NEWMONT MINING CORP /DE/
Form 10-Q
July 20, 2016
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

Form 10-Q

(Mark One)

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

For the Quarterly Period Ended June 30, 2016

or

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

For the transition period from to

Commission File Number: 001-31240

NEWMONT MINING CORPORATION

(Exact name of registrant as specified in its charter)

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

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

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12-b2 of the Exchange Act.

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

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

There were 530,594,563 shares of common stock outstanding on July 13, 2016.

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PART I—FINANCIAL INFORMATION

ITEM 1.FINANCIAL STATEMENTS.

NEWMONT MINING CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(unaudited, in millions except per share)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Sales	$ 2,038	$ 1,908	$ 4,070	$ 3,880
Costs and expenses				
Costs applicable to sales (1)	1,059	1,027	2,140	2,054
Depreciation and amortization	314	276	636	565
Reclamation and remediation (Note 5)	25	26	50	49
Exploration	38	48	68	81
Advanced projects, research and development	44	33	72	61
General and administrative	64	68	121	126
Other expense, net	19	27	37	44
	1,563	1,505	3,124	2,980
Other income (expense)				
Other income, net	—	(23)	98	(12)
Interest expense, net	(71)	(82)	(150)	(167)
	(71)	(105)	(52)	(179)
Income (loss) before income and mining tax and other items	404	298	894	721
Income and mining tax benefit (expense) (Note 6)	(310)	(152)	(634)	(345)
Equity income (loss) of affiliates	(5)	(7)	(10)	(16)
Income (loss) from continuing operations	89	139	250	360
Income (loss) from discontinued operations	(27)	9	(53)	17
Net income (loss)	62	148	197	377
Net loss (income) attributable to noncontrolling interests (Note 7)	(39)	(76)	(122)	(122)
Net income (loss) attributable to Newmont stockholders	$ 23	$ 72	$ 75	$ 255

Net income (loss) attributable to Newmont stockholders:				
Continuing operations	$ 50	$ 63	$ 128	$ 238
Discontinued operations	(27)	9	(53)	17
	$ 23	$ 72	$ 75	$ 255
Income (loss) per common share (Note 8)				
Basic:				
Continuing operations	$ 0.09	$ 0.13	$ 0.24	$ 0.48
Discontinued operations	(0.05)	0.01	(0.10)	0.03
	$ 0.04	$ 0.14	$ 0.14	$ 0.51
Diluted:				
Continuing operations	$ 0.09	$ 0.13	$ 0.24	$ 0.48
Discontinued operations	(0.05)	0.01	(0.10)	0.03
	$ 0.04	$ 0.14	$ 0.14	$ 0.51
Cash dividends declared per common share	$ 0.025	$ 0.025	$ 0.050	$ 0.050

(1) Excludes Depreciation and amortization and Reclamation and remediation.

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

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NEWMONT MINING CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(unaudited, in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Net income (loss)	$ 62	$ 148	$ 197	$ 377
Other comprehensive income (loss):				
Unrealized gain (loss) on marketable securities, net of $nil, $nil, $nil and $nil tax benefit (expense), respectively	21	(8)	(56)	(7)
Foreign currency translation adjustments	4	5	7	(5)
Change in pension and other post-retirement benefits, net of $nil, $(20), $(2) and $(22) tax benefit (expense), respectively	4	39	7	44
Change in fair value of cash flow hedge instruments, net of $(7), $(7), $(15) and $(3) tax benefit (expense), respectively	16	16	35	6
Other comprehensive income (loss)	45	52	(7)	38
Comprehensive income (loss)	$ 107	$ 200	$ 190	$ 415
Comprehensive income (loss) attributable to:				
Newmont stockholders	$ 68	$ 124	$ 68	$ 293
Noncontrolling interests	39	76	122	122
	$ 107	$ 200	$ 190	$ 415

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

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NEWMONT MINING CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited, in millions)

	Six Months Ended June 30,	
	2016	2015
Operating activities:		
Net income (loss)	$ 197	$ 377
Adjustments:		
Depreciation and amortization	636	565
Stock-based compensation	37	40
Reclamation and remediation	48	47
Loss (income) from discontinued operations	53	(17)
Impairment of investments	—	73
Deferred income taxes	441	130
Gain on asset and investment sales, net	(104)	(43)
Other operating adjustments and impairments	181	165
Net change in operating assets and liabilities (Note 20)	(185)	(268)
Net cash provided by continuing operating activities	1,304	1,069
Net cash used in discontinued operations	(5)	(6)
Net cash provided by operating activities	1,299	1,063
Investing activities:		
Additions to property, plant and mine development	(591)	(606)
Proceeds from sales of investments	184	29
Proceeds from sales of other assets	8	44
Other	(6)	(6)
Net cash used in investing activities	(405)	(539)
Financing activities:		
Repayment of debt	(641)	(281)
Proceeds from stock issuance, net	—	675
Proceeds from sale of noncontrolling interests	—	37
Funding from noncontrolling interests	50	62
Dividends paid to noncontrolling interests	(146)	(3)
Dividends paid to common stockholders	(27)	(23)
Increase in restricted cash, net	(13)	(59)
Other	(1)	(8)
Net cash (used in) provided by financing activities	(778)	400
Effect of exchange rate changes on cash	4	(19)
Net change in cash and cash equivalents	120	905
Cash and cash equivalents at beginning of period	2,782	2,403
Cash and cash equivalents at end of period	$ 2,902	$ 3,308

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

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NEWMONT MINING CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEETS

(unaudited, in millions)

	At June 30, 2016	At December 31, 2015
ASSETS		
Cash and cash equivalents	$ 2,902	$ 2,782
Trade receivables	315	260
Other accounts receivables	194	185
Investments (Note 13)	46	19
Inventories (Note 14)	728	710
Stockpiles and ore on leach pads (Note 15)	953	896
Other current assets	156	131
Current assets	5,294	4,983
Property, plant and mine development, net	14,234	14,303
Investments (Note 13)	237	402
Stockpiles and ore on leach pads (Note 15)	2,956	3,000
Deferred income tax assets	1,264	1,718
Other non-current assets	718	730
Total assets	$ 24,703	$ 25,136
LIABILITIES		
Debt (Note 16)	$ 196	$ 149
Accounts payable	348	396
Employee-related benefits	211	293
Income and mining taxes payable	126	38
Other current liabilities (Note 17)	479	540
Current liabilities	1,360	1,416
Debt (Note 16)	5,375	6,041
Reclamation and remediation liabilities (Note 5)	1,835	1,800
Deferred income tax liabilities	926	840
Employee-related benefits	463	437
Other non-current liabilities (Note 17)	361	310
Total liabilities	10,320	10,844
EQUITY		
Common stock	849	847
Additional paid-in capital	9,457	9,427
Accumulated other comprehensive income (loss) (Note 19)	(341)	(334)
Retained earnings	1,458	1,410

Newmont stockholders' equity	11,423	11,350
Noncontrolling interests	2,960	2,942
Total equity (Note 18)	14,383	14,292
Total liabilities and equity	$ 24,703	$ 25,136

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

NEWMONT MINING CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

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

NOTE 1 BASIS OF PRESENTATION

The interim Condensed Consolidated Financial Statements ("interim statements") of Newmont Mining Corporation and its subsidiaries (collectively, "Newmont" or the "Company") are unaudited. In the opinion of management, all adjustments (including normal recurring adjustments) and disclosures necessary for a fair presentation of these interim statements have been included. The results reported in these interim statements are not necessarily indicative of the results that may be reported for the entire year. These interim statements should be read in conjunction with Newmont's Consolidated Financial Statements for the year ended December 31, 2015 filed on February 17, 2016 on Form 10-K. The year-end balance sheet data was derived from the audited financial statements and, in accordance with the instructions to Form 10-Q, certain information and footnote disclosures required by United States (U.S.) generally accepted accounting principles ("GAAP") have been condensed or omitted. References to "A$" refers to Australian currency and "C$" refers to Canadian currency.

On June 30, 2016, Nusa Tenggara Partnership B.V. (owned 56.25% by the Company and 43.75% by Nusa Tenggara Mining Corporation, majority owned by Sumitomo Corporation) entered into a binding share sale and purchase agreement with PT Amman Mineral Internasional ("PTAMI") to sell its 56% ownership interest in PT Newmont Nusa Tenggara ("PTNNT"), which operates the Batu Hijau copper and gold mine ("Batu Hijau") in Indonesia. In addition, NVL (USA) Limited ("NVL"), a wholly owned subsidiary of the Company, (i) entered into a binding agreement to sell a loan made to PT Pukuafu Indah ("PTPI"), secured by PTPI's 17.8% interest in PTNNT, to PTAMI, and (ii) consented to PT Indonesia Masabaga Investama ("PTIMI") selling its 2.2% interest in PTNNT to PTAMI with sale proceeds applied toward repayment of an NVL loan to PTIMI. Through these transactions, Newmont will effectively sell its 48.5% economic interest in PTNNT to PTAMI and will have no remaining interest.

The sales proceeds to be received by the Company for its 48.5% economic interest in PTNNT includes $920 in cash to be received at closing, as well as contingent payments totaling up to $403. The contingent payments of up to $403 include (i) a Metal Price Upside deferred payment of up to $133, (ii) an Elang Development deferred payment totaling $118 and (iii) a Contingent Payment of up to $152. The contingent payment amounts are determined based on certain metal price, shipment or project development criteria, as described below.

