)	112	
North America	2,328	1,047	304	190	744	5,867	454
Yanacocha	1,778	630	162	24	893	2,682	167
Conga				10	(11)	262	134
Other South America			1	28	(23)	30	
South America	1,778	630	163	62	859	2,974	301
Boddington							
Gold	834	400	113				
Copper	162	93	25				
Total Boddington	996	493	138	6	304	4,323	146
Batu Hijau:							
Gold	776	155	42				
Copper	1,686	337	90				
Total Batu Hijau	2,462	492	132	3	1,736	3,398	67
Other Australia/New Zealand	1,321	585	108	31	575	1,025	176
Other Asia Pacific			2	19	(14)	535	17
Asia Pacific	4,779	1,570	380	59	2,601	9,281	406
Ahafo	655	237	78	24	298	1,051	109
Akyem				9	(9)	295	70
Other Africa					(1)		
Africa	655	237	78	33	288	1,346	179
Corporate and Other			20	90	(495)	6,195	34
Consolidated	$ 9,540	$ 3,484	$ 945	$ 434	$ 3,997	$ 25,663	$ 1,374

(1) Accrual basis includes a decrease in accrued capital expenditures of $28; consolidated capital expenditures on a cash basis were $1,402.

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	Sales	Costs Applicable to Sales	Amortization	Advanced Projects and Exploration	Pre-Tax Income	Total Assets	Capital Expenditures[(1)]
Year Ended December 31, 2009							
Nevada	$ 1,943	$ 1,019	$ 261	$ 54	$ 583	$ 3,236	$ 205
La Herradura	113	42	11	3	57	137	54
Hope Bay			12	66	(77)	1,862	5
Other North America				2	(7)	55	
North America	2,056	1,061	284	125	556	5,290	264
Yanacocha	2,013	642	168	19	1,093	2,445	119
Conga				4	(4)	27	27
Other South America				23	1	32	
South America	2,013	642	168	46	1,090	2,504	146
Boddington							
Gold	101	45	15				
Copper	27	16	4				
Total Boddington	128	61	19	32	(59)	3,975	1,093
Batu Hijau:							
Gold	550	118	30				
Copper	1,292	307	78				
Total Batu Hijau	1,842	425	108		1,242	3,129	44
Other Australia/New Zealand	1,138	577	136	21	374	870	122
Other Asia Pacific			3	12	(50)	256	3
Asia Pacific	3,108	1,063	266	65	1,507	8,230	1,262
Ahafo	528	242	68	13	178	981	75
Akyem				8	(9)	206	10
Other Africa				2	2		
Africa	528	242	68	23	171	1,187	85
Corporate and Other			20	63	(370)	5,088	16
Consolidated	$ 7,705	$ 3,008	$ 806	$ 322	$ 2,954	$ 22,299	$ 1,773

[1] Accrual basis includes an increase in accrued capital expenditures of $4; consolidated capital expenditures on a cash basis were $1,769.

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Revenues from export and domestic sales were as follows:

	Years Ended December 31,		
	2011	2010	2009
Europe	$ 7,392	$ 6,209	$ 5,573
Japan	750	1,544	833
Korea	712	760	465
Indonesia	531	372	440
Mexico	331	217	113
Philippines	287	128	14
Australia	182	110	222
Other	173	200	45
	$ 10,358	$ 9,540	$ 7,705

As gold can be sold through numerous gold market traders worldwide, the Company is not economically dependent on a limited number of customers for the sale of its product. In 2011, 2010 and 2009, sales to Bank of Nova Scotia were $1,143 (13%), $2,435 (32%) and $2,658 (42%), respectively, of total gold sales. Additionally in 2011, the Company had sales to Royal Bank of Scotland that totaled $2,048 (23%) of total gold sales.

Long-lived assets, excluding deferred tax assets, investments and restricted cash, were as follows:

	At December 31,	
	2011	2010
United States	$ 6,643	$ 3,031
Australia	5,359	4,936
Peru	2,654	1,772
Indonesia	2,421	2,109
Ghana	1,535	1,231
Canada	43	2,088
Other	306	213
	$ 18,961	$ 15,380

NOTE 4 RECLAMATION AND REMEDIATION

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

requirements.

At December 31, 2011 and 2010, $1,070 and $904, respectively, were accrued for reclamation obligations relating to mineral properties. In addition, the Company is involved in several matters

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concerning environmental obligations associated with former, primarily historic, mining activities. Generally, these matters concern developing and implementing remediation plans at the various sites involved. At December 31, 2011 and 2010, $170 and $144, respectively, were accrued for such obligations. These amounts are also included in *Reclamation and remediation liabilities*.

Included in *Other long-term assets* at December 31, 2011 and 2010 is $11 and $12, respectively, of restricted cash that is legally restricted for purposes of settling asset retirement obligations related to the Con mine in Yellowknife, NWT, Canada. Included in *Investments* at December 31, 2011 and 2010 are $11 and $10 of long-term marketable debt securities, respectively, and $4 and $6 long-term marketable equity securities, respectively, which are legally pledged for purposes of settling asset retirement obligations related to the San Jose Reservoir in Yanacocha.

The following is a reconciliation of reclamation and remediation liabilities:

Balance January 1, 2010	$ 859
Additions, changes in estimates and other	188
Liabilities settled	(51)
Accretion expense	52
Balance December 31, 2010	1,048
Additions, changes in estimates and other	176
Liabilities settled	(43)
Accretion expense	59
Balance December 31, 2011	$ 1,240

Additions to the reclamation liability in 2011 of $176 include $139 for currently or recently producing properties due mainly to increased water treatment costs and additional heap leach facilities at Yanacocha, an increase in the tailings area at Boddington, an expansion of the operating footprint at Batu Hijau and $37 for historic mining operations primarily related to additional water management costs.

Additions to the reclamation liability in 2010 of $188 include $186 for currently or recently producing properties due mainly to increased water treatment costs as a result of mine plan changes at Yanacocha, increased demolition costs at Boddington, an increase in the tailings area at Kalgoorlie, increased backfill at Phoenix, increased activity at Hope Bay and $2 for historic mining operations primarily related to additional water management costs.

The current portion of *Reclamation and remediation liabilities* of $71 and $64 at December 31, 2011 and 2010, respectively, are included in *Other current liabilities* (see Note 24).

The Company s reclamation and remediation expenses consisted of:

	Years Ended December 31,		
	2011	**2010**	**2009**
Reclamation	$ 61	$ 13	$ 13
Accretion operating	50	44	34
Accretion non-operating	9	8	12

$ 120	$ 65	$ 59

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Reclamation expense increased in 2011, primarily due to remediation agreed upon for the Midnite Mine site and land purchases around the Mt Leyshon mine.

NOTE 5 WRITE-DOWN OF PROPERTY, PLANT AND MINE DEVELOPMENT

	Years Ended December 31,		
	2011	**2010**	**2009**
Hope Bay	$ 2,080	$	$
Nevada	2	4	1
Batu Hijau	1	1	4
Yanacocha	1		1
Other Australia/New Zealand		1	1
	$ 2,084	$ 6	$ 7

Write-down of property, plant and mine development totaled $2,084 in 2011, primarily due to an impairment related to the Hope Bay project that resulted from the Company s decision to place the project on care and maintenance and to focus on environmental and regulatory compliance spending. The Company placed the Hope Bay project on care and maintenance after evaluating existing development options and economic feasibility for the project compared with other project and development opportunities within the Company s wider project pipeline.

NOTE 6 OTHER EXPENSE, NET

	Years Ended December 31,		
	2011	**2010**	**2009**
Regional administration	$ 78	$ 64	$ 55
Community development	67	111	84
Acquisition costs	22		67
Indonesian value added tax settlement	21	10	
Write-down of Hope Bay inventory	17		
Western Australia power plant	15	15	37
Batu Hijau divestiture	7	4	12
World Gold Council dues	7	13	11
Revaluation of contingent consideration	1	2	23
Other	30	42	69
	$ 265	$ 261	$ 358

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NOTE 7   OTHER INCOME, NET

	Years Ended December 31,		
	2011	2010	2009
Gain on sale of investments, net	$ 64	$ 16	$ 8
Income from developing projects, net	42	18	4
Canadian Oil Sands	34	55	26
Refinery income	27	14	14
Gain on asset sales, net	17	48	16
Interest income	11	11	16
Foreign currency exchange losses, net	(4)	(64)	(1)
Loss on ineffective portion of derivative instruments, net	(17)	(2)	(6)
Impairment of marketable securities	(180)	(1)	(6)
Other	18	14	17
	$ 12	$ 109	$ 88

NOTE 8   EMPLOYEE RELATED BENEFITS

	At December 31,	
	2011	2010
Current:		
Accrued payroll and withholding taxes	$ 204	$ 189
Peruvian workers participation	42	49
Employee pension benefits	5	6
Other post-retirement plans	3	3
Accrued severance	3	2
Other employee-related payables	50	39
	$ 307	$ 288

	At December 31,	
	2011	2010
Long-term:		
Employee pension benefits	$ 227	$ 127
Other post-retirement benefit plans	104	92
Accrued severance	96	73
Peruvian workers participation	17	18
Other employee-related payables	15	15
	$ 459	$ 325

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Pension and Other Benefit Plans

The Company provides defined benefit pension plans to eligible employees. Benefits are generally based on years of service and the employee s average annual compensation. Various international pension plans are based on local laws and requirements. Pension costs are determined annually by independent actuaries and pension contributions to the qualified plans are made based on funding standards established under the Employee Retirement Income Security Act of 1974, as amended.

The Company sponsors retiree health care plans that provide prescription drug benefits to eligible retirees that our plans actuaries have determined are actuarially equivalent to Medicare Part D. In 2010, Congress passed certain measures of healthcare reform which changed the tax-free status of Medicare Part D subsidies and eliminated the impact on the post-retirement ABO.

The following tables provide a reconciliation of changes in the plans benefit obligations and assets fair values for 2011 and 2010:

	Pension Benefits		Other Benefits	
	2011	2010	2011	2010
Change in Benefit Obligation:				
Benefit obligation at beginning of year	$ 681	$ 580	$ 95	$ 95
Service cost	25	21	2	2
Interest cost	39	36	5	6
Actuarial (gain) loss	66	68	7	(6)
Amendments		2		
Foreign currency exchange loss		2		
Settlement payments	(14)	(1)		
Benefits paid	(25)	(27)	(2)	(2)
Projected benefit obligation at end of year	$ 772	$ 681	N/A	N/A
Accumulated Benefit Obligation	$ 554	$ 543	$ 107	$ 95
Change in Fair Value of Assets:				
Fair value of assets at beginning of year	$ 559	$ 372	$	$
Actual return on plan assets	(7)	53		
Employer contributions	27	161	2	2
Foreign currency exchange gain		1		
Settlement payments	(14)	(1)		
Benefits paid	(25)	(27)	(2)	(2)
Fair value of assets at end of year	$ 540	$ 559	$	$
Unfunded status, net	$ 232	$ 122	$ 107	$ 95

The Company s qualified pension plans are funded with cash contributions in compliance with Internal Revenue Service (IRS) rules and regulations. The Company s non-qualified and other benefit plans are currently not funded, but exist as general corporate obligations. The information contained in

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the above tables presents the combined funded status of qualified and non-qualified plans. The Company is currently planning to contribute at least $35 to its retirement benefit programs in 2012.