The Metal Price Upside contingent payment of up to $133 is payable for any quarter in which the London Metal Exchange ("LME") quarterly average copper price exceeds $3.75 per pound. It is calculated as 30% of the product of (i) the difference between the LME quarterly average copper price and $3.75 and (ii) 96.5% of the total pounds of copper contained in shipments of mineral products mined or produced from Batu Hijau that arrived in buyers' or customers' designated port for delivery during the previous quarter. The Elang Development contingent payment totaling $118 is payable no later than the first anniversary of the first shipment of any form of saleable copper, gold or silver product produced from the Elang development area. The Contingent Payment of up to $152 is payable (i) as a payment of $76 if in any year after 2022 in which there is production from Phase 7 of the Batu Hijau mine and the LME annual average copper price is $2.75 or more per pound and (ii) if the full Contingent Payment amount has not already been paid, a payment of $76 in any year after both the second anniversary of the first shipment of concentrate produced from the Elang development area and December 31, 2023 in which the LME annual average copper price in respect to such year is $3.25 or more per pound.

The sale of the Company's economic interest in PTNNT is subject to customary representations, warranties and covenants by the parties, and is subject to various closing conditions, including (i) obtaining approval of the Indonesian Ministry of Energy and Mineral Resources and the Indonesian Investment Coordinating Board in respect of the transfer of shares to PTAMI, and other required governmental consents and approvals; (ii) PTNNT holding a valid export license at closing; (iii) concurrent closing of PT Multi Daerah Bersaing's ("PTMDB") sale of its approximately 24% stake in PTNNT to PTAMI; (iv) obtaining approval of the shareholders of PTNNT for the transfer of shares in PTNNT to PTAMI and the appointment of directors nominated by PTAMI; (v) no material adverse events having occurred,

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including (a) an event that causes significant interruption of mining or milling operations of PTNNT for three months or longer, (b) laws or regulations that prevent PTNNT from exporting its production outside of Indonesia for three months or longer, (c) the revocation or termination of PTNNT's mineral rights and mining concessions with the Republic of Indonesia, and (d) any revocation, termination or suspension of PTNNT's export license; and (vi) the satisfaction or waiver of the conditions precedent in other transaction and finance-related agreements, including the resolution of certain tax matters pertaining to PTNNT shareholder PTPI.

The completion of the sale is subject to the closing conditions noted above, some of which are outside the control of the Company. Assuming the resolution of the closing conditions, the transaction is anticipated to close in the third quarter of 2016.

Based on the agreement to sell the economic interest in PTNNT, the Company evaluated the criteria under ASC 360 for classifying an asset as held for sale and concluded that as of June 30, 2016, PTNNT does not meet the criteria to be treated as an asset held for sale and will not be presented as a discontinued operation.

The Batu Hijau mine, which constitutes 15% of the Company's total assets at June 30, 2016, is included in the Asia Pacific segment in the condensed consolidated financial statements. Refer to Note 7 for details on Batu Hijau's financial position. The Company expects to record a loss on the sale of its economic interest in PTNNT of approximately $500 upon closing of the transaction. The expected loss does not currently include the $403 of contingent consideration described above due to the uncertainty in valuing the amounts.

As part of the Company's asset impairment evaluation procedures at June 30, 2016, and in accordance with ASC 360, the Company has determined that the agreement to sell the economic interest in PTNNT was a triggering event that required the Company to evaluate the recoverability of the long-lived assets of PTNNT. Based on the evaluation of the probability weighted cash flows of either selling the economic interest in PTNNT or continuing to operate PTNNT as an asset held for use, the Company determined that no impairment was required at June 30, 2016.

The Company has reclassified certain prior period amounts to conform to the 2016 presentation including the following items:

The Company retrospectively adopted Accounting Standards Update ("ASU") 2015-03, which requires debt issuance costs to be presented as a deduction from the corresponding debt liability. Refer to Note 2 for further details.

The Company reclassified regional administrative and community development costs of $17 and $8 from Other expense, net to General and administrative and Costs applicable to sales, respectively, for the three months ended June 30, 2015, and $31 and $16, respectively, for the six months ended June 30, 2015.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Risks and Uncertainties

As a global mining company, the Company's revenue, profitability and future rate of growth are substantially dependent on prevailing prices for gold, copper and, to a lesser extent, silver. Historically, the commodity markets have been very volatile and there can be no assurance that commodity prices will not be subject to wide fluctuations in the future. A substantial or extended decline in commodity prices could have a material adverse effect on the Company's financial position, results of operations, cash flows, access to capital and the quantities of reserves that the Company can economically produce. The carrying value of the Company's Property, plant and mine development, net; Inventories; Stockpiles and ore on leach pads and Deferred income tax assets are sensitive to the outlook for commodity prices. A

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decline in the Company's long-term price outlook from current levels could result in material impairment charges related to these assets.

On June 30, 2016, the Company, through its subsidiaries, entered into agreements to sell its 48.5% economic interest in PTNNT, which operates the Batu Hijau copper and gold mine in Indonesia. The closing of the sale is subject to various closing conditions, some of which are outside the control of the Company, and if not satisfied could result in the sale of PTNNT not being completed. See Note 1 above for a detailed description of the closing conditions specified in the share sale and purchase agreement.

In September 2014, PTNNT and the Government of Indonesia signed a Memorandum of Understanding ("MoU") that resulted in the government agreeing to issue permits to allow PTNNT to export and sell copper concentrates from the Batu Hijau mine. The government then issued several six-month export permits since then, with the most recent permit renewal expected to expire in November 2016. Additionally, negotiations between PTNNT and the Government of Indonesia to amend the Contract of Work (the investment agreement entered into by PTNNT and the Indonesian government in 1986, which includes the right to export copper concentrates and a prohibition against new taxes, duties, and levies) remained on-going at the time that the Company entered into the agreement to sell its interest in PTNNT. In the event that the sale of the Company's interest does not close prior to November 2016 or does not close at all, no assurances can be made with respect to the outcome of the Contract of Work negotiations and the renewal of the export permit. The failure to receive a timely renewal may negatively impact future operations and financial results at Batu Hijau. As a result of the on-going Contract of Work renegotiations at Batu Hijau, the need for asset impairments, inventory write-downs, tax valuation allowances and other applicable accounting charges will continue to be evaluated. At this time, the Company expects operations to continue into the future until the previously announced sale closes. The total assets at Batu Hijau as of June 30, 2016 and December 31, 2015 were $3,746 and $3,483, respectively.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the accounting for and recognition and disclosure of assets, liabilities, equity, revenues and expenses. The Company must make these estimates and assumptions because certain information used is dependent on future events, cannot be calculated with a high degree of precision from data available or simply cannot be readily calculated based on generally accepted methodologies. Actual results could differ from these estimates.

Recently Adopted Accounting Pronouncements

Employee benefit plan accounting

In July 2015, the Financial Accounting Standards Board issued ASU No. 2015-12 related to defined benefit pension plans, defined contribution pension plans and health and welfare benefit plans. This update designates contract value as the only required measure for fully benefit-responsive investment contracts, simplifies and makes more effective the investment disclosure requirements for employee benefit plans and provides a simplified method for determining the measurement date for employee benefit plans. The update is effective in fiscal years, including interim periods, beginning after December 15, 2015. Adoption of this guidance, effective January 1, 2016, had no impact on the Consolidated Financial Statements or disclosures.

Fair value measurement

In May 2015, ASU No. 2015-07 was issued related to investments for which fair value is measured, or is eligible to be measured, using the net asset value per share practical expedient. This update removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. The amendment also removes certain disclosure requirements for these investments. This update will impact the annual disclosure related to pension plan assets measured at fair value. This update is effective in

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NEWMONT MINING CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

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

fiscal years, including interim periods, beginning after December 15, 2015. Adoption of this guidance, effective January 1, 2016, had no impact on the Consolidated Financial Statements.

Debt issuance costs

In April 2015, ASU No. 2015-03 was issued related to debt issuance costs. This update simplifies the presentation of debt issuance costs by requiring debt issuance costs to be presented as a deduction from the corresponding debt liability. The update is effective in fiscal years, including interim periods, beginning after December 15, 2015. The Company retrospectively adopted this guidance as of March 31, 2016. The Company reclassified $46 of debt issuance costs from Other non-current assets to Debt as of December 31, 2015. The December 31, 2015, balance sheet was adjusted as a result of the adoption of ASU 2015-03 as follows:

	At December 31, 2015	
	As Reported	As Adjusted
Other non-current assets	$ 776	$ 730
Debt (non-current)	$ 6,087	$ 6,041

ASU No. 2015-03 does not specifically address the accounting for deferred financing costs related to line-of-credit arrangements. In August 2015, ASU No. 2015-15 was issued allowing for debt issuance costs associated with line-of-credit arrangements to continue to be presented as assets. The Company will treat all debt issuance costs as a reduction to the carrying value of debt.

Consolidations

In February 2015, ASU No. 2015-02 was issued related to consolidations. This update makes some targeted changes to current consolidation guidance and impacts both the voting and the variable interest consolidation models. In particular, the update changes how companies determine whether limited partnerships or similar entities are variable interest entities. The update is effective in fiscal years, including interim periods, beginning after December 15, 2015. The Company currently consolidates certain variable interest entities. Adoption of this guidance, effective January 1, 2016, had no impact on the Consolidated Financial Statements or disclosures.