The following table provides the net amounts recognized in the Consolidated Balance Sheets at December 31:

	Pension Benefits		Other Benefits	
	2011	2010	2011	2010
Accrued employee benefit liability	$ 232	$ 122	$ 107	$ 95
Accumulated other comprehensive income (loss):				
Net actuarial gain (loss)	$ (349)	$ (263)	$ 6	$ 12
Prior service credit (cost)	(7)	(8)	4	5
	(356)	(271)	10	17
Less: Income taxes	125	95	(4)	(6)
	$ (231)	$ (176)	$ 6	$ 11

The following table provides components of the net periodic pension and other benefits costs for the years ended December 31:

	Pension Benefit Costs			Other Benefit Costs		
	2011	2010	2009	2011	2010	2009
Service cost	$ 25	$ 21	$ 18	$ 2	$ 2	$ 2
Interest cost	39	36	32	5	6	5
Expected return on plan assets	(42)	(32)	(29)			
Amortization, net	26	17	16	(1)	(1)	(1)
	$ 48	$ 42	$ 37	$ 6	$ 7	$ 6

The following table provides the components recognized in *Other comprehensive income (loss)* for the years ended December 31:

	Pension Benefits			Other Benefits		
	2011	2010	2009	2011	2010	2009
Net gain (loss)	$ (111)	$ (41)	$ 7	$ (6)	$ 5	$ (1)
Amortization, net	26	17	16	(1)	(1)	(1)
Total recognized in Other comprehensive income (loss)	$ (85)	$ (24)	$ 23	$ (7)	$ 4	$ (2)
Total recognized in net periodic benefit cost and Other comprehensive income (loss)	$ (133)	$ (66)	$ (14)	$ (13)	$ (3)	$ (7)

The expected recognition of amounts in *Accumulated other comprehensive income* is $25 and $1 for net actuarial loss and prior service cost for pension benefits in 2012, respectively, and $nil and $1 for net actuarial gain and prior service credit for other benefits in 2012, respectively.

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Significant assumptions were as follows:

	Pension Benefits At December 31,		Other Benefits At December 31,	
	2011	2010	2011	2010
Weighted-average assumptions used in measuring the Company s benefit obligation:				
Discount rate	5.35%	5.75%	5.35%	5.75%
Rate of compensation increase	5.00%	5.00%	5.00%	5.00%

	Pension Benefits Years Ended December 31,			Other Benefits Years Ended December 31,		
	2011	2010	2009	2011	2010	2009
Weighted-average assumptions used in measuring the net periodic pension benefit cost:						
Discount long-term rate	5.75%	6.10%	6.05%	5.75%	6.10%	6.05%
Expected return on plan assets	8.00%	8.00%	8.00%	N/A	N/A	N/A
Rate of compensation increase	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

Yield curves matching our benefit obligations were derived using a model based on high quality corporate bond data from Bloomberg. The model develops a discount rate by selecting a portfolio of high quality corporate bonds whose projected cash flows match the projected benefit payments of the plan. The resulting curves were used to identify a discount rate for the Company of 5.35% and 5.75% at December 31, 2011 and 2010, respectively, based on the timing of future benefit payments. The decision to use 8% as the expected long-term return on plan assets for the three years ended December 2011 was made based on an analysis of the actual plan asset returns over multiple time horizons and other comparable U.S. corporations. At December 31, 2011, Newmont decreased the expected long term return on plan assets to 7.75% in estimating its benefit obligation, which will be used in determining future net periodic benefit cost. The decrease in the rate is a result of considering the most recent capital market forecasts and the plans current allocation as well as the actual return on plan assets underperforming as compared to the expected return on assets in the last 5 years. The average actual return on plan assets during the 23 years ended December 31, 2011 approximated 8%.

The pension plans employ several independent investment firms which invest the assets of the plans in certain approved funds that correspond to specific asset classes with associated target allocations. The goal of the pension fund investment program is to achieve prudent actuarial funding ratios while maintaining acceptable risk levels. The investment performance of the plans and that of the individual investment firms is measured against recognized market indices. The performance of the pension funds are monitored by an investment committee comprised of members of the Company s management, which is advised by an independent investment consultant. With the exception of global capital market economic risks, the Company has identified no significant portfolio risks associated to

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asset classes. The following is a summary of the target asset allocations for 2011 and the actual asset allocation at December 31, 2011.

Asset Allocation	Target	Actual at December 31, 2011
U.S. equity investments	33%	35%
International equity investments	24%	24%
Fixed income investments	35%	33%
Other	8%	8%

The following table sets forth the Company s pension plan assets measured at fair value by level within the fair value hierarchy. Assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

	Fair Value at December 31, 2011			
	Level 1	Level 2	Level 3	Total
Plan Assets:				
Cash and cash equivalents	$ 1	$	$	$ 1
Commingled funds		539		539
	$ 1	$ 539	$	$ 540

	Fair Value at December 31, 2010			
	Level 1	Level 2	Level 3	Total
Plan Assets:				
Cash and cash equivalents	$ 2	$	$	$ 2
Commingled funds		557		557
	$ 2	$ 557	$	$ 559

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

The pension plans commingled fund investments are classified within Level 2. The funds are managed by several fund managers and are valued at the net asset value per share for each fund. Although the majority of underlying assets in the funds consist of actively traded equity securities and bonds, the unit of account is considered to be at the fund level, and therefore, the investments are classified as Level 2. At December 31, 2011, the underlying assets of the commingled funds consist of U.S. equity investments (35%), international equity investments (24%), fixed income investments (33%), and other investments (8%).

The assumed health care cost trend rate to measure the expected cost of benefits was 8.00% for 2012, 7.50% for 2013, 7.00% for 2014, 6.50% for 2015, 6.00% for 2016 and approximately 5.00% for each year thereafter. Assumed health care cost trend rates have a significant effect on amounts

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reported for the health care plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

	One-percentage-point Increase		One-percentage-point Decrease	
Effect on total of service and interest cost components of net periodic post-retirement health care benefit cost	$	1	$	(1)
Effect on the health care component of the accumulated post-retirement benefit obligation	$	17	$	(14)

Cash Flows

Benefit payments expected to be paid are as follows: $25 in 2012, $27 in 2013, $33 in 2014, $40 in 2015, $37 in 2016, and $268 in total over the five years from 2017 through 2021. Benefit payments made to other benefit plan participants are expected to be as follows: $4 in 2012, $4 in 2013, $4 in 2014, $5 in 2015, $5 in 2016, and $32 in total over the five years from 2017 through 2021.

Savings Plans

The Company has two qualified defined contribution savings plans, one that covers salaried and non-union hourly employees and one that covers substantially all hourly union employees. In addition, the Company has one non-qualified supplemental savings plan for salaried employees whose benefits under the qualified plan are limited by federal regulations. When an employee meets eligibility requirements, the Company matches 100% of employee contributions of up to 6% of base salary for the salaried and hourly union plans. The Company makes a contribution between 5.0% and 7.5% (based on continuous years of service) to each non-union hourly employee s retirement contribution account at its sole discretion. Matching contributions are made with Newmont stock; however, no holding restrictions are placed on such contributions, which totaled $17 in 2011, $15 in 2010, and $15 in 2009.

NOTE 9 STOCK BASED COMPENSATION

The Company has stock incentive plans for executives and eligible employees. Stock incentive awards include options to purchase shares of stock with exercise prices not less than fair market value of the underlying stock at the date of grant, restricted stock units, financial performance stock bonuses and performance leveraged stock units. At December 31, 2011, 8,809,298 shares were available for future stock incentive plan awards.

Employee Stock Options

Stock options granted under the Company s stock incentive plans vest over periods of three years or more and are exercisable over a period of time not to exceed 10 years from the grant date. The value of each option award is estimated at the grant date using the Black-Scholes option pricing model. The Black-Scholes option pricing model requires the input of subjective assumptions, including the expected term of the option award and stock price volatility. The expected term of options granted is derived from historical data on employee exercise and post-vesting employment termination experience. Expected volatility is based on the historical volatility of our stock at the grant date. These estimates involve inherent uncertainties and the application of management s judgment. In addition, we are required to estimate the expected forfeiture rate and only recognize expense for those options expected to vest. As a result, if other assumptions had been used, our recorded stock based

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compensation expense would have been different from that reported. The Black-Scholes option pricing model used the following weighted-average assumptions:

	2011	2010	2009	2008	2007
Weighted-average risk-free interest rate	2.0%	2.5%	2.0%	3.1%	4.6%
Dividend yield	1.4%	0.7%	1.0%	1.0%	1.0%
Expected life in years	6	5	5	5	5
Volatility	37%	38%	36%	30%	32%

The following table summarizes annual activity for all stock options for each of the three years ended December 31:

	2011		2010		2009	
	Number of Shares	Weighted-Average Exercise Price	Number of Shares	Weighted-Average Exercise Price	Number of Shares	Weighted-Average Exercise Price
Outstanding at beginning of year	5,414,205	$ 45.36	6,142,073	$ 42.65	6,463,004	$ 42.17
Granted	1,276,250	$ 58.72	918,343	$ 55.68	1,157,825	$ 39.99
Exercised	(928,037)	$ 43.67	(1,494,686)	$ 40.38	(1,204,836)	$ 36.24
Forfeited and expired	(281,077)	$ 56.56	(151,525)	$ 51.02	(273,920)	$ 50.20
Outstanding at end of year	5,481,341	$ 48.40	5,414,205	$ 45.36	6,142,073	$ 42.65
Options exercisable at year-end	3,166,178	$ 46.22	3,211,115	$ 45.50	3,880,866	$ 44.39
Weighted-average fair value per share of options granted during the year	$ 18.90		$ 20.01		$ 12.88	

The following table summarizes information about stock options outstanding and exercisable at December 31, 2011:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding	Weighted-Average Remaining Contractual Life (in years)	Weighted-Average Exercise Price	Number Exercisable	Weighted-Average Exercise Price
$20 to $30	360,723	5.9	$ 26.91	60,723	$ 26.89
$30 to $40	947,202	6.6	$ 39.60	635,585	$ 39.43
$40 to $50	1,730,135	4.4	$ 44.76	1,729,185	$ 44.76
$50 to $60	2,417,490	8.0	$ 57.46	740,685	$ 57.05
$60+	25,791	9.9	$ 67.41		$
	5,481,341	6.5	$ 48.40	3,166,178	$ 46.22

At December 31, 2011, there was $26 of unrecognized compensation cost related to 2,315,163 unvested stock options. This cost is expected to be recognized over a weighted-average period of

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approximately 3 years. The total intrinsic value of options exercised in 2011, 2010 and 2009 was $18, $29 and $16, respectively. At December 31, 2011, the aggregate intrinsic value of outstanding stock options was $64 and the aggregate intrinsic value of exercisable options was $44.