Recently Issued Accounting Pronouncements

Stock-based compensation

In March 2016, ASU No. 2016-09 was issued related to stock-based compensation. The new guidance simplifies the accounting for stock-based compensation transactions, including income tax consequences, classification of awards as either equity or liabilities and classification on the statement of cash flows. This update is effective in fiscal years, including interim periods, beginning after December 15, 2016, and early adoption is permitted. The Company is currently evaluating this guidance and expects an insignificant impact on the Consolidated Financial Statements and disclosures.

Leases

In February 2016, ASU No. 2016-02 was issued related to leases. The new guidance modifies the classification criteria and requires lessees to recognize the assets and liabilities arising from most leases on the balance sheet. This update is effective in fiscal years, including interim periods, beginning after December 15, 2018, and early adoption is permitted. The Company is currently evaluating this guidance and the impact it will have on the Consolidated Financial Statements and disclosures.

NEWMONT MINING CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

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

Investments

In January 2016, ASU No. 2016-01 was issued related to financial instruments. The new guidance requires entities to measure equity investments that do not result in consolidation and are not accounted for under the equity method at fair value and recognize any changes in fair value in net income. This new guidance also updates certain disclosure requirements for these investments. This update is effective in fiscal years, including interim periods, beginning after December 15, 2017, and early adoption is not permitted. The Company is currently evaluating this guidance and the impact it will have on the Consolidated Financial Statements and disclosures.

Inventory

In July 2015, ASU No. 2015-11 was issued related to inventory, simplifying the subsequent measurement of inventories by replacing the lower of cost or market test with a lower of cost and net realizable value test. The update is effective in fiscal years, including interim periods, beginning after December 15, 2016, and early adoption is permitted. The Company does not expect the updated guidance to have an impact on the Consolidated Financial Statements or disclosures.

Revenue recognition

In May 2014, ASU No. 2014-09 was issued related to revenue from contracts with customers. This ASU was further amended in August 2015, March 2016, April 2016 and May 2016 by ASU No. 2015-14, No. 2016-08, No. 2016-10 and No. 2016-12, respectively. The new standard provides a five-step approach to be applied to all contracts with customers and also requires expanded disclosures about revenue recognition. In August 2015, the effective date was deferred to reporting periods, including interim periods, beginning after December 15, 2017, and will be applied retrospectively. Early adoption is not permitted. The Company is currently evaluating this guidance and the impact it will have on the Consolidated Financial Statements and disclosures.

NOTE 3 BUSINESS ACQUISITION

On June 8, 2015, the Company announced an agreement with AngloGold Ashanti Limited to acquire 100% ownership in the Cripple Creek & Victor (“CC&V”) gold mining business in Colorado. CC&V is a surface mine with heap leach operations that provides ore to a crusher and a leach facility. During 2015, the Company received $675 in net proceeds from a common stock issuance. Newmont used the proceeds, supplemented with cash from the Company’s balance sheet, to fund the acquisition. On August 3, 2015, the Company completed the acquisition of CC&V for $821, plus a 2.5% net smelter return royalty on future gold production from underground ore which had no fair value at the acquisition date. In connection with the acquisition, the Company incurred acquisition costs of $3, for the three and six months ended June 30, 2016, which were recorded in Other expense, net. The acquisition is not material to the Company's results of operations, individually or in the aggregate; as a result, no pro forma financial information is provided.

During the second quarter of 2016, the final valuation of acquired assets and liabilities assumed was completed. There were no adjustments to the purchase price allocation since December 31, 2015. For further discussion of the CC&V acquisition, refer to Note 3 to the Consolidated Financial Statements for the year ended December 31, 2015 filed February 17, 2016 on Form 10-K.

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NEWMONT MINING CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

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

NOTE 4 SEGMENT INFORMATION

The Company has organized its operations into four geographic regions. The geographic regions include North America, South America, Asia Pacific and Africa and represent the Company's operating segments. The results of these operating segments are reviewed by the Company's chief operating decision maker to make decisions about resources to be allocated to the segments and assess their performance. As a result, these operating segments represent the Company's reportable segments. Notwithstanding this structure, the Company internally reports information on a mine-by-mine basis for each mining operation and have chosen to disclose this information on the following tables. Income (loss) before income and mining tax and other items from reportable segments does not reflect general corporate expenses, interest (except project-specific interest) or income and mining taxes (except for equity investments). Intercompany revenue and expense amounts have been eliminated within each segment in order to report on the basis that management uses internally for evaluating segment performance. Newmont's business activities that are not considered operating segments are included in Corporate and Other although they are not required to be included in this footnote; they are provided for reconciliation purposes. In the first quarter of 2016, Merian was moved from Corporate and Other to the South America reportable segment as a result of the mine being included in the operating results and resource allocation of the South America segment. In the second quarter of 2016, Long Canyon was moved from Other North America to its own line item to reflect how the project is being reported internally. Segment results for prior periods have been retrospectively revised to reflect these changes. The financial information relating to the Company's segments is as follows:

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NEWMONT MINING CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

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

	Sales	Costs Applicable to Sales	Depreciation and Amortization	Advanced Projects, Research and Development and Exploration	Income (Loss) before Income and Mining Tax and Other Items	Capital Expenditures(1)
Three Months Ended June 30, 2016						
Carlin	$ 256	$ 184	$ 43	$ 4	$ 22	$ 43
Phoenix:						
Gold	62	39	12			
Copper	22	22	7			
Total Phoenix	84	61	19	1	3	3
Twin Creeks	144	58	13	2	70	14
Long Canyon	—	—	—	7	(7)	37
CC&V (2)	144	58	28	1	55	15
Other North America	—	—	—	5	(6)	2
North America	628	361	103	20	137	114
Yanacocha	194	120	59	11	(19)	24
Merian	—	—	—	11	(10)	60
Other South America	—	—	4	10	(14)	—
South America	194	120	63	32	(43)	84
Boddington:						
Gold	250	141	29			
Copper	35	33	6			
Total Boddington	285	174	35	—	75	12
Tanami	179	64	23	3	89	33
Kalgoorlie	122	67	4	2	49	5
Batu Hijau:						
Gold	191	65	14			
Copper	178	92	19			
Total Batu Hijau (3)	369	157	33	—	163	10
Other Asia Pacific	—	—	2	2	(10)	—
Asia Pacific	955	462	97	7	366	60
Ahafo	115	60	17	7	30	22

Akyem	146	56	32	3	55	3
Other Africa	—	—	—	—	(2)	—
Africa	261	116	49	10	83	25
Corporate and Other	—	—	2	13	(139)	2
Consolidated	$ 2,038	$ 1,059	$ 314	$ 82	$ 404	$ 285

(1) Includes a decrease in accrued capital expenditures of $9; consolidated capital expenditures on a cash basis were $294.

(2) The Company acquired the CC&V gold mining business on August 3, 2015.

(3) On June 30, 2016, the Company announced the anticipated sale of Batu Hijau. Refer to Note 1 for additional information.

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	Sales	Costs Applicable to Sales	Depreciation and Amortization	Advanced Projects, Research and Development and Exploration	Income (Loss) before Income and Mining Tax and Other Items	Capital Expenditures(1)
Three Months Ended June 30, 2015						
Carlin	$ 243	$ 187	$ 46	$ 4	$ 3	$ 58
Phoenix:						
Gold	50	32	8			
Copper	24	17	3			
Total Phoenix	74	49	11	1	9	8
Twin Creeks	150	65	12	3	68	12
Long Canyon	—	—	—	3	(3)	19
Other North America	—	—	—	4	(3)	1
North America	467	301	69	15	74	98
Yanacocha	242	130	66	8	20	19
Merian	—	—	—	3	(4)	78
Other South America	—	—	2	12	(16)	—
South America	242	130	68	23	—	97
Boddington:						
Gold	202	122	24			
Copper	41	29	5			
Total Boddington	243	151	29	—	51	18
Tanami	138	59	22	2	53	30
Waihi (2)	39	18	3	1	14	4
Kalgoorlie	100	78	6	1	13	4
Batu Hijau:						
Gold	178	73	14			
Copper	269	123	21			
Total Batu Hijau (3)	447	196	35	4	202	20
Other Asia Pacific	—	—	4	1	(12)	2
Asia Pacific	967	502	99	9	321	78
Ahafo	87	43	13	5	22	24

Akyem	145	51	24	4	63	8
Other Africa	—	—	—	1	—	—
Africa	232	94	37	10	85	32
Corporate and Other	—	—	3	24	(182)	24
Consolidated	$ 1,908	$ 1,027	$ 276	$ 81	$ 298	$ 329

(1) Includes an increase in accrued capital expenditures of $7; consolidated capital expenditures on a cash basis were $322.

(2) On October 29, 2015, the Company sold the Waihi mine.

(3) On June 30, 2016, the Company announced the anticipated sale of Batu Hijau. Refer to Note 1 for additional information.