The following stock options vested in each of the three years ended December 31:

	2011	2010	2009
Stock options vested	950,119	922,463	795,566
Weighted-average exercise price	$ 46.73	$ 42.16	$ 46.86

Other Stock Based Compensation

The Company grants restricted stock units to executives and eligible employees upon achievement of certain financial and operating results. Restricted stock units vest over periods of three years or more. Prior to vesting, holders of restricted stock units do not have the right to vote the underlying shares; however, executives accrue dividend equivalents on their restricted stock units, which are paid at the time the restricted stock units vest. The restricted stock units are subject to forfeiture risk and other restrictions. Upon vesting, the employee is entitled to receive one share of the Company s common stock for each restricted stock unit. In 2011, 2010 and 2009, the Company granted 586,944, 483,408 and 450,195 restricted stock units, respectively, at a weighted-average fair market value of $57, $52 and $42, respectively, per underlying share of the Company s common stock. At December 31, 2011, 537,282, 250,729 and 99,170 shares remain unvested for the 2011, 2010 and 2009 grants, respectively.

The Company grants financial performance stock bonuses to eligible executives upon achievement of certain financial and operating results, based on a targeted number of shares at the beginning of each performance period. At the end of the performance period, one third of the bonus is paid in common stock and two-thirds of the bonus is paid in restricted stock units that vest in equal annual increments at the second and third anniversaries of the start of the performance period. In 2011 and 2010, the Company granted 42,932 and 64,646 common shares, respectively, and 85,632 and 129,302 restricted stock units, respectively, included in the restricted stock unit grants above at a fair market value of $55 and $50 per underlying share of the Company s common stock, respectively, under the financial performance stock bonus plan.

The Company grants performance leveraged stock units (PSUs) to eligible executives, based upon certain measures of shareholder return. In 2011 and 2010, the Company granted 102,313 and 204,732, respectively, PSUs at a weighted-average fair market value of $76 and $69, respectively. The actual number of PSUs that vest are determined at the end of a three year performance period (except two initial awards granted in 2010 that were based on a one and two year performance period). At December 31, 2011, 102,313 and 145,601 remained unvested for the 2011 and 2010 PSU grants.

Prior to 2009, the Company granted restricted stock awards to executives and deferred stock awards to eligible employees upon achievement of certain financial and operating results. Shares of restricted stock and deferred stock vest over periods of three years or more from the grant date and are subject to certain restrictions related to ownership and transferability prior to vesting. In 2008, 218,697 shares of restricted stock, were granted at a weighted-average fair market value of $39 per underlying share of the Company s common stock. At December 31, 2011, 100,000 shares remained unvested for the 2008 restricted stock awards. In 2008, the Company granted 394,095 shares of deferred stock, at a weighted-average fair market value of $44 per underlying share of the Company s

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common stock. At December 31, 2011, no awards shares remained unvested for the 2008 deferred stock awards.

The total intrinsic value of other stock based compensation awards that vested in 2011, 2010 and 2009 was $33, $28 and $19, respectively. At December 31, 2011, there was $35 of unrecognized compensation costs related to the unvested other stock based compensation awards. This cost is expected to be recognized over a weighted-average period of approximately 2 years.

The Company recognized stock based compensation as follows:

	Years Ended December 31,		
	2011	**2010**	**2009**
Stock options	$ 19	$ 16	$ 14
Restricted stock units	27	19	9
Performance leveraged stock units	7	7	
Restricted stock	1	2	4
Deferred stock	4	8	13
	$ 58	$ 52	$ 40

NOTE 10 INCOME AND MINING TAXES

The Company s *Income and mining tax expense* consisted of:

	Years Ended December 31,		
	2011	**2010**	**2009**
Current:			
United States	$ (346)	$ (214)	$ (46)
Foreign	(1,038)	(1,022)	(782)
	(1,384)	(1,236)	(828)
Deferred:			
United States	185	518	42
Foreign	486	(138)	(43)
	671	380	(1)
	$ (713)	$ (856)	$ (829)

The Company s *Income before income and mining tax and other items* consisted of:

	Years Ended December 31,		
	2011	2010	2009
United States	$ 878	$ 737	$ 291
Foreign	932	3,260	2,663
	$ 1,810	$ 3,997	$ 2,954

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

	Years Ended December 31,		
	2011	**2010**	**2009**
Income before income and mining tax and other items	$ 1,810	$ 3,997	$ 2,954
United States statutory corporate income tax rate	35%	35%	35%
Income tax expense computed at United States statutory corporate income tax rate	(634)	(1,399)	(1,034)
Reconciling items:			
Tax benefit generated on change in form of a non-U.S. subsidiary	65	440	
Percentage depletion	172	151	127
Change in valuation allowance on deferred tax assets	(263)	18	32
Mining taxes (net of federal benefit)	(42)	(33)	(27)
Other	(11)	(33)	73
Income and mining tax expense	$ (713)	$ (856)	$ (829)

Factors that Significantly Impact Effective Tax Rate

The Company converted certain non-U.S. entities to U.S. entities for U.S. income tax purposes. As a result of the elections, the subsidiaries are treated as flow-through entities for U.S. federal income tax purposes. The restructurings in 2011 and 2010 resulted in the recording of a deferred tax asset, calculated as the difference between fair market valuations of the subsidiaries compared to the underlying financial statement basis in the assets.

Percentage depletion allowances (tax deductions for depletion that may exceed our tax basis in our mineral reserves) are available to us under the income tax laws of the United States for operations conducted in the United States or through branches and partnerships owned by U.S. subsidiaries included in our consolidated United States income tax return. The deductions are highly sensitive to the price of gold and other minerals produced by the Company.

The Company reviews the measurement of its deferred tax assets at each balance sheet date. All available evidence, both positive and negative, is considered in determining whether, based on the weight of the evidence, it is more likely than not that some portion or all of the deferred tax asset will not be realized. The Company increased the valuation allowance related to deferred tax assets by $542 during 2011. The impairments of the Hope Bay project and specific marketable equity securities increased the valuation allowance $223 and $33, respectively. In addition, $274 of the increase in valuation allowance is a result of the tax re-consolidation of the Australian group. This valuation allowance relates to the Australian tax step-up in basis allocated to capital assets. During 2011, $32 of valuation allowance on foreign tax credits was released and recorded directly to equity. The remaining $10 valuation allowance on foreign tax credits, when released will also be recorded directly to equity. The valuation allowance remaining at the end of 2011 primarily is attributable to non-U.S. subsidiaries tax loss carryforwards and capital assets.

In the fourth quarter of 2010, the Company reclassified certain income based state and provincial taxes from *Costs applicable to sales to Income and mining tax expense*. Tax expense increased due to the inclusion of such taxes as *Income and mining tax expense*. The reclassification resulted in $42,

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$33 and $27 (net of federal benefit) increase to income and mining taxes for 2011, 2010 and 2009, respectively.

Components of the Company s deferred income tax assets (liabilities) are as follows:

	At December 31,	
	2011	2010
Deferred income tax assets:		
Property, plant and mine development	$ 689	$ 158
Reclamation and remediation	226	193
Net operating losses, capital losses and tax credits	1,054	1,275
Investment in partnerships	203	563
Employee-related benefits	15	49
Derivative instruments and unrealized loss on investments	308	60
Other	8	44
	2,503	2,342
Valuation allowances	(977)	(435)
	1,526	1,907
Deferred income tax liabilities:		
Property, plant and mine development	(1,362)	(1,370)
Net undistributed earnings of subsidiaries	(198)	(237)
Derivative instruments and unrealized gain on investments	(69)	(160)
Other	(93)	(68)
	(1,722)	(1,835)
Net deferred income tax assets (liabilities)	$ (196)	$ 72

Net deferred income tax assets and liabilities consist of:

	At December 31,	
	2011	2010
Current deferred income tax assets	$ 396	$ 177
Long-term deferred income tax assets	1,605	1,437
Current deferred income tax liabilities	(50)	(54)
Long-term deferred income tax liabilities	(2,147)	(1,488)
	$ (196)	$ 72

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Company s Unrecognized Tax Benefits

At December 31, 2011, 2010 and 2009, the Company had $336, $116 and $130 of total gross unrecognized tax benefits, respectively. A reconciliation of the beginning and ending amount of gross unrecognized tax benefits is as follows:

	2011	2010	2009
Total amount of gross unrecognized tax benefits at beginning of year	$ 116	$ 130	$ 181
Additions for tax positions of prior years	160	3	(21)
Additions for tax positions of current year	64		3
Reductions due to settlements with taxing authorities		(9)	(27)
Reductions due to lapse of statute of limitations	(4)	(8)	(6)
Total amount of gross unrecognized tax benefits at end of year	$ 336	$ 116	$ 130

At December 31, 2011, 2010 and 2009, $137, $45 and $63, respectively, represent the amount of unrecognized tax benefits that, if recognized, would impact the Company s effective income tax rate.

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

On April 27, 2009, the United States Tax Court issued a decision in favor of Santa Fe, with respect to the $65 million Homestake break-up fee deducted by Santa Fe in tax year 1997. Following procedural rules, the Internal Revenue Service was given 90 days from the date the decision was entered in which to file an appeal. The entry of decision was made on July 16, 2009. The Internal Revenue Service did not file an appeal, and as a result, as of October 15, 2009 the decision stands. The result of this decision resulted in overpayments for each of the tax years 1994 through 1997. The Company has adjusted the unrecognized tax benefits accordingly.

In 2010, PTNNT, the Company s partially owned subsidiary in Indonesia, received a final tax assessment from the Indonesian Tax Office. Although required to pay $132 (of which, $119 related to corporate income tax matters) of tax and penalties upon receipt of the tax assessment, PTNNT intends to vigorously defend its positions through all processes available to it. PTNNT believes it is more likely than not that they will prevail based on prior experience and therefore recorded a corresponding receivable in the third quarter of 2010.

During the year, the U.S. Internal Revenue Service issued a Technical Advice Memorandum (TAM) to the Company regarding the U.S. income tax treatment of the Price Capped Forward Sales Contracts settled in cash in 2007. The TAM provides guidance which is unfavorable to the Company. The Company intends to vigorously defend its positions through all processes available to it and believes it should prevail.

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The Company or one of its subsidiaries files income tax returns in the U.S. federal jurisdiction, and various state and foreign jurisdictions. With few exceptions, the Company is no longer subject to U.S. Federal, state and local, and non-U.S. income tax examinations by tax authorities for years before 2005. As a result of (i) statute of limitations that will begin to expire within the next 12 months in various jurisdictions, and (ii) possible settlements of audit-related issues with taxing authorities in various jurisdictions with respect to which none of the issues are individually significant, the Company believes that it is reasonably possible that the total amount of its net unrecognized income tax benefits will decrease between $25 to $30 in the next 12 months.

The Company s continuing practice is to recognize interest and/or penalties related to unrecognized tax benefits as part of its income and mining tax expense. At December 31, 2011 and 2010, the total amount of accrued income-tax-related interest and penalties included in the Consolidated Balance Sheets was $11 and $10, respectively. During 2011, the Company recorded through the Statements of Consolidated Income an additional $1 of interest and penalties. During 2010, the Company released through the Statements of Consolidated Income an additional $4 of interest and penalties. During 2009, the Company accrued through the Statements of Consolidated Income an additional $9 of interest and penalties.

Tax Loss Carryforwards, Foreign Tax Credits, and AMT Credits

At December 31, 2011 and 2010, the Company had (i) $1,051 and $1,220 of net operating loss carry forwards, respectively; and (ii) $259 and $168 of tax credit carry forwards, respectively. At December 31, 2011 and 2010, $315 and $857, respectively, of net operating loss carry forwards are attributable to operations in Australia, Ghana and France for which current tax law provides no expiration period. The remaining net operating loss carryforwards expire at various dates through 2030. Valuation allowances have been recorded on net operating loss carryforwards where the Company believes based on the available evidence it is more likely than not that the net operating losses will not be realized.

Tax credit carry forwards for 2011 and 2010 of $155 and $53 consist of foreign tax credits available in the United States; substantially all such credits not utilized will expire at the end of 2018. Other credit carry forwards at the end of 2011 and 2010 in the amounts of $104 and $115, respectively, represent alternative minimum tax credits attributable to the Company s U.S. operations for which the current tax law provides no period of expiration.

Differences in tax rates and other foreign income tax law variations make the ability to fully utilize all available foreign income tax credits on a year-by-year basis highly dependent on the price of the gold and copper produced by the Company and the costs of production, since lower prices or higher costs can result in having insufficient sources of taxable income in the United States to utilize all available foreign tax credits. Such credits have limited carry back and carry forward periods and can only be used to reduce the United States income tax imposed on foreign earnings included in the annual United States consolidated income tax return.

Other

Newmont intends to indefinitely reinvest earnings from certain foreign operations. Accordingly, U.S. and non-U.S. income and withholding taxes for which deferred taxes might otherwise be required, have not been provided on a cumulative amount of temporary differences (including, for this purpose, any difference between the tax basis in the stock of a consolidated subsidiary and the amount of the subsidiary s net equity determined for financial reporting purposes) related to investments in foreign subsidiaries of approximately $8 and $7 at December 31, 2011 and 2010, respectively.

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NOTE 11 EQUITY INCOME (LOSS) OF AFFILIATES

	Years Ended December 31,		
	2011	**2010**	**2009**
Minera La Zanja S.R.L.	$ 52	$ 10	$ (4)
Euronimba Ltd.	(41)	(10)	(17)
AGR Matthey Joint Venture		3	5
	$ 11	$ 3	$ (16)

Minera La Zanja S.R.L.

Newmont holds a 46.94% interest in Minera La Zanja, S.R.L. (La Zanja), a gold project near the city of Cajamarca, Peru. The remaining interest is held by Compañia de Minas Buenaventura, S.A.A. (Buenaventura). The mine commenced operations in September 2010 and is operated by Buenaventura. Newmont received dividends of $31 during 2011 from its interest in La Zanja.

Euronimba Ltd.

Newmont holds a 43.50% interest in Euronimba Ltd. (Euronimba), with the remaining interests held by BHP Billiton (43.50%) and Areva (13%). Euronimba owns 95% of the Nimba iron ore project located in the Republic of Guinea which is in the early stages of development.

AGR Matthey Joint Venture

The AGR Matthey Joint Venture (AGR), a gold refinery, in which Newmont held a 40% interest, was dissolved on March 30, 2010. Newmont received consideration of $14 from the dissolution and recorded a gain of $6 during 2010. Newmont received dividends of $7 and $2 during 2010 and 2009, respectively, from its interests in AGR. See also Note 26 for details of Newmont s transactions with AGR.

NOTE 12 DISCONTINUED OPERATIONS

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

In July 2009, the Company sold its interest in Kori Kollo in Bolivia. As part of the transaction, a reclamation trust fund was established with the proceeds to be made available exclusively to pay for closure and reclamation costs when operations eventually cease. The Company recognized a $16 charge in 2009, net of tax benefits of $27, related to the sale.

Newmont has accounted for these dispositions in accordance with accounting guidance for the impairment or disposal of long-lived assets. The Company has reclassified the income statement results from the historical presentation to *Loss from discontinued operations* in the Statements of Consolidated Income for all periods presented. The Statements of Consolidated Cash Flows have been reclassified for discontinued operations for all periods presented.

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The following table details selected financial information included in the *Loss from discontinued operations* in the Statements of Consolidated Income:

	000000000000	000000000000	000000000000
		Years Ended December 31,	
	2011	**2010**	**2009**
Sales	$	$	$ 32
Income from operations	$	$	$ 1
Non-operating loss	(143)	(40)	(44)
Pre-tax loss	(143)	(40)	(43)
Income tax benefit	7	12	27
Loss from discontinued operations	$ (136)	$ (28)	$ (16)

The following table details selected financial information included in *Net cash provided from (used in) discontinued operations* and *financing activities of discontinued operations*:

	000000000000	000000000000	000000000000
		Years Ended December 31,	
	2011	**2010**	**2009**
Net cash provided from (used in) discontinued operations:			
Loss from discontinued operations	$ (136)	$ (28)	$ (16)
Amortization			3
Deferred income taxes	(7)	(12)	(28)
Impairment of assets held for sale			44
Other operating adjustments and write-downs			7
Increase in net operating liabilities	136	27	23
	$ (7)	$ (13)	$ 33
Net cash used in financing activities of discontinued operations:			
Repayment of debt	$	$	$ (2)
	$	$	$ (2)

NOTE 13 NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS

	000000000000	000000000000	000000000000
		Years Ended December 31,	

	2011	2010	2009
Yanacocha	$ 326	$ 292	$ 354
Batu Hijau	287	549	445
Other	(7)	(2)	(3)
	$ 606	$ 839	$ 796

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

In June 2010, PTPI completed the sale of an approximate 2.2% interest in PTNNT to PTIMI. To enable the transaction to proceed, the Company released its rights to the dividends payable on this 2.2% interest and released the security interest in the associated shares. The Company further agreed

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to advance certain funds to PTIMI to enable it to purchase the interest in exchange for (i) a pledge of their 2.2% share of PTNNT, (ii) an assignment of dividends payable on the shares, net of withholding tax, and (iii) a commitment from them to support the application of Newmont standards to the operation of the Batu Hijau mine. The funds that the Company advanced to PTIMI and which it paid to PTPI for the shares were used by PTPI to reduce its outstanding loan balance with the Company. Upon completion of this transaction, PTPI requested and was allowed to borrow additional funds under the Company s agreement with PTPI. The Company s economic interest in PTPI s and PTIMI s combined 20% interest in PTNNT remains at 17% and did not change as a result of these transactions.

In March 2010, the Company (through Nusa Tenggara Partnership B.V. (NTPBV)) completed the sale and transfer of shares for a 7% interest in PTNNT to PT Multi Daerah Bersaing (PTMDB) in compliance with divestiture obligations under the Contract of Work, reducing NTPBV s ownership interest to 56% from 63%. In 2009, the Company (through NTPBV) completed the sale and transfer of shares for a 17% interest in PTNNT to PTMDB in compliance with divestiture obligations under the Contract of Work, reducing NTPBV s ownership interest to 63% from 80%. The 2010 and 2009 share transfers resulted in gains of approximately $16 (after tax of $33) and $63 (after tax of $115), respectively, that were recorded as *Additional paid-in capital*. For information on the Batu Hijau Contract of Work and divestiture requirements, see the discussion in Note 31 to the Consolidated Financial Statements.

In December 2009, the Company entered into a transaction with PTPI, whereby the Company agreed to advance certain funds to PTPI in exchange for a pledge of the noncontrolling shareholder s 20% stake in PTNNT; an assignment of dividends on the shares, net of withholding tax; a commitment from PTPI to support the application of Newmont s standards to the operation of the Batu Hijau mine; and as of September 16, 2011 powers of attorney to vote and sell PTNNT shares in support of the pledge. Based on the transaction with PTPI, the Company recognized an additional 17% effective economic interest in PTNNT.

At December 31, 2011, Newmont had a 48.50% effective economic interest in PTNNT. Based on ASC guidance for variable interest entities, Newmont continues to consolidate PTNNT in its Consolidated Financial Statements.

NOTE 14 NEWMONT EQUITY AND INCOME PER SHARE

Newmont Common Stock

In September 2009, Newmont filed a shelf registration statement on Form S-3 under which it can issue an indeterminate number or amount of common stock, preferred stock, debt securities, guarantees of debt securities and warrants from time to time at indeterminate prices. It also included the resale of an indeterminate amount of common stock, preferred stock and debt securities from time to time upon exercise of warrants or conversion of convertible securities.

Treasury Stock

Treasury stock is acquired by the Company when certain restricted stock awards vest or are forfeited. At vesting, a participant has a tax liability and, pursuant to the participant s award agreement, may elect withholding of restricted stock to satisfy tax withholding obligations. The withheld or forfeited stock is accounted for as treasury stock and carried at the par value of the related common stock.

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Exchangeable Shares

In connection with the acquisition of Franco-Nevada Corporation (Franco) in February 2002, certain holders of Franco common stock received 0.8 of an exchangeable share of Newmont Mining Corporation of Canada Limited (formerly Franco) for each share of common stock held. These exchangeable shares are convertible, at the option of the holder, into shares of Newmont common stock on a one-for-one basis, and entitle holders to dividends and other rights economically equivalent to holders of Newmont common stock. On December 15, 2011, as a result of a plan of arrangement, holders of exchangeable shares received, at their election, for each existing exchangeable share, one new exchangeable share of Newmont Mining Corporation of Canada Limited or one share of Newmont common stock. In connection with the plan of arrangement, 1.6 million shares were converted from exchangeable shares to Newmont common stock and 4.9 million new exchangeable shares were issued. At December 31, 2011 and 2010, the value of the remaining exchangeable shares was included in *Additional paid-in capital* and outstanding shares.