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	Sales	Costs Applicable to Sales	Depreciation and Amortization	Advanced Projects, Research and Development and Exploration	Income (Loss) before Income and Mining Tax and Other Items	Capital Expenditures(1)
Six Months Ended June 30, 2016						
Carlin	$ 502	$ 373	$ 92	$ 7	$ 24	$ 79
Phoenix:						
Gold	126	88	27			
Copper	43	44	12			
Total Phoenix	169	132	39	1	(8)	7
Twin Creeks	303	118	26	4	153	20
Long Canyon	—	—	—	13	(13)	73
CC&V (2)	209	91	46	4	65	36
Other North America	—	—	—	6	(9)	2
North America	1,183	714	203	35	212	217
Yanacocha	405	248	128	20	(30)	38
Merian	—	—	1	14	(14)	142
Other South America	—	—	7	16	(25)	—
South America	405	248	136	50	(69)	180
Boddington:						
Gold	454	252	52			
Copper	65	56	11			
Total Boddington	519	308	63	—	139	23
Tanami	299	123	42	6	127	57
Kalgoorlie	228	132	9	3	82	8
Batu Hijau:						
Gold	474	165	34			
Copper	465	222	45			
Total Batu Hijau (3)	939	387	79	1	445	20
Other Asia Pacific	—	—	6	3	(15)	—
Asia Pacific	1,985	950	199	13	778	108
Ahafo	216	117	32	12	50	39

Akyem	281	111	61	4	102	10
Other Africa	—	—	—	1	(4)	—
Africa	497	228	93	17	148	49
Corporate and Other	—	—	5	25	(175)	4
Consolidated	$ 4,070	$ 2,140	$ 636	$ 140	$ 894	$ 558

(1) Includes a decrease in accrued capital expenditures of $33; consolidated capital expenditures on a cash basis were $591.

(2) The Company acquired the CC&V gold mining business on August 3, 2015.

(3) On June 30, 2016, the Company announced the anticipated sale of Batu Hijau. Refer to Note 1 for additional information.

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	Sales	Costs Applicable to Sales	Depreciation and Amortization	Advanced Projects, Research and Development and Exploration	Income (Loss) before Income and Mining Tax and Other Items	Capital Expenditures(1)
Six Months Ended June 30, 2015						
Carlin	$ 519	$ 365	$ 91	$ 7	$ 50	$ 115
Phoenix:						
Gold	111	73	18			
Copper	58	42	9			
Total Phoenix	169	115	27	2	17	15
Twin Creeks	299	124	25	5	142	31
Long Canyon	—	—	—	6	(6)	24
Other North America	—	—	—	6	(1)	2
North America	987	604	143	26	202	187
Yanacocha	543	245	137	13	114	34
Merian	—	—	—	5	(6)	164
Other South America	—	—	5	22	(29)	—
South America	543	245	142	40	79	198
Boddington:						
Gold	441	279	54			
Copper	88	68	12			
Total Boddington	529	347	66	1	109	29
Tanami	258	117	41	3	98	46
Waihi (2)	89	37	8	2	39	10
Kalgoorlie	174	138	11	1	24	11
Batu Hijau:						
Gold	292	124	23			
Copper	515	246	42			
Total Batu Hijau (3)	807	370	65	5	337	40
Other Asia Pacific	—	—	8	2	(21)	2
Asia Pacific	1,857	1,009	199	14	586	138
Ahafo	208	99	28	11	66	45

Akyem	285	97	46	4	134	19
Other Africa	—	—	—	2	(3)	—
Africa	493	196	74	17	197	64
Corporate and Other	—	—	7	45	(343)	30
Consolidated	$ 3,880	$ 2,054	$ 565	$ 142	$ 721	$ 617

(1) Includes an increase in accrued capital expenditures of $11; consolidated capital expenditures on a cash basis were $606.

(2) On October 29, 2015, the Company sold the Waihi mine.

(3) On June 30, 2016, the Company announced the anticipated sale of Batu Hijau. Refer to Note 1 for additional information.

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NOTE 5 RECLAMATION AND REMEDIATION

The Company's mining and exploration activities are subject to various domestic and international 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 and remediation costs are based principally on current legal and regulatory requirements.

The Company's Reclamation and remediation expense consisted of:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Reclamation Accretion	$ 23	$ 21	$ 46	$ 42
Remediation	1	4	2	5
Remediation Accretion	1	1	2	2
	2	5	4	7
	$ 25	$ 26	$ 50	$ 49

The following are reconciliations of Reclamation and remediation liabilities:

	2016	2015
Reclamation balance at January 1,	$ 1,553	$ 1,497
Additions, changes in estimates and other	2	21
Payments and other	(8)	(13)
Accretion expense	46	42
Reclamation balance at June 30,	$ 1,593	$ 1,547

	2016	2015
Remediation balance at January 1,	$ 318	$ 192
Additions, changes in estimates and other	1	1
Payments and other	(10)	(25)
Accretion expense	2	2
Remediation balance at June 30,	$ 311	$ 170

The current portion of reclamation liabilities included in Other current liabilities was $35 and $37 at June 30, 2016 and December 31, 2015, respectively. The current portion of remediation liabilities included in Other current liabilities was $34 at June 30, 2016 and December 31, 2015. At June 30, 2016 and December 31, 2015, $1,593 and $1,553, respectively, were accrued for reclamation obligations relating to operating properties. In addition, the Company is involved in several matters concerning environmental obligations associated with former, primarily historic, mining activities. Generally, these matters concern developing and implementing remediation plans at the various sites involved. At June 30, 2016 and December 31, 2015, $311 and $318, respectively, were accrued for such environmental remediation obligations.

There was $17 and $15 in current restricted assets for settling reclamation and remediation obligations at June 30, 2016 and December 31, 2015, respectively, related to the Batu Hijau mine in Asia Pacific. Current restricted assets are included in Other current assets. Non-current restricted assets held for purposes of settling reclamation and

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remediation obligations were $77 and $65 at June 30, 2016 and December 31, 2015, respectively. Of the amount at June 30, 2016, $43 is related to the Midnite Mine in Washington State, $13 is related to the Ahafo and Akyem mines in Ghana, Africa, $12 is related to the Batu Hijau mine in Asia Pacific, and $9 is related to the Con mine in Yellowknife, NWT, Canada. Of the amount at December 31, 2015, $43 is related to the Midnite Mine in Washington State, $13 is related to the Ahafo and Akyem mines in Ghana, Africa and $9 is related to the Con mine in Yellowknife, NWT, Canada.

Included in Investments at June 30, 2016 and December 31, 2015, was $21 and $20, respectively, of non-current equity securities, which are legally pledged for purposes of settling reclamation and remediation obligations related to the San Jose Reservoir in Yanacocha and for various locations in Nevada.

Refer to Note 22 for further discussion of reclamation and remediation matters.

NOTE 6 INCOME AND MINING TAXES

The Company's Income and mining tax expense (benefit) differed from the amounts computed by applying the U.S. statutory corporate income tax rate for the following reasons:

	Three Months Ended June 30,				Six Months Ended June 30,			
	2016		2015		2016		2015	
Income (loss) before income and mining tax and other items		$ 404		$ 298		$ 894		$ 721
Tax at statutory rate	35%	$ 141	35 %	$ 104	35 %	$ 313	35 %	$ 252
Reconciling items:								
Percentage depletion (1)	2 %	7	(6)%	(19)	(4)%	(36)	(5)%	(34)
Change in valuation allowance on deferred tax assets	36%	146	13 %	40	38 %	340	12 %	84
Mining and other taxes	1 %	6	5 %	16	3 %	29	3 %	24
Tax impact on sale of assets	—%	—	—%	—	(4)%	(35)	—%	—
Effect of foreign earnings, net of credits	1 %	6	2 %	5	2 %	17	1 %	8

Other (1)	1 %	4	2 %	6	1 %	6	2 %	11
Income and mining tax expense	76%	$ 310	51 %	$ 152	71 %	$ 634	48 %	$ 345

(1) Includes the reduction to percentage depletion and the domestic production deduction from the filing of the 2015 tax return during the quarter.

A valuation allowance is provided for those deferred tax assets for which it is more likely than not that the related benefits will not be realized. In determining the amount of the valuation allowance, each quarter, the Company considers future reversals of existing taxable temporary differences, estimated future taxable income and taxable income in prior carryback year(s), as well as feasible tax planning strategies in each jurisdiction to determine if the deferred tax assets are realizable. If it is determined that the Company will not realize all or a portion of its deferred tax assets, it will place or increase a valuation allowance. Conversely, if determined that it will ultimately be able to realize all or a portion of the related benefits for which a valuation allowance has been provided, all or a portion of the related valuation allowance will be reduced. There are a number of risk factors that could impact the Company's ability to realize the deferred tax assets.

The Company operates in numerous countries and accordingly it is subject to, and pays taxes under, the various 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

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historically filed, and continues to file, all required income tax returns and pay the income taxes determined to be due. The tax rules and regulations in many countries are complex and subject to interpretation. From time to time, the Company is subject to a review of its historic income tax filings and in connection with such reviews, disputes can arise with the taxing authorities over the interpretation or application of certain rules to the Company's business conducted within the country involved.

At June 30, 2016, the Company's gross unrecognized tax benefit, including interest and penalties, was $107 for uncertain income tax positions taken or expected to be taken on income tax returns. Of this, $77 represents the amount of unrecognized tax benefits that, if recognized, would affect the Company's effective income tax rate.

During the second quarter of 2016, one of the Company's Canadian subsidiaries received a tax and interest assessment from the Canadian Revenue Authority for $54 relating to a pre-acquisition transaction of Fronteer Gold Inc. and subsidiaries. The taxing authority is disputing the tax attribute that was created as part of the pre-acquisition transaction claimed on Fronteer's tax return. The Company is procedurally required to pay at least half of the assessment by the quarter ending September 30, 2016. The Company intends to vigorously defend its position through all processes available.

As a result of the statute of limitations that expire in the next 12 months in various jurisdictions and possible settlements of audit-related issues with taxing authorities in various jurisdictions, none of which are individually significant, the Company believes that it is reasonably possible that the total amount of its net unrecognized income tax benefits will decrease by approximately $50 to $55 in the next 12 months.