Net Income per Common Share

Basic income per common share is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding for the period. Diluted income per common share is computed similarly to basic income per common share except that the weighted average number of common shares outstanding is increased to include the number of additional common shares that would have been outstanding if the potentially dilutive common shares had been issued.

	Years Ended December 31,		
	2011	2010	2009
Net income attributable to Newmont stockholders:			
Continuing operations	$ 502	$ 2,305	$ 1,308
Discontinued operations	(136)	(28)	(11)
	$ 366	$ 2,277	$ 1,297
Weighted average common shares (millions):			
Basic	494	492	487
Effect of employee stock based awards	2	2	
Effect of convertible notes	8	6	
Diluted	504	500	487
Net income attributable to Newmont stockholders per common share			
Basic:			
Continuing operations	$ 1.02	$ 4.69	$ 2.68
Discontinued operations	(0.28)	(0.06)	(0.02)
	$ 0.74	$ 4.63	$ 2.66
Diluted:			
Continuing operations	$ 1.00	$ 4.61	$ 2.68
Discontinued operations	(0.27)	(0.06)	(0.02)

	$ 0.73	$ 4.55	$ 2.66

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Options to purchase 2 million, 2 million and 4 million shares of common stock at average exercise prices of $58, $57 and $47 were outstanding at December 31, 2011, 2010 and 2009, respectively, but were not included in the computation of diluted weighted average common shares because their effect would have been anti-dilutive.

In February 2009 and July 2007, Newmont issued $518 and $1,150, respectively, of Convertible Senior Notes that, if converted in the future, may have a dilutive effect on the Company s weighted average number of common shares. The notes issued in 2009 and 2007 are convertible, at the holder s option, equivalent to a conversion price of $45.73 (11,316,422 shares of common stock) and $45.68 (25,175,131 shares of common stock), respectively, per share of common stock. Under the convertible note indenture, Newmont is required to settle the principal amount of the Convertible Senior Notes in cash and may elect to settle the remaining conversion obligation (Newmont average share price in excess of the conversion price), if any, in cash, shares or a combination thereof. The effect of contingently convertible instruments on diluted earnings per share is calculated under the net share settlement method in accordance with ASC guidance. The average price of the Company s common stock for the year ended December 31, 2011 and 2010 exceeded the conversion price for the notes issued in 2009 and 2007, respectively, and therefore, 8 and 6 million shares additional shares were included in the computation of diluted weighted average common shares for the year ended December 31, 2011 and 2010, respectively.

In connection with the 2007 Convertible Senior Notes offering, the Company entered into Call Spread Transactions which included the purchase of call options and the sale of warrants. As a result of the Call Spread Transactions, the conversion price of $45.68 was effectively increased to $59.59. Should the warrant transactions become dilutive to the Company s earnings per share (Newmont s average share price exceeds $59.59) the effect of the warrant transactions on diluted earnings per share will be calculated in accordance with the net share settlement method.

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

	Years Ended December 31,		
	2011	**2010**	**2009**
Net income attributable to Newmont stockholders	$ 366	$ 2,277	$ 1,297
Transfers from the noncontrolling interests:			
Increase in Additional paid-in capital from sale of PTNNT shares, net of tax of nil, $33 and $115, respectively		16	63
Net income attributable to Newmont stockholders and transfers from noncontrolling interests	$ 366	$ 2,293	$ 1,360

NOTE 15 ACQUISITIONS

On April 6, 2011, Newmont acquired all of the outstanding common shares of Fronteer Gold Inc. (Fronteer). Pursuant to the terms of the acquisition, shareholders of Fronteer received C$14.00 in cash and one-fourth of a common share in Pilot Gold, which retained certain exploration assets of Fronteer, for each common share of Fronteer. Newmont completed the acquisition to acquire, among other assets, the exploration stage Long Canyon project, which is located approximately one hundred miles from the Company s existing infrastructure in Nevada and provides the potential for significant development and operating synergies.

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

The Fronteer purchase price allocation was based on the estimated fair values of assets acquired and liabilities assumed as follows:

Assets:	
Cash	$ 2
Property, plant and mine development, net	3,226
Investments	281
Other assets	7
	$ 3,516
Liabilities:	
Deferred income tax liability	$ 1,241
Other liabilities	16
	1,257
Net assets acquired	$ 2,259

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

On June 25, 2009 the Company completed the acquisition of the remaining 33.33% interest in Boddington from AngloGold Ashanti Australia Limited (AngloGold). Consideration for the acquisition consisted of $982 and a contingent 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 quarterly beginning in the second quarter of 2010 on one-third of gold sales from Boddington. At the acquisition date, the Company estimated the fair value of the contingent consideration at $62. In connection with the acquisition, the Company incurred $67 of transaction costs in 2009 of which $15 of these costs were paid at December 31, 2011.

At December 31, 2011 and 2010, the estimated fair value of the unpaid contingent consideration was approximately $54 and $83, respectively. Changes to the estimated fair value resulting from periodic revaluations are recorded to *Other expense, net*. During 2011 and 2010, the Company paid $30 and $4, respectively, related to the contingent consideration. The range of remaining undiscounted amounts the Company could pay is between $0 and $66.

NOTE 16 FAIR VALUE ACCOUNTING

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

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

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Level 2 Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

Level 3 Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

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

	Fair Value at December 31, 2011			
	Total	**Level 1**	**Level 2**	**Level 3**
Assets:				
Cash equivalents	$ 84	$ 84	$	$
Marketable equity securities:				
Extractive industries	1,450	1,450		
Other	4	4		
Marketable debt securities:				
Asset backed commercial paper	19			19
Corporate	11	11		
Auction rate securities	5			5
Trade receivable from provisional copper and gold concentrate sales, net	194	194		
Derivative instruments, net:				
Foreign exchange forward contracts	223		223	
Diesel forward contracts	1		1	
	$ 1,991	$ 1,743	$ 224	$ 24
Liabilities:				
Derivative instruments:				
Forward Starting Swaps Contracts	$ 399	$	$ 399	$
Boddington contingent consideration	54			54
Holt Property Royalty	176			176
	$ 629	$	$ 399	$ 230

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

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

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

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

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

The estimated fair value of the Boddington contingent royalty was determined using a Monte Carlo valuation model which simulates future gold and copper prices and costs applicable to sales to estimate fair value. At December 31, 2011, the Company used the following long-term assumptions: 1) $1,500 per ounce gold price, 2) $3.50 per pound copper price, 3) $90 per barrel of oil, and 4) a $1.00 A$/US$ exchange rate. The Company used a 4% discount rate in the model. The contingent royalty liability is classified within Level 3 of the fair value hierarchy.

The estimated fair value of the Holt sliding scale royalty was determined using a Monte Carlo valuation model to simulate future gold prices utilizing a $1,500 per ounce gold price long-term assumption, various gold production scenarios based on publicly available reserve and resource information for the Holt property and a 4% weighted average discount rate. The sliding scale royalty liability is classified within Level 3 of the fair value hierarchy.

The table below sets forth a summary of changes in the fair value, on a recurring basis, of the Company s Level 3 financial assets and liabilities for the year ended December 31, 2011:

	Auction Rate Securities	Asset Backed Commercial Paper	Total Assets	Boddington Contingent Consideration	Holt Property Royalty	Total Liabilities
December 31, 2010	$ 5	$ 19	$ 24	$ 83	$	$ 83
Initial Valuation					183	183
Revaluation				1		1
Settlements				(30)	(7)	(37)
December 31, 2011	$ 5	$ 19	$ 24	$ 54	$ 176	$ 230

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At December 31, 2011, the assets and liabilities classified within Level 3 of the fair value hierarchy represent 1% and 37% of the total assets and liabilities measured at fair value, on a recurring basis.

The following table provides information related to assets and liabilities that are measured at fair value on a nonrecurring basis in periods after initial recognition. At December 31, 2011, Newmont recorded an impairment of $2,097 related to its Hope Bay project. The Hope Bay assets were impaired based on a decision to place the project on care and maintenance. This write-down was recorded using Level 3 inputs, based on the income approach; whereby, Newmont considered the estimated recoverable value, net of transportation and selling costs, of the related assets at Hope Bay.

		Fair Value Measurement Using			
Description	**At December 31, 2011**	**Level 1**	**Level 2**	**Level 3**	**Total loss**
Inventories:					
Materials, supplies and other	$ 17	$	$	$ 17	$ (17)
Property, plant and mine development:					
Facilities and equipment					(107)
Construction-in-progress	7			7	(207)
Mineral interests					(1,766)
	7			7	(2,080)
	$ 24	$	$	$ 24	$ (2,097)

NOTE 17 DERIVATIVE INSTRUMENTS

The Company s strategy is to provide shareholders with leverage to changes in gold and copper prices by selling its production at spot market prices. Consequently, the Company does not hedge its gold and copper sales. Newmont manages certain risks associated with commodity input costs, treasury rates and foreign currencies using the derivative market. All of the cash flow and fair value derivative instruments described below were transacted for risk management purposes and qualify as hedging instruments. The maximum period over which hedged transactions are expected to occur is five years.

Cash Flow Hedges

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

Foreign Currency Contracts

Newmont utilizes foreign currency contracts to reduce the variability of the US dollar amount of forecasted foreign currency expenditures caused by changes in A$ and NZ$ exchange rates. Newmont hedges a portion of the Company s A$ and NZ$ denominated operating expenditures to realize a blended exchange rate each period. The hedging instruments are fixed forward contracts with expiration dates ranging up to five years from the date of issue.

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

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

Newmont had the following foreign currency derivative contracts outstanding at December 31, 2011:

	Expected Maturity Date					
	2012	**2013**	**2014**	**2015**	**2016**	**Total/ Average**
A$ Operating Fixed Forward Contracts:						
A$ notional (millions)	1,218	951	665	375	141	3,350
Average rate ($/A$)	0.91	0.92	0.89	0.87	0.89	0.90
Expected hedge ratio	76%	62%	46%	26%	10%	
A$ Capital Fixed Forward Contracts:						
A$ notional (millions)	57	51	22			130
Average rate ($/A$)	1.01	0.98	0.96			0.99
Expected hedge ratio	42%	28%	23%			
NZ$ Operating Fixed Forward Contracts:						
NZ$ notional (millions)	62	23				85
Average rate ($/NZ$)	0.75	0.77				0.76
Expected hedge ratio	48%	20%				

Diesel Fixed Forward Contracts

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

Newmont had the following diesel derivative contracts outstanding at December 31, 2011:

	Expected Maturity Date			
	2012	**2013**	**2014**	**Total/ Average**
Diesel Fixed Forward Contracts:				
Diesel gallons (millions)	25	11	3	39
Average rate ($/gallon)	2.81	2.90	2.82	2.84
Expected Nevada hedge ratio	56%	24%	7%	

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Forward Starting Swap Contracts

During 2011, Newmont entered into forward starting swap contracts with a total notional value of $2,000. These swaps hedge movements in treasury rates related to an expected debt issuance. The Company subsequently revised its expected debt issuance date to the first half of 2012 and extended the terms of the forward starting swap contracts, resulting in the recognition of $15 in charges related to hedge ineffectiveness in 2011. At December 31, 2011, the hedge contracts were in a liability position of $399. The proceeds from the expected debt issuance will be adjusted by the fair value of the swap contracts at the time of issuance.