NOTE 7 NET INCOME (LOSS) ATTRIBUTABLE TO NONCONTROLLING INTERESTS

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Minera Yanacocha	$ (13)	$ 18	$ (24)	$ 23
Batu Hijau	55	66	150	111
TMAC	—	(7)	—	(13)
Merian	(3)	—	(4)	—
Other	—	(1)	—	1

$ 39	$ 76	$ 122	$ 122

Newmont has a 51.35% ownership interest in Minera Yanacocha S.R.L., with the remaining interests held by Compañia de Minas Buenaventura, S.A.A. (43.65%) and the International Finance Corporation (5%). Newmont consolidates Yanacocha in its Condensed Consolidated Financial Statements due to a majority voting interest.

Newmont has a 48.5% effective economic interest in PTNNT with remaining interests held by an affiliate of Sumitomo Corporation of Japan and various Indonesian entities. PTNNT operates the Batu Hijau copper and gold mine in Indonesia. Newmont consolidates PTNNT in its Condensed Consolidated Financial Statements as the primary beneficiary in the variable interest entity. For further information regarding the anticipated sale of the Company's economic interest in PTNNT, see Note 1.

Newmont has a 29.2% ownership interest in TMAC Resources Inc. ("TMAC"), with the remaining interests held by TMAC management and various outside investors. Newmont's retained investment in TMAC is accounted for as an equity method investment. Refer to Note 13 for additional information.

Newmont has a 75% economic interest in the development of the Merian project, with the remaining interests held by Staatsolie (a company wholly owned by the Republic of Suriname). Newmont consolidates the Merian project

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through Surgold, a company wholly owned by Newmont. The project began construction in August 2014 and is planned to be in commercial production by the fourth quarter of 2016. According to the terms of the partnership agreement, Staatsolie will receive metal in kind for its 25% interest. Newmont consolidates the Merian project in its Condensed Consolidated Financial Statements as the primary beneficiary in the variable interest entity.

The following summarizes the assets and liabilities, inclusive of deferred tax liabilities, of our consolidated variable interest entities (including noncontrolling interests).

	At June 30, 2016		At December 31, 2015	
	Batu Hijau	Merian	Batu Hijau	Merian
Current assets:				
Cash and cash equivalents	$ 720	$ 29	$ 419	$ 16
Trade receivables	204	—	179	—
Other current assets (1)	419	44	362	23
	1,343	73	960	39
Non-current assets:				
Property, plant and mine development, net	1,036	695	1,103	564
Stockpiles and ore on leach pads	1,007	—	1,104	—
Other non-current assets (2)	360	—	316	—
Total assets	$ 3,746	$ 768	$ 3,483	$ 603
Current liabilities:				
Debt	$ 188	$ —	$ 140	$ —
Accounts payable	43	—	81	—
Other current liabilities (3)	151	46	71	35
	382	46	292	35
Non-current liabilities:				
Debt	2	—	187	—
Reclamation and remediation liabilities	254	8	245	8
Other non-current liabilities (4)	393	—	330	—
Total liabilities	$ 1,031	$ 54	$ 1,054	$ 43

(1) Other current assets include other accounts receivables, inventories, stockpiles and ore on leach pads, prepaid assets, restricted assets and other current assets.

(2) Other non-current assets include income tax receivables and other non-current assets.

(3)

Other current liabilities include employee-related benefits, income and mining taxes payables and other current liabilities.

(4) Other non-current liabilities include deferred income tax liabilities and employee-related benefits.

NOTE 8 INCOME (LOSS) PER COMMON SHARE

Basic income (loss) per common share is computed by dividing income available to Newmont common stockholders by the weighted average number of common shares outstanding during the period. Diluted income (loss) per common share is computed similarly, except that weighted average common shares is increased to reflect all dilutive instruments, including employee stock awards and convertible debt instruments. The dilutive effects of Newmont's

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dilutive securities are calculated using the treasury stock method and only those instruments that result in a reduction in income per share are included in the calculation.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Net income (loss) attributable to Newmont stockholders:				
Continuing operations	$ 50	$ 63	$ 128	$ 238
Discontinued operations	(27)	9	(53)	17
	$ 23	$ 72	$ 75	$ 255
Weighted average common shares (millions):				
Basic	531	505	530	502
Effect of employee stock-based awards	2	1	2	1
Diluted	533	506	532	503
Income (loss) per common share:				
Basic:				
Continuing operations	$ 0.09	$ 0.13	$ 0.24	$ 0.48
Discontinued operations	(0.05)	0.01	(0.10)	0.03
	$ 0.04	$ 0.14	$ 0.14	$ 0.51
Diluted:				
Continuing operations	$ 0.09	$ 0.13	$ 0.24	$ 0.48
Discontinued operations	(0.05)	0.01	(0.10)	0.03
	$ 0.04	$ 0.14	$ 0.14	$ 0.51

Employee stock options to purchase 2 million and 2 million shares of common stock at weighted average exercise prices of $51 and $48 were outstanding at June 30, 2016 and 2015, respectively, but were not included in the computation of diluted weighted average common shares because their exercise prices exceeded the average price of the Company’s common stock for the respective periods presented.

Newmont is required to settle the principal amount of its 2017 Convertible Senior Note in cash and may elect to settle the remaining conversion premium (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. The conversion price exceeded the Company’s share price for the periods presented; therefore, no additional shares were included in the computation of diluted weighted average common shares.

NOTE 9 EMPLOYEE PENSION AND OTHER BENEFIT PLANS

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Pension benefit costs, net:				
Service cost	$ 8	$ 7	$ 15	$ 15
Interest cost	12	11	24	22
Expected return on plan assets	(15)	(14)	(29)	(29)
Amortization, net	6	7	12	14
	$ 11	$ 11	$ 22	$ 22

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	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Other benefit costs, net:				
Service cost	$ 1	$ 1	$ 1	$ 2
Interest cost	1	1	2	3
Amortization, net	(2)	—	(3)	—
	$ —	$ 2	$ —	$ 5

NOTE 10 STOCK-BASED COMPENSATION

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Stock-based compensation:				
Performance leveraged stock units	$ 11	$ 11	$ 19	$ 21
Restricted stock units	9	8	15	16
Strategic stock units	1	1	3	3
	$ 21	$ 20	$ 37	$ 40

NOTE 11 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 1Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2Quoted 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 3Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

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

	Fair Value at June 30, 2016			
	Total	Level 1	Level 2	Level 3
Assets:				
Cash and cash equivalents	$ 2,902	$ 2,902	$ —	$ —
Restricted assets (1)	145	145	—	—
Marketable equity securities:				
Extractive industries	51	51	—	—
Other	16	16	—	—
Marketable debt securities:				
Asset backed commercial paper	20	—	—	20
Auction rate securities	7	—	—	7
Trade receivable from provisional copper and gold concentrate sales, net	264	264	—	—
	$ 3,405	$ 3,378	$ —	$ 27
Liabilities:				
Debt (2)	$ 5,874	$ —	$ 5,874	$ —
Derivative instruments, net:				
Foreign exchange forward contracts	36	—	36	—
Diesel forward contracts	12	—	12	—
Boddington contingent consideration	12	—	—	12
Holt property royalty	200	—	—	200
	$ 6,134	$ —	$ 5,922	$ 212

	Fair Value at December 31, 2015			
	Total	Level 1	Level 2	Level 3
Assets:				
Cash and cash equivalents	$ 2,782	$ 2,782	$ —	$ —
Restricted assets (1)	132	132	—	—
Marketable equity securities:				
Extractive industries	186	186	—	—
Other	16	16	—	—
Marketable debt securities:				
Asset backed commercial paper	18	—	—	18
Auction rate securities	7	—	—	7

Trade receivable from provisional copper and gold concentrate sales, net	178	178	—	—
	$ 3,319	$ 3,294	$ —	$ 25
Liabilities:				
Debt (2)	$ 5,469	$ —	$ 5,469	$ —
Derivative instruments, net:				
Foreign exchange forward contracts	60	—	60	—
Diesel forward contracts	32	—	32	—
Boddington contingent consideration	10	—	—	10
Holt property royalty	129	—	—	129
	$ 5,700	$ —	$ 5,561	$ 139

(1) Restricted assets include cash and marketable securities whose carrying amounts approximate their fair value.

(2) Debt, exclusive of capital leases, is carried at amortized cost. The outstanding carrying value was $5,550 and $6,167 at June 30, 2016 and December 31, 2015, respectively. The fair value measurement of debt was based on prices obtained from readily available pricing sources.

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The fair values of the derivative instruments in the table above are presented on a net basis. The gross amounts related to the fair value of the derivatives instruments above are included in Note 12. All other fair value disclosures in the above table are presented on a gross basis.

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

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

The Company's marketable debt securities include investments in auction rate securities and asset backed commercial paper. The Company reviews the fair value for auction rate securities and asset backed commercial paper on a quarterly basis. The marketable debt securities are traded in markets that are not active, trade infrequently and have little price transparency. Therefore, the investments are classified as Level 3 of the fair value hierarchy. See the table below which sets forth a summary of the quantitative and qualitative information related to the significant unobservable inputs used in the calculation of the fair value.

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, forward curves, 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 value of the Boddington contingent royalty was determined using a (i) discounted cash flow model, (ii) Monte Carlo valuation model to simulate future gold and copper prices using the Company's long-term gold and copper prices and (iii) Monte Carlo valuation model to simulate costs applicable to sales using the Company's Australian to U.S. dollar exchange rate. This contingent royalty is capped at $100, of which $72 has been paid to date.

The estimated fair value of the Holt sliding scale royalty was determined using (i) a discounted cash flow model, (ii) a Monte Carlo valuation model to simulate future gold prices using the Company's long-term gold price, (iii) various gold production scenarios from reserve and resource information and (iv) a weighted average discount rate. The sliding scale royalty liability is classified within Level 3 of the fair value hierarchy.

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

The following tables set forth a summary of the quantitative and qualitative information related to the unobservable inputs used in the calculation of the Company's Level 3 financial assets and liabilities at June 30, 2016 and December 31, 2015:

Description	At June 30, 2016	Valuation technique	Unobservable input	Range/Weighted average
Auction rate securities	$ 7	Risk-adjusted indicative price	Recoverability rate	90 %
Asset backed commercial paper	$ 20	Risk-adjusted indicative price	Recoverability rate	90 %
Boddington contingent consideration	$ 12	Monte Carlo	Discount rate	3.07 %
			Short-term gold price	$ 1,260
			Long-term gold price	$ 1,300
			Short-term copper price	$ 2.14
			Long-term copper price	$ 3.00
			Long-term Australian to U.S. dollar exchange rate	$ 0.80
Holt property royalty	$ 200	Monte Carlo	Discount rate	3.27 %
			Short-term gold price	$ 1,260
			Long-term gold price	$ 1,300
			Gold production scenarios (in 000's of ounces)	365 - 1,603

Description	At December 31, 2015	Valuation technique	Unobservable input	Range/Weighted average
Auction rate securities	$ 7	Risk-adjusted indicative price	Recoverability rate	85 %
Asset backed commercial paper	$ 18	Risk-adjusted indicative price	Recoverability rate	90 %
Boddington contingent consideration	$ 10	Monte Carlo	Discount rate	5.32 %
			Short-term gold price	$ 1,106
			Long-term gold price	$ 1,300
			Short-term copper price	$ 2.22

			Long-term copper price	$ 3.00	
			Long-term Australian to U.S. dollar exchange rate	$ 0.80	
Holt property royalty	$ 129	Monte Carlo	Discount rate	5.06	%
			Short-term gold price	$ 1,106	
			Long-term gold price	$ 1,300	
			Gold production scenarios (in 000's of ounces)	398 - 1,636	

The following tables set forth a summary of changes in the fair value of the Company’s Level 3 financial assets and liabilities:

	Auction Rate Securities(1)	Asset Backed Commercial Paper(1)	Total Assets	Boddington Contingent Consideration(2)	Holt Property Royalty(3)	Total Liabilities
Fair value at December 31, 2015	$ 7	$ 18	$ 25	$ 10	$ 129	$ 139
Settlements	—	—	—	—	(5)	(5)
Revaluation	—	2	2	2	76	78
Fair value at June 30, 2016	$ 7	$ 20	$ 27	$ 12	$ 200	$ 212

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	Auction Rate Securities(1)	Asset Backed Commercial Paper(1)	Total Assets	Boddington Contingent Consideration(2)	Holt Property Royalty(3)	Total Liabilities
Fair value at December 31, 2014	$ 6	$ 24	$ 30	$ 10	$ 179	$ 189
Settlements	—	—	—	—	(6)	(6)
Revaluation	1	(2)	(1)	—	(25)	(25)
Fair value at June 30, 2015	$ 7	$ 22	$ 29	$ 10	$ 148	$ 158

(1) The gain (loss) recognized is included in Accumulated other comprehensive income (loss).
(2) The gain (loss) recognized is included in Other expense, net.
(3) The gain (loss) recognized is included in Income (loss) from discontinued operations.

NOTE 12 DERIVATIVE INSTRUMENTS

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

Cash Flow Hedges

The following foreign currency and diesel 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 (loss) 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

The Company had the following foreign currency derivative contracts in Asia Pacific outstanding at June 30, 2016:

	Expected Maturity Date			
	2016	2017	2018	Total/Average
A$ Operating Fixed Forward Contracts:				
A$ notional (millions)	72	105	6	183
Average rate ($/A$)	0.95	0.93	0.92	0.94
Expected hedge ratio	11 %	8 %	4 %	

The A$ hedges run through the first quarter of 2018.

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Diesel Fixed Forward Contracts

The Company had the following diesel derivative contracts in North America outstanding at June 30, 2016:

	Expected Maturity Date		
	2016	2017	Total/Average
Diesel Fixed Forward Contracts:			
Diesel gallons (millions)	12	15	27
Average rate ($/gallon)	2.14	1.75	1.92
Expected hedge ratio	61 %	39 %	

Newmont hedges a portion of its operating cost exposure related to diesel consumed at its Nevada operations to reduce the variability in diesel prices. The hedging instruments consist of a series of financially settled fixed forward contracts, which run through the fourth quarter of 2017.

Derivative Instrument Fair Values

The Company had the following derivative instruments designated as hedges at June 30, 2016 and December 31, 2015:

	Fair Values of Derivative Instruments At June 30, 2016			
	Other Current Assets	Other Non-current Assets	Other Current Liabilities	Other Non-current Liabilities
Foreign currency exchange contracts:				
A$ operating fixed forwards	$ —	$ —	$ 26	$ 10
Diesel fixed forwards	1	1	13	1
Total derivative instruments	$ 1	$ 1	$ 39	$ 11

	Fair Values of Derivative Instruments At December 31, 2015			
	Other Current Assets	Other Non-current Assets	Other Current Liabilities	Other Non-current Liabilities
Foreign currency exchange contracts:				
A$ operating fixed forwards	$ —	$ —	$ 36	$ 24
Diesel fixed forwards	—	—	27	5
Total derivative instruments	$ —	$ —	$ 63	$ 29

As of June 30, 2016 and December 31, 2015, all derivative instruments held by the Company were subject to enforceable master netting arrangements held by various financial institutions. In general, the terms of the Company’s agreements provide for offsetting of amounts payable or receivable between it and the counterparty, at the election of both parties, for transactions that occur on the same date and in the same currency. The Company’s agreements also provide that in the event of an early termination, the counterparties have the right to offset amounts owed or owing under that and any other agreement with the same counterparty. The Company’s accounting policy is to not offset these positions in its accompanying balance sheets. As of June 30, 2016, the potential effect of netting derivative assets against liabilities due to the master netting agreements was $2. As of December 31, 2015, all gross amounts presented in the accompanying balance sheets were in a liability position.

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The following tables show the location and amount of gains (losses) reported in the Company's Condensed Consolidated Financial Statements related to the Company's hedges.

	Foreign Currency Exchange Contracts		Diesel Fixed Forward Contracts		Interest Rate Contracts	
	2016	2015	2016	2015	2016	2015
For the three months ended June 30,						
Cash flow hedging relationships:						
Gain (loss) recognized in Other comprehensive income (loss) (effective portion)	$ (3)	$ 3	$ 7	$ 4	$ —	$ —
Gain (loss) reclassified from Accumulated other comprehensive income (loss) into income (loss) (effective portion) (1)	$ (10)	$ (6)	$ (5)	$ (6)	$ (5)	$ (4)
Gain (loss) reclassified from Accumulated other comprehensive income (loss) into income (loss) (ineffective portion) (2)	$ —	$ —	$ 1	$ —	$ —	$ —
For the six months ended June 30,						
Cash flow hedging relationships:						
Gain (loss) recognized in Other comprehensive income (loss) (effective portion)	$ 4	$ (24)	$ 5	$ (1)	$ —	$ —
Gain (loss) reclassified from Accumulated other comprehensive income (loss) into income (loss) (effective portion) (1)	$ (20)	$ (13)	$ (14)	$ (13)	$ (8)	$ (9)
Gain (loss) reclassified from Accumulated other comprehensive income (loss) into income (loss) (ineffective portion) (2)	$ —	$ —	$ 1	$ 1	$ —	$ —

(1) The gain (loss) recognized for the effective portion of cash flow hedges is included in Cost applicable to sales and Interest expense, net.

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

Based on fair values at June 30, 2016, the amount to be reclassified from Accumulated other comprehensive income (loss), net of tax to income for derivative instruments during the next 12 months is a loss of approximately $41.

Provisional Gold and Copper Sales

The Company's provisional gold and copper concentrate 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.

At June 30, 2016, Newmont had gold and copper sales of 258,000 ounces and 125 million pounds priced at an average of $1,323 per ounce and $2.19 per pound, respectively, subject to final pricing over the next several months.

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

NOTE 13 INVESTMENTS

	At June 30, 2016			
	Cost/Equity	Unrealized		Fair/Equity
	Basis	Gain	Loss	Basis
Current:				
Marketable Equity Securities:				
Gabriel Resources Ltd.	$ 5	$ 13	$ —	$ 18
Other	14	15	(1)	28
	$ 19	$ 28	$ (1)	$ 46
Non-current:				
Marketable Debt Securities:				
Asset backed commercial paper	$ 19	$ 1	$ —	$ 20
Auction rate securities	8	—	(1)	7
	27	1	(1)	27
Marketable Equity Securities	19	2	—	21
Other investments, at cost	6	—	—	6
Equity Method Investments:				
TMAC	97	—	—	97
Minera La Zanja S.R.L.	68	—	—	68
Novo Resources Corp.	15	—	—	15
Euronimba Ltd.	3	—	—	3
	$ 235	$ 3	$ (1)	$ 237

	At December 31, 2015			
	Cost/Equity	Unrealized		Fair/Equity
	Basis	Gain	Loss	Basis
Current:				
Marketable Equity Securities:				
Gabriel Resources Ltd.	$ 5	$ —	$ —	$ 5
Other	14	2	(2)	14
	$ 19	$ 2	$ (2)	$ 19
Non-current:				
Marketable Debt Securities:				
Asset backed commercial paper	$ 17	$ 1	$ —	$ 18

Auction rate securities	8	—	(1)	7
	25	1	(1)	25
Marketable Equity Securities:				
Regis Resources Ltd.	81	82	—	163
Other	17	3	—	20
	98	85	—	183
Other investments, at cost	6	—	—	6
Equity Method Investments:				
TMAC	101	—	—	101
Minera La Zanja S.R.L.	71	—	—	71
Novo Resources Corp.	14	—	—	14
Euronimba Ltd.	2	—	—	2
	$ 317	$ 86	$ (1)	$ 402

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In March 2016, the Company sold its investment in Regis Resources Ltd. for $184, resulting in a pre-tax gain of $103 recorded in Other income, net. The cost of the investment sold was determined using the specific identification method.