Treasury Rate Lock Contracts

In connection with the 2019 and 2039 notes issued in September 2009, Newmont acquired treasury rate lock contracts to reduce the variability of the proceeds realized from the bond issuances. The treasury rate locks resulted in $6 and $5 unrealized gains in *Accumulated other comprehensive income* for the 2019 and 2039 notes, respectively. The Company previously acquired treasury rate locks in connection with the issuance of the 2035 notes that resulted in a $10 unrealized loss in *Accumulated other comprehensive income*. The gains/losses from these contracts are recognized in *Interest expense, net* over the terms of the respective notes.

Fair Value Hedges

Interest Rate Swap Contracts

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

Derivative Instrument Fair Values

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

	Fair Values of Derivative Instruments At December 31, 2011			
	Other Current Assets	**Other Long-Term Assets**	**Other Current Liabilities**	**Other Long-Term Liabilities**
Foreign currency exchange contracts:				
A$ operating fixed forward contracts	$ 121	$ 112	$ 6	$ 4
A$ capital fixed forward contracts				1
NZ$ operating fixed forward contracts	2		1	
Diesel fixed forward contracts	4		2	1
Forward starting swap contracts			399	
Total derivative instruments (Notes 21 and 24)	$ 127	$ 112	$ 408	$ 6

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	Fair Values of Derivative Instruments At December 31, 2010			
	Other Current Assets	**Other Long-Term Assets**	**Other Current Liabilities**	**Other Long-Term Liabilities**
Foreign currency exchange contracts:				
A$ operating fixed forward contracts	$ 181	$ 114	$	$
NZ$ operating fixed forward contracts	5	1		
Diesel fixed forward contracts	7	1		
Interest rate swap contracts	3			
Total derivative instruments (Notes 21 and 24)	$ 196	$ 116	$	$

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

	Foreign Currency Exchange Contracts			Diesel Fixed Forward Contracts		
For the years ended December 31,	**2011**	**2010**	**2009**	**2011**	**2010**	**2009**
Cash flow hedging relationships:						
Gain recognized in other comprehensive income (effective portion)	$ 151	$ 287	$ 245	$ 6	$ 6	$ 7
Gain (loss) reclassified from Accumulated other comprehensive income into income (effective portion) [1]	$ 188	$ 92	$ (6)	$ 14	$ 4	$ (11)

	Forward Starting Swap Contracts			Treasury Rate Lock Contracts		
For the years ended December 31,	**2011**	**2010**	**2009**	**2011**	**2010**	**2009**
Cash flow hedging relationships:						
Gain (loss) recognized in other comprehensive income (effective portion)	$ (399)	$	$	$	$	$ 11
Loss reclassified from Accumulated other comprehensive income into income (ineffective portion) [2]	$ (15)	$	$	$	$	$

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

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

Interest Rate Swap Contracts	8 5/8% Debentures (Hedged Portion)

For the years ended December 31,	2011	2010	2009	2011	2010	2009
Fair value hedging relationships:						
Gain (loss) recognized in income (effective portion) [1]	$ 3	$ 6	$ 4	$ (6)	$	$ (1)
Gain (loss) recognized in income (ineffective portion) [2]	$ (2)	$ (4)	$ (3)	$	$ 2	$ (3)

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

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The amount to be reclassified from *Accumulated other comprehensive income*, net of tax to income during the next 12 months is a gain of approximately $80.

Provisional Copper and Gold Sales

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

The average LME copper price was $4.00 per pound during 2011, compared with the Company s recorded average provisional price of $4.02 before mark-to-market losses and treatment and refining charges. During 2011, decreasing copper prices resulted in a provisional pricing mark-to-market loss of $92 ($0.26 per pound). At December 31, 2011, Newmont had copper sales of 79 million pounds priced at an average of $3.43 per pound, subject to final pricing over the next several months.

The average London P.M. fix for gold was $1,572 per ounce during 2011, compared with the Company s recorded average provisional price of $1,567 per ounce before mark-to-market gains and treatment and refining charges. During 2011, increasing gold prices resulted in a provisional pricing mark-to-market gain of $31 ($5 per ounce). At December 31, 2011, Newmont had gold sales of 85,000 ounces priced at an average of $1,576 per ounce, subject to final pricing over the next several months.

NOTE 18 INVESTMENTS

		At December 31, 2011		
		Unrealized		
	Cost/Equity Basis	Gain	Loss	Fair/Equity Basis
Current:				
Marketable Equity Securities:				
Paladin Energy Ltd.	$ 60	$ 13	$	$ 73
Other	15	7	(1)	21
	$ 75	$ 20	$ (1)	$ 94
Long-term:				
Marketable Debt Securities:				
Asset backed commercial paper	$ 25	$	$ (6)	$ 19
Auction rate securities	7		(2)	5
Corporate	10	1		11
	42	1	(8)	35
Marketable Equity Securities:				
Canadian Oil Sands Trust	302	401		703
Gabriel Resources Ltd.	76	236		312
Regis Resources Ltd.	36	218		254

Other	92	16	(17)	91
	506	871	(17)	1,360
Other investments, at cost	11			11
Investment in Affiliates:				
La Zanja	66			66
	$ 625	$ 872	$ (25)	$ 1,472

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

In conjunction with the April 6, 2011 acquisition of Fronteer, Newmont acquired $208 of Paladin Energy Ltd. securities and $73 of other marketable equity securities which were subsequently impaired for other-than-temporary declines in value resulting in charges of $148 for Paladin Energy Ltd. and $32 for other marketable equity securities.

In 2011, Newmont sold its investment in New Gold Inc. and realized a gain of $50 and sold other marketable equity securities and realized a gain of $14.

In 2010, AGR, in which the Company held a 40% equity interest, was dissolved and the Company received consideration of $14 and recorded a gain of $6. During 2010, the Company recognized impairments for other-than-temporary declines in value of $1 for other marketable equity securities.

The following tables present the gross unrealized losses and fair value of the Company s investments with unrealized losses that are not deemed to be other-than-temporarily impaired,

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aggregated by length of time that the individual securities have been in a continuous unrealized loss position:

	Less than 12 Months		12 Months or Greater		Total	
At December 31, 2011	**Fair Value**	**Unrealized Losses**	**Fair Value**	**Unrealized Losses**	**Fair Value**	**Unrealized Losses**
Asset backed commercial paper	$	$	$ 19	$ 6	$ 19	$ 6
Auction rate securities			5	2	5	2
Marketable equity securities	42	18			42	18
	$ 42	$ 18	$ 24	$ 8	$ 66	$ 26

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

Included in the tables above are the unrealized losses of $26 and $8 at December 31, 2011 and 2010, respectively, related to the Company s investments in asset backed commercial paper, auction rate securities and marketable equity securities. While the fair values of these investments are below their respective cost, the Company views these declines as temporary. The Company intends to hold its investment in auction rate securities and asset backed commercial paper until maturity or such time that the market recovers and therefore considers these losses temporary.

NOTE 19 INVENTORIES

	At December 31,	
	2011	**2010**
In-process	$ 159	$ 142
Concentrate	116	111
Precious metals	12	4
Materials, supplies and other	427	401
	$ 714	$ 658

The Company recorded aggregate write-downs of $27, $9, and $9 for 2011, 2010, and 2009, respectively, to reduce the carrying value of material and supply inventories to net realizable value. $17 of the write-downs in 2011 are related to the Hope Bay project and are classified as a component of *Other expense, net*. The remaining write-downs in 2011, 2010, and 2009 were related to Nevada and Batu Hijau. These inventory write-downs are classified as components of *Costs applicable to sales.*

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NOTE 20 STOCKPILES AND ORE ON LEACH PADS

	At December 31,	
	2011	**2010**
Current:		
Stockpiles	$ 506	$ 389
Ore on leach pads	165	228
	$ 671	$ 617
Long-term:		
Stockpiles	$ 1,904	$ 1,397
Ore on leach pads	367	360
	$ 2,271	$ 1,757

	At December 31,	
	2011	**2010**
Stockpiles and ore on leach pads:		
Nevada	$ 536	$ 479
La Herradura	6	6
Yanacocha	512	496
Boddington	435	248
Batu Hijau	1,119	879
Other Australia/New Zealand	161	145
Ahafo	173	121
	$ 2,942	$ 2,374

NOTE 21 OTHER ASSETS

	At December 31,	
	2011	**2010**
Other current assets:		
Refinery metal inventory and receivable	$ 796	$ 617
Derivative instruments	127	196
Other prepaid assets	93	65
Restricted cash	20	1
Note receivable	12	12
Other	85	71

	$ 1,133	$ 962
Other long-term assets:		
Goodwill	$ 188	$ 188
Intangible assets	147	91
Income tax receivable	142	119
Derivative instruments	112	116
Debt issuance costs	59	39
Restricted cash	48	25
Other receivables	17	19
Other	144	144
	$ 857	$ 741

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NOTE 22 PROPERTY, PLANT AND MINE DEVELOPMENT

	Depreciable Life (in years)	At December 31, 2011 Cost	Accumulated Amortization	Net Book Value	At December 31, 2010 Cost	Accumulated Amortization	Net Book Value
Land		$ 263	$	$ 263	$ 118	$	$ 118
Facilities and equipment	1 - 27	13,056	(5,926)	7,130	12,424	(5,460)	6,964
Mine development	1 - 27	3,903	(1,758)	2,145	3,217	(1,445)	1,772
Mineral interests	1 - 27	4,868	(713)	4,155	3,456	(660)	2,796
Asset retirement cost	1 - 27	758	(305)	453	638	(238)	400
Construction-in-progress		1,735		1,735	857		857
		$ 24,583	$ (8,702)	$ 15,881	$ 20,710	$ (7,803)	$ 12,907
Leased assets included above in facilities and equipment	2 - 25	$ 374	$ (250)	$ 124	$ 421	$ (289)	$ 132

Mineral Interests	Amortization Period (in years)	At December 31, 2011 Gross Carrying Value	Accumulated Amortization	Net Book Value	At December 31, 2010 Gross Carrying Value	Accumulated Amortization	Net Book Value
Production stage	1 - 27	$ 1,256	$ (713)	$ 543	$ 1,235	$ (660)	$ 575
Development stage		149		149	149		149
Exploration stage		3,463		3,463	2,072		2,072
		$ 4,868	$ (713)	$ 4,155	$ 3,456	$ (660)	$ 2,796

Construction-in-progress at December 31, 2011 of $1,735 included $916 at South America primarily related to engineering and construction at Conga and infrastructure at Yanacocha, $269 at Africa related to engineering and construction at Akyem and infrastructure at Ahafo, $263 at North America related to infrastructure at Nevada, and $246 at Asia Pacific related to infrastructure at Boddington, Tanami, Kalgoorlie and Batu Hijau.