In March 2016, Newmont participated in the TMAC offering acquiring 242,979 shares for C$2, maintaining its 29.37% ownership interest. During the three months ended June 30, 2016, Newmont's ownership interest was diluted to 29.2% due primarily to the exercising of warrants held by other shareholders. In July 2016, Newmont participated in a second offering acquiring an additional 1,159,000 shares for C$17.5, maintaining its 29.2% ownership interest. During 2015, Newmont determined that TMAC was no longer considered a variable interest entity and should no longer be consolidated into Newmont's financial results due to a number of financing events, which took place during the year. Newmont deconsolidated the assets, liabilities and non-controlling interest related to TMAC and recognized a gain of $76, recorded within Other income, net, during the third quarter of 2015. The fair value of the retained investment was valued utilizing the market approach applying the IPO share price. Newmont's retained investment in TMAC is accounted for as an equity method investment.

There were no investment impairments for other-than-temporary declines in value during the three and six months ended June 30, 2016. As of June 30, 2016, there was a $22 increase in the fair value of marketable securities previously impaired, primarily due to Gabriel Resources Ltd., Pilot Gold, Eurasian Minerals Inc. and Loncor Resources Inc. During the three and six months ended June 30, 2015, the Company recognized investment impairments for other-than-temporary declines in value of $16 and $73, respectively, primarily related to Regis Resources Ltd., as a result of the continued decline in the stock price. As of June 30, 2015, there was a $26 decrease in the fair value of marketable securities previously impaired, primarily due to Gabriel Resources Ltd. and Pilot Gold.

The following tables present the gross unrealized losses and fair value of the Company's investments with unrealized losses that are deemed to be temporarily impaired, aggregated by length of time that the individual securities have been in a continuous unrealized loss position:

	Less than 12 Months		12 Months or Greater		Total	
At June 30, 2016	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Marketable equity securities	$ 4	$ 1	$ —	$ —	$ 4	$ 1
Auction rate securities	—	—	7	1	7	1
	$ 4	$ 1	$ 7	$ 1	$ 11	$ 2

	Less than 12 Months		12 Months or Greater		Total	
At December 31, 2015	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Marketable equity securities	$ 5	$ 2	$ —	$ —	$ 5	$ 2
Auction rate securities	—	—	7	1	7	1
	$ 5	$ 2	$ 7	$ 1	$ 12	$ 3

While the fair value of some of the Company's investments in marketable equity securities and auction rate securities are below their respective cost, the Company views these declines as temporary. The Company has the ability and intends to hold its securities until maturity or such time that the market recovers.

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NOTE 14 INVENTORIES

	At June 30, 2016		At December 31, 2015	
Materials and supplies	$	457	$	454
Concentrate and copper cathode		137		128
In-process		123		118
Precious metals		11		10
	$	728	$	710

NOTE 15 STOCKPILES AND ORE ON LEACH PADS

	At June 30, 2016		At December 31, 2015	
Current:				
Stockpiles	$	543	$	554
Ore on leach pads		410		342
	$	953	$	896
Non-current:				
Stockpiles	$	2,595	$	2,622
Ore on leach pads		361		378
	$	2,956	$	3,000

	At June 30, 2016		At December 31, 2015	
Stockpiles and ore on leach pads:				
Carlin	$	440	$	394
Phoenix		105		106
Twin Creeks		334		329
Long Canyon		1		—
CC&V		348		319
Yanacocha		409		440
Merian		8		4
Boddington		395		390
Tanami		8		12
Kalgoorlie		107		109
Batu Hijau		1,158		1,218
Ahafo		471		456
Akyem		125		119
	$	3,909	$	3,896

During the three and six months ended June 30, 2016, the Company recorded write-downs of $57 and $107, respectively, classified as components of Costs applicable to sales and write-downs of $26 and $50, respectively, classified as components of Depreciation and amortization to reduce the carrying value of stockpiles and ore on leach pads to net realizable value. Adjustments to net realizable value are a result of higher future processing costs in addition to stripping campaigns driving lower grade and lower recovery resulting in higher costs per unit. Of the write-downs during the three months ended June 30, 2016, $31 is related to Carlin, $10 to Twin Creeks and $42 to Yanacocha. Of the write-downs during the six months ended June 30, 2016, $58 is related to Carlin, $12 to Twin Creeks and $87 to Yanacocha.

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NOTE 16 DEBT

On March 29, 2016, the Company accepted for purchase approximately $274 of its 2019 Notes and $226 of its 2039 Notes through a debt tender offer. The company recorded a net pre-tax loss of $4 in Other income, net as a result of the debt tender offer. Additionally, the Company reclassified $2 in Interest expense, net from Accumulated other comprehensive income (loss) related to the acceleration of the unrealized gains on the treasury rate lock contracts, which were entered into upon issuance of the Notes in 2009.

During the second quarter, the company paid $140 on the PTNNT revolving credit facility. There was $24 and $nil in current restricted assets at June 30, 2016 and December 31, 2015, respectively, for future payments on the PTNNT revolving credit facility as required by local statutes. Current restricted assets are included in Other current assets.

Scheduled minimum debt repayments are $3 for the remainder of 2016, $765 in 2017, $nil in 2018, $901 in 2019, $nil in 2020 and $3,974 thereafter. Scheduled minimum capital lease repayments are $3 in 2016, $6 in 2017, $4 in 2018, $4 in 2019, $1 in 2020 and $3 thereafter.

NOTE 17 OTHER LIABILITIES

	At June 30, 2016	At December 31, 2015
Other current liabilities:		
Accrued operating costs	$ 122	$ 105
Accrued capital expenditures	86	121
Reclamation and remediation liabilities	69	71
Accrued interest	63	71
Derivative instruments	39	63
Royalties	52	63
Holt property royalty	13	10
Taxes other than income and mining	6	9
Other	29	27
	$ 479	$ 540

Other non-current liabilities:				
Holt property royalty	$	187	$	119
Income and mining taxes		80		78
Power supply agreements		31		31
Social development obligations		29		29
Derivative instruments		11		29
Boddington contingent consideration		10		10
Other		13		14
	$	361	$	310

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NOTE 18 CHANGES IN EQUITY

	Six Months Ended June 30, 2016	2015
Common stock:		
At beginning of period	$ 847	$ 798
Stock-based awards	2	2
Stock issuance	—	46
At end of period	849	846
Additional paid-in capital:		
At beginning of period	9,427	8,712
Stock-based awards	30	38
Stock issuance	—	629
Sale of noncontrolling interests	—	12
At end of period	9,457	9,391
Accumulated other comprehensive income (loss):		
At beginning of period	(334)	(478)
Other comprehensive income (loss)	(7)	38
At end of period	(341)	(440)
Retained earnings:		
At beginning of period	1,410	1,242
Net income (loss) attributable to Newmont stockholders	75	255
Dividends paid	(27)	(23)
At end of period	1,458	1,474
Noncontrolling interests:		
At beginning of period	2,942	2,815
Net income (loss) attributable to noncontrolling interests	122	122
Dividends paid to noncontrolling interests	(146)	(3)
Funding from noncontrolling interests, net	43	45
Sale of noncontrolling interests, net	—	22
Other	(1)	(4)
At end of period	2,960	2,997
Total equity	$ 14,383	$ 14,268

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NOTE 19 RECLASSIFICATIONS OUT OF ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

	Unrealized gain (loss) on marketable securities, net	Foreign currency translation adjustments	Pension and other post retirement benefit adjustments	Changes in fair value of cash flow hedge instruments	Total
Balance at December 31, 2015	$ (43)	$ 116	$ (207)	$ (200)	$ (334)
Change in other comprehensive income (loss) before reclassifications	47	7	1	7	62
Reclassifications from accumulated other comprehensive income (loss)	(103)	—	6	28	(69)
Net current-period change	(56)	7	7	35	(7)
Balance at June 30, 2016	$ (99)	$ 123	$ (200)	$ (165)	$ (341)

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Details about Accumulated Other Comprehensive Income (Loss) Components	Amount Reclassified from Accumulated Other Comprehensive Income (Loss)				Affected Line Item in the Condensed Consolidated Statements of Income
	Three Months Ended June 30,		Six Months Ended June 30,		
	2016	2015	2016	2015	
Marketable securities adjustments:					
Sale of marketable securities	$ —	$ —	$ (103)	$ (1)	Other income, net
Impairment of marketable securities	—	16	—	73	Other income, net
Total before tax	—	16	(103)	72	
Tax benefit (expense)	—	—	—	—	
Net of tax	$ —	$ 16	$ (103)	$ 72	
Pension and other post-retirement benefit adjustments:					
Amortization	$ 4	$ 7	$ 9	$ 14	(1)
Tax benefit (expense)	(1)	(2)	(3)	(4)	
Net of tax	$ 3	$ 5	$ 6	$ 10	
Hedge instruments adjustments:					
Operating cash flow hedges (effective portion)	$ 15	$ 12	$ 34	$ 26	Costs applicable to sales
Operating cash flow hedges (ineffective portion)	(1)	—	(1)	(1)	Other income, net
Interest rate contracts	5	4	8	9	Interest expense, net
Total before tax	19	16	41	34	
Tax benefit (expense)	(5)	(5)	(13)	(11)	
Net of tax	$ 14	$ 11	$ 28	$ 23	
Total reclassifications for the period, net of tax	$ 17	$ 32	$ (69)	$ 105	

(1) Included in General and administrative or included as a component of Costs applicable to sales, which are incurred in the inventory/production process. Refer to Note 2 to the Consolidated Financial Statements for the year ended December 31, 2015 filed February 17, 2016 on Form 10-K for information on costs that benefit the inventory/production process.