Construction-in-progress at December 31, 2010 of $857 included $266 at South America primarily related to Conga and infrastructure at Yanacocha, including a water treatment plant, $252 at North America related to tailings dam expansion and processing facility improvements in Nevada and other infrastructure at Hope Bay and Nevada, $222 at Asia Pacific related to tailings dam expansion at Boddington and other infrastructure at Boddington, Tanami and Batu Hijau and $84 at Africa related to the Akyem project and infrastructure at Ahafo.

Write-down of property, plant and mine development totaled $2,084, $6 and $7 for 2011, 2010 and 2009, respectively. The write-down in 2011 is primarily related to the Hope Bay project. The 2010 and 2009 write-downs are due to miscellaneous asset impairments.

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NOTE 23 DEBT

	At December 31, 2011		At December 31, 2010	
	Current	Non-Current	Current	Non-Current
Sale-leaseback of refractory ore treatment plant	$ 165	$	$ 30	$ 134
8 5/8% debentures, net of discount (due 2011)			217	
Corporate revolving credit facility (due 2016)		33		
2012 Convertible Senior Notes, net of discount	514			488
2014 Convertible Senior Notes, net of discount		512		489
2017 Convertible Senior Notes, net of discount		452		434
2019 Senior Notes, net of discount		896		896
2035 Senior Notes, net of discount		598		598
2039 Senior Notes, net of discount		1,087		1,087
Ahafo project facility	10	45	10	55
Other capital leases		1	2	1
	$ 689	$ 3,624	$ 259	$ 4,182

Scheduled minimum debt repayments are $689 in 2012, $10 in 2013, $522 in 2014, $10 in 2015, $43 in 2016 and $3,039 thereafter.

Sale-Leaseback of Refractory Ore Treatment Plant

In September 1994, the Company entered into a sale and leaseback agreement for its refractory ore treatment plant located in Carlin, Nevada. The lease term is 21 years and includes purchase options during and at the end of the lease at predetermined prices. During 2011, the Company expressed the intent to exercise the early purchase option and buy the refractory treatment plant. The agreement for the early buy-out will result in $165 aggregate payments during 2012 at which point, the Company will take ownership of the treatment plant. The related asset is specialized, therefore it is not practicable to estimate the fair value of this debt.

8 5/8% Senior Notes

Newmont had uncollateralized debentures with a principal amount of $223 due May 2011 bearing an annual interest rate of 8.63%. In May 2011, the Company repaid the $223 balance outstanding on the 8 5/8% debentures.

Corporate Revolving Credit Facility

Effective May 20, 2011, the Company entered into a new uncollateralized $2,500 revolving credit facility with a syndicate of commercial banks. This new revolving credit facility replaced the existing revolving credit facility which was cancelled upon the effectiveness of the new facility. The new facility provides for borrowings in U.S. dollars and contains a letter of credit sub-facility. The new facility matures in May 2016. Facility fees vary based on the credit ratings of the Company s senior, uncollateralized, long-term debt. Borrowings under the facility bear interest at a market based rate plus a margin determined by the Company s credit rating. At December 31, 2011, we had $33 in borrowings outstanding under the facility. There was $244 and $153 outstanding in letters of credit at December 31, 2011 and 2010, respectively.

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Subsidiary Financings

PTNNT Revolving Credit Facility

Effective May 27, 2011, PTNNT entered into a new $600 reducing revolving credit facility with a syndicate of banks. This new reducing revolving facility provides for borrowings in U.S. dollars. The facility matures in March 2017. The facility is non-recourse to Newmont and substantially all of PTNNT s assets are pledged as collateral. Borrowings under the facility bear interest at a rate per annum equal to LIBOR plus a margin of 4.00%. Commitment fees currently accrue on the daily average unused amount of the commitment of each lender at an annual rate of 2.00%. A one-time arrangement fee of $18 related to the facility was capitalized as debt issuance cost during 2011 and will be amortized over the term of the debt. There were no borrowings outstanding under the facility at December 31, 2011.

2012 Convertible Senior Notes

In February 2009, the Company issued $518 of uncollateralized convertible senior notes maturing on February 15, 2012 for net proceeds of $504. The notes pay interest semi-annually at a rate of 3.0% per annum and the effective interest rate is 8.5%. The notes are convertible, at the holder s option, equivalent to a conversion price of $45.73 per share of common stock. Upon conversion, the principal amount and all accrued interest will be repaid in cash. In December 2011, the Company provided notice that it will settle the conversion premium in cash. The Company is not entitled to redeem the notes prior to their stated maturity dates. Using prevailing interest rates on similar instruments, the estimated fair value of these senior notes was $674 and $668 at December 31, 2011 and 2010, respectively. The foregoing fair value estimates were prepared with the assistance of an independent third party and may or may not reflect the actual trading value of this debt.

2014 and 2017 Convertible Senior Notes

In July 2007, the Company issued $1,150 uncollateralized convertible senior notes due in 2014 and 2017, each with a principal amount of $575 for net proceeds of $1,126. The 2014 notes, maturing on July 15, 2014, pay interest semi-annually at a rate of 1.25% per annum, and the 2017 notes, maturing on July 15, 2017, pay interest semi-annually at a rate of 1.63% per annum. The effective interest rates are 6.0% and 6.25% for the 2014 and 2017 notes, respectively. The notes are convertible, at the holder s option, at a conversion price of $45.68 per share of common stock. Upon conversion, the principal amount and all accrued interest will be repaid in cash and any conversion premium will be settled in shares of our common stock or, at our election, cash or any combination of cash and shares of our common stock. In connection with the convertible senior notes offering, the Company entered into Call Spread Transactions. The Call Spread Transactions included the purchase of call options and the sale of warrants. As a result of the Call Spread Transactions, the conversion price of $45.68 was effectively increased to $59.59. The Company is not entitled to redeem the notes prior to their stated maturity dates. Using prevailing interest rates on similar instruments, the estimated fair value of the 2014 and 2017 senior notes was $713 and $651, respectively, at December 31, 2011 and $697 and $627, respectively, at December 31, 2010. The foregoing fair value estimates were prepared with the assistance of an independent third party and may or may not reflect the actual trading value of this debt.

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The Company s Consolidated Balance Sheets report the following related to the convertible senior notes:

	At December 31, 2011 Convertible Senior Notes Due			At December 31, 2010 Convertible Senior Notes Due		
	2012	2014	2017	2012	2014	2017
Additional paid-in capital	$ 46	$ 97	$ 123	$ 46	$ 97	$ 123
Principal amount	$ 518	$ 575	$ 575	$ 518	$ 575	$ 575
Unamortized debt discount	(4)	(63)	(123)	(30)	(86)	(141)
Net carrying amount	$ 514	$ 512	$ 452	$ 488	$ 489	$ 434

For the years ended December 31, 2011, 2010, and 2009, the Company recorded $32, $32, and $30 of interest expense for the contractual interest coupon and $67, $63, and $56 of amortization of the debt discount, respectively, related to the convertible senior notes. The remaining unamortized debt discount is amortized over the remaining one, three and six year periods of the 2012, 2014 and 2017 convertible senior notes, respectively. At December 31, 2011, the if-converted value of the 2012, 2014, and 2017 convertible senior notes exceeded the related principle amounts by $194, $236, and $236, respectively.

2019 and 2039 Senior Notes

In September 2009, the Company completed a two part public offering of $900 and $1,100 uncollateralized senior notes maturing on October 1, 2019 and October 1, 2039, respectively. Net proceeds from the 2019 and 2039 notes were $895 and $1,080, respectively. The 2019 notes pay interest semi-annually at a rate of 5.13% per annum and the 2039 notes pay semi-annual interest of 6.25% per annum. Using prevailing interest rates on similar instruments, the estimated fair value of the 2019 and 2039 senior notes was $993 and $1,299, respectively, at December 31, 2011 and $984 and $1,189, respectively, at December 31, 2010. The foregoing fair value estimates were prepared with the assistance of an independent third party and may or may not reflect the actual trading value of this debt.

2035 Senior Notes

In March 2005, Newmont issued uncollateralized senior notes with a principal amount of $600 due April 2035 bearing an annual interest rate of 5 7/8%. Interest on the notes is paid semi-annually in April and October. Using prevailing interest rates on similar instruments, the estimated fair value of these senior notes was $680 and $624 at December 31, 2011 and 2010, respectively. The foregoing fair value estimate was prepared with the assistance of an independent third party and may or may not reflect the actual trading value of this debt.

Ahafo Project Facility

Newmont Ghana Gold Limited (NGGL) has an $85 project financing agreement with the International Finance Corporation (IFC) ($75) and a commercial lender ($10). NGGL borrowed $75 from the IFC in December 2008 and borrowed the remaining $10 in February 2009. Amounts borrowed are guaranteed by Newmont. Semi-annual payments through April 2017 are required. Borrowings bear interest of LIBOR plus 3.5%.

Debt Covenants

The Company s senior notes and sale-leaseback of the refractory ore treatment plant debt facilities contain various covenants and default provisions including payment defaults, limitation on liens, limitation on sales and leaseback agreements and merger restrictions.

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The Ahafo project facility contains a financial ratio covenant requiring the Company to maintain a net debt (total debt net of cash and cash equivalents) to EBITDA (earnings before interest expense, income and mining taxes, depreciation and amortization) ratio of less than or equal to 4.0 and a net debt to total capitalization ratio of less than or equal to 62.5%.

In addition to the covenants noted above, the corporate revolving credit facility contains a financial ratio covenant requiring the Company to maintain a net debt (total debt net of cash and cash equivalents) to total capitalization ratio of less than or equal to 62.5%. Furthermore, the corporate revolving credit facility contains covenants limiting the sale of all or substantially all of the Company s assets, certain change of control provisions and a negative pledge on certain assets.

At December 31, 2011 and 2010, the Company and its related entities were in compliance with all debt covenants and provisions related to potential defaults.

NOTE 24 OTHER LIABILITIES

	At December 31, 2011	At December 31, 2010
Other current liabilities:		
Refinery metal payable	$ 796	$ 617
Derivative instruments	408	
Accrued capital expenditures	248	83
Accrued operating costs	231	217
Taxes other than income and mining	93	135
Reclamation and remediation liabilities	71	64
Interest	55	66
Royalties	53	90
Deferred income tax	50	54
Boddington contingent consideration	24	32
Holt property royalty	17	
Other	87	60
	$ 2,133	$ 1,418
Other long-term liabilities:		
Holt property royalty	$ 159	$ 40
Income and mining taxes	88	36
Power supply agreements	45	45
Boddington contingent consideration	30	51
Derivative instruments	6	
Other	36	49
	$ 364	$ 221

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NOTE 25 ACCUMULATED OTHER COMPREHENSIVE INCOME

	At December 31,	
	2011	**2010**
Unrealized gain on marketable securities, net of $159 and $200 tax expense, respectively	$ 707	$ 902
Foreign currency translation adjustments	163	155
Pension liability adjustments, net of $125 and $95 tax benefit, respectively	(231)	(176)
Other post-retirement benefit adjustments, net of $4 and $6 tax expense, respectively	6	11
Changes in fair value of cash flow hedge instruments, net of tax benefit (expense) of $71 and $(97), respectively	7	216
	$ 652	$ 1,108

NOTE 26 RELATED PARTY TRANSACTIONS

Newmont had transactions with AGR in 2010 and 2009.

	Years Ended December 31,		
	2011	**2010**	**2009**
Gold and silver sales	$	$ 3	$ 10
Refining fees paid	$	$	$ 3

NOTE 27 NET CHANGE IN OPERATING ASSETS AND LIABILITIES

Net cash provided from operations attributable to the net change in operating assets and liabilities is composed of the following:

	Years Ended December 31,		
	2011	**2010**	**2009**
Decrease (increase) in operating assets:			
Trade and accounts receivable	$ 52	$ (153)	$ 42
Inventories, stockpiles and ore on leach pads	(495)	(501)	(378)
EGR refinery assets	(266)	116	(508)
Other assets	(51)	(87)	(19)
Increase (decrease) in operating liabilities:			
Accounts payable and other accrued liabilities	226	38	177
EGR refinery liabilities	266	(116)	508
Reclamation liabilities	(43)	(51)	(49)
	$ (311)	$ (754)	$ (227)

NOTE 28 SUPPLEMENTAL CASH FLOW INFORMATION

	Years Ended December 31,		
	2011	2010	2009
Income and mining taxes, net of refunds	$ 1,526	$ 1,185	$ 431
Pension plan and other benefit contributions	$ 29	$ 163	$ 58
Interest, net of amounts capitalized	$ 216	$ 228	$ 117

Noncash Investing Activities and Financing Activities

Newmont sold a royalty interest in exchange for 4 million shares of Regis Resources which resulted in non-cash increases to *Investments* of $12 in 2011.

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NOTE 29 OPERATING LEASE COMMITMENTS

The Company leases certain assets, such as equipment and facilities, under operating leases expiring at various dates through 2020. Future minimum annual lease payments are $23 in 2012, $20 in 2013, $10 in 2014, $10 in 2015, $10 in 2016 and $27 thereafter, totaling $100. Rent expense for 2011, 2010 and 2009 was $68, $46 and $48, respectively.

NOTE 30 CONDENSED CONSOLIDATING FINANCIAL STATEMENTS

The following Consolidating Financial Statements are presented to satisfy disclosure requirements of Rule 3-10(e) of Regulation S-X resulting from the inclusion of Newmont USA Limited (Newmont USA), a wholly-owned subsidiary of Newmont, as a co-registrant with Newmont on a shelf registration statement on Form S-3 filed under the Securities Act of 1933 under which securities of Newmont (including debt securities which may be guaranteed by Newmont USA) may be issued from time to time (the Shelf Registration Statement). To the extent Newmont issues debt securities under the Shelf Registration Statement, it is expected that Newmont USA will provide a guarantee of that debt. In accordance with Rule 3-10(e) of Regulation S-X, Newmont USA, as the subsidiary guarantor, is 100% owned by Newmont, the guarantee will be full and unconditional, and it is not expected that any other subsidiary of Newmont will guarantee any security issued under the Shelf Registration Statement. There are no significant restrictions on the ability of Newmont USA to obtain funds from its subsidiaries by dividend or loan.

	For the Year Ended December 31, 2011				
Condensed Consolidating Statement of Income	**Newmont Mining Corporation**	**Newmont USA**	**Other Subsidiaries**	**Eliminations**	**Newmont Mining Corporation Consolidated**
Sales	$	$ 6,610	$ 3,748	$	$ 10,358
Costs and expenses					
Costs applicable to sales[1]		2,358	1,570	(38)	3,890
Amortization		651	386	(1)	1,036
Reclamation and remediation		69	51		120
Exploration		180	170		350
Advanced projects, research and development		183	191	(1)	373
General and administrative		156	2	40	198
Write-down of property, plant and mine development		4	2,080		2,084
Other expense, net		166	99		265
		3,767	4,549		8,316
Other income (expense)					
Other income, net	(179)	115	76		12
Interest income intercompany	152	7	16	(175)	
Interest expense intercompany	(19)		(156)	175	
Interest expense, net	(219)	(16)	(9)		(244)
	(265)	106	(73)		(232)
Income before income and mining tax and other items	(265)	2,949	(874)		1,810
Income and mining tax expense	199	(1,033)	121		(713)
Equity income (loss) of affiliates	432	(19)	283	(685)	11

Income from continuing operations	366	1,897	(470)	(685)	1,108
Loss from discontinued operations		7	(143)		(136)
Net income	366	1,904	(613)	(685)	972
Net income attributable to noncontrolling interests		(697)	(21)	112	(606)
Net income attributable to Newmont stockholders	$ 366	$ 1,207	$ (634)	$ (573)	$ 366

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

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	For the Year Ended December 31, 2010				
Condensed Consolidating Statement of Income	**Newmont Mining Corporation**	**Newmont USA**	**Other Subsidiaries**	**Eliminations**	**Newmont Mining Corporation Consolidated**
Sales	$	$ 6,568	$ 2,972	$	$ 9,540
Costs and expenses					
Costs applicable to sales [(1)]		2,171	1,341	(28)	3,484
Amortization		601	345	(1)	945
Reclamation and remediation		48	17		65
Exploration		131	87		218
Advanced projects, research and development		110	107	(1)	216
General and administrative		144	4	30	178
Write-down of property, plant and mine development		5	1		6
Other expense, net		183	78		261
		3,393	1,980		5,373
Other income (expense)					
Other income, net	(4)	29	84		109
Interest income intercompany	161	7	5	(173)	
Interest expense intercompany	(11)		(162)	173	
Interest expense, net	(246)	(27)	(6)		(279)
	(100)	9	(79)		(170)
Income before income and mining tax and other items	(100)	3,184	913		3,997
Income and mining tax expense	479	(1,114)	(221)		(856)
Equity income (loss) of affiliates	1,926	2	281	(2,206)	3
Income from continuing operations	2,305	2,072	973	(2,206)	3,144
Loss from discontinued operations	(28)	2	(30)	28	(28)
Net income	2,277	2,074	943	(2,178)	3,116
Net income attributable to noncontrolling interests		(1,026)	34	153	(839)
Net income attributable to Newmont stockholders	$ 2,277	$ 1,048	$ 977	$ (2,025)	$ 2,277

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

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NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Condensed Consolidating Statement of Income	For the Year Ended December 31, 2009				
	Newmont Mining Corporation	Newmont USA	Other Subsidiaries	Eliminations	Newmont Mining Corporation Consolidated
Sales	$	$ 5,911	$ 1,794	$	$ 7,705
Costs and expenses					
Costs applicable to sales [(1)]		2,128	903	(23)	3,008
Amortization		565	242	(1)	806
Reclamation and remediation		41	18		59
Exploration		101	86		187
Advanced projects, research and development		66	71	(2)	135
General and administrative		129	4	26	159
Write-down of property, plant and mine development		6	1		7
Other expense, net	9	160	189		358
	9	3,196	1,514		4,719
Other income (expense)					
Other income, net	(11)	27	72		88
Interest income intercompany	90	7	5	(102)	
Interest expense intercompany	(9)		(93)	102	
Interest expense, net	(65)	(47)	(8)		(120)
	5	(13)	(24)		(32)
Income before income and mining tax and other items	(4)	2,702	256		2,954
Income and mining tax expense	1	(781)	(49)		(829)
Equity income (loss) of affiliates	1,316	5	185	(1,522)	(16)
Income from continuing operations	1,313	1,926	392	(1,522)	2,109
Loss from discontinued operations	(16)	(16)		16	(16)
Net income	1,297	1,910	392	(1,506)	2,093
Net income attributable to noncontrolling interests		(795)	(77)	76	(796)
Net income attributable to Newmont stockholders	$ 1,297	$ 1,115	$ 315	$ (1,430)	$ 1,297

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

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NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Condensed Consolidating Statement of Cash Flows	For the Year Ended December 31, 2011				
	Newmont Mining Corporation	Newmont USA	Other Subsidiaries	Eliminations	Newmont Mining Corporation Consolidated
Operating activities:					
Net income	$ 366	$ 1,904	$ (613)	$ (685)	$ 972
Adjustments	131	624	1,490	685	2,930
Net change in operating assets and liabilities	(102)	(18)	(191)		(311)
Net cash provided from (used in) continuing operations	395	2,510	686		3,591
Net cash used in discontinued operations			(7)		(7)
Net cash provided from (used in) operations	395	2,510	679		3,584
Investing activities:					
Additions to property, plant and mine development		(1,853)	(934)		(2,787)
Acquisitions, net			(2,309)		(2,309)
Proceeds from sale of marketable securities		65	16		81
Purchases of marketable securities		(3)	(18)		(21)
Proceeds from sale of other assets		(55)	64		9
Other			(40)		(40)
Net cash used in investing activities		(1,846)	(3,221)		(5,067)
Financing activities:					
Net borrowings (repayments)	26	(278)	(10)		(262)
Net intercompany borrowings (repayments)	33	(2,559)	2,560	(34)	
Proceeds from stock issuance, net	40				40
Dividends paid to noncontrolling interests		(151)		34	(117)
Dividends paid to common stockholders	(494)				(494)
Other		(24)	3		(21)
Net cash provided from (used in) financing activities	(395)	(3,012)	2,553		(854)
Effect of exchange rate changes on cash		(3)	44		41
Net change in cash and cash equivalents		(2,351)	55		(2,296)
Cash and cash equivalents at beginning of period		3,877	179		4,056
Cash and cash equivalents at end of period	$	$ 1,526	$ 234	$	$ 1,760

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