NOTE 20 NET CHANGE IN OPERATING ASSETS AND LIABILITIES

Net cash provided by operating activities attributable to the net change in operating assets and liabilities is composed of the following:

	Six Months Ended June 30,	
	2016	2015
Decrease (increase) in operating assets:		
Trade and other accounts receivables	$ 13	$ (89)
Inventories, stockpiles and ore on leach pads	(120)	(179)
EGR refinery and other assets (1)	—	(82)
Other assets	(32)	78
Increase (decrease) in operating liabilities:		
Accounts payable	(51)	(10)
EGR refinery and other liabilities (1)	—	82
Reclamation liabilities	(18)	(38)
Other accrued liabilities	23	(30)
	$ (185)	$ (268)

(1) On July 24, 2015, the Company sold its ownership interest in European Gold Refinery Holdings (“EGR”).

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NOTE 21 CONDENSED CONSOLIDATING FINANCIAL STATEMENTS

The following Condensed 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 debt securities issued under a shelf registration statement on Form S-3 filed under the Securities Act of 1933 under which securities of Newmont (including debt securities guaranteed by Newmont USA) may be issued (the "Shelf Registration Statement"). In accordance with Rule 3-10(e) of Regulation S-X, Newmont USA, as the subsidiary guarantor, is 100% owned by Newmont, the guarantees are full and unconditional, and no other subsidiary of Newmont guaranteed any security issued under the Shelf Registration Statement. There are no restrictions on the ability of Newmont or Newmont USA to obtain funds from its subsidiaries by dividend or loan.

During the first quarter of 2016, the Company conducted certain restructurings for tax planning purposes which modified the entities owned by the guarantor and impacted their respective Condensed Consolidating Financial statements.

	Three Months Ended June 30, 2016				
	(Issuer)	(Guarantor)	(Non-Guarantor)		Newmont
	Newmont				Mining
	Mining	Newmont	Other		Corporation
Condensed Consolidating Statement of Operation	Corporation	USA	Subsidiaries	Eliminations	Consolidated
Sales	$ —	$ 459	$ 1,579	$ —	$ 2,038
Costs and expenses					
Costs applicable to sales (1)	—	284	775	—	1,059
Depreciation and amortization	2	76	236	—	314
Reclamation and remediation	—	4	21	—	25
Exploration	—	10	28	—	38
Advanced projects, research and development	—	3	41	—	44
General and administrative	—	23	41	—	64
Other expense, net	—	9	10	—	19
	2	409	1,152	—	1,563
Other income (expense)					
Other income, net	(9)	1	8	—	—

Interest income - intercompany	31	—	10	(41)	—
Interest expense - intercompany	(10)	—	(31)	41	—
Interest expense, net	(64)	—	(7)	—	(71)
	(52)	1	(20)	—	(71)
Income (loss) before income and mining tax and other items	(54)	51	407	—	404
Income and mining tax benefit (expense)	(45)	(5)	(260)	—	(310)
Equity income (loss) of affiliates	122	(174)	(5)	52	(5)
Income (loss) from continuing operations	23	(128)	142	52	89
Income (loss) from discontinued operations	—	—	(27)	—	(27)
Net income (loss)	23	(128)	115	52	62
Net loss (income) attributable to noncontrolling interests	—	—	(39)	—	(39)
Net income (loss) attributable to Newmont stockholders	$ 23	$ (128)	$ 76	$ 52	$ 23
Comprehensive income (loss)	$ 68	$ (116)	$ 145	$ 10	$ 107
Comprehensive loss (income) attributable to noncontrolling interests	—	—	(39)	—	(39)
Comprehensive income (loss) attributable to Newmont stockholders	$ 68	$ (116)	$ 106	$ 10	$ 68

(1) Excludes Depreciation and amortization and Reclamation and remediation.

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NEWMONT MINING CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

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

Condensed Consolidating Statement of Operation	Three Months Ended June 30, 2015 (Issuer) Newmont Mining Corporation	(Guarantor) Newmont USA	(Non-Guarantor) Other Subsidiaries	Eliminations	Newmont Mining Corporation Consolidated
Sales	$ —	$ 445	$ 1,463	$ —	$ 1,908
Costs and expenses					
Costs applicable to sales (1)	—	282	745	—	1,027
Depreciation and amortization	1	72	203	—	276
Reclamation and remediation	—	4	22	—	26
Exploration	—	10	38	—	48
Advanced projects, research and development	—	3	30	—	33
General and administrative	—	24	44	—	68
Other expense, net	—	6	21	—	27
	1	401	1,103	—	1,505
Other income (expense)					
Other income, net	19	—	(42)	—	(23)
Interest income - intercompany	33	11	2	(46)	—
Interest expense - intercompany	(4)	—	(42)	46	—
Interest expense, net	(71)	(2)	(9)	—	(82)
	(23)	9	(91)	—	(105)
Income (loss) before income and mining tax and other items	(24)	53	269	—	298
Income and mining tax benefit (expense)	10	(8)	(154)	—	(152)
Equity income (loss) of affiliates	86	(22)	20	(91)	(7)
Income (loss) from continuing operations	72	23	135	(91)	139
Income (loss) from discontinued operations	—	—	9	—	9
Net income (loss)	72	23	144	(91)	148
Net loss (income) attributable to noncontrolling interests	—	—	(102)	26	(76)
Net income (loss) attributable to Newmont stockholders	$ 72	$ 23	$ 42	$ (65)	$ 72
Comprehensive income (loss)	$ 124	$ 67	$ 151	$ (142)	$ 200
Comprehensive loss (income) attributable to noncontrolling interests	—	—	(102)	26	(76)
Comprehensive income (loss) attributable to Newmont stockholders	$ 124	$ 67	$ 49	$ (116)	$ 124

(1) Excludes Depreciation and amortization and Reclamation and remediation.

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NEWMONT MINING CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

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

Condensed Consolidating Statement of Operation	Six Months Ended June 30, 2016 (Issuer) Newmont Mining Corporation	(Guarantor) Newmont USA	(Non-Guarantor) Other Subsidiaries	Eliminations	Newmont Mining Corporation Consolidated
Sales	$ —	$ 930	$ 3,140	$ —	$ 4,070
Costs and expenses					
Costs applicable to sales (1)	—	590	1,550	—	2,140
Depreciation and amortization	2	160	474	—	636
Reclamation and remediation	—	7	43	—	50
Exploration	—	16	52	—	68
Advanced projects, research and development	—	5	67	—	72
General and administrative	—	40	81	—	121
Other expense, net	—	13	24	—	37
	2	831	2,291	—	3,124
Other income (expense)					
Other income, net	—	1	97	—	98
Interest income - intercompany	61	—	19	(80)	—
Interest expense - intercompany	(18)	—	(62)	80	—
Interest expense, net	(135)	(2)	(13)	—	(150)
	(92)	(1)	41	—	(52)
Income (loss) before income and mining tax and other items	(94)	98	890	—	894
Income and mining tax benefit (expense)	30	(16)	(648)	—	(634)
Equity income (loss) of affiliates	139	(448)	(3)	302	(10)
Income (loss) from continuing operations	75	(366)	239	302	250
Income (loss) from discontinued operations	—	—	(53)	—	(53)
Net income (loss)	75	(366)	186	302	197
Net loss (income) attributable to noncontrolling interests	—	—	(122)	—	(122)
Net income (loss) attributable to Newmont stockholders	$ 75	$ (366)	$ 64	$ 302	$ 75
Comprehensive income (loss)	$ 68	$ (348)	$ 155	$ 315	$ 190
Comprehensive loss (income) attributable to noncontrolling interests	—	—	(122)	—	(122)
Comprehensive income (loss) attributable to Newmont stockholders	$ 68	$ (348)	$ 33	$ 315	$ 68

(1) Excludes Depreciation and amortization and Reclamation and remediation.

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NEWMONT MINING CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

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

	Six Months Ended June 30, 2015				
Condensed Consolidating Statement of Operation	(Issuer) Newmont Mining Corporation	(Guarantor) Newmont USA	(Non-Guarantor) Other Subsidiaries	Eliminations	Newmont Mining Corporation Consolidated
Sales	$ —	$ 947	$ 2,933	$ —	$ 3,880
Costs and expenses					
Costs applicable to sales (1)	—	571	1,483	—	2,054
Depreciation and amortization	2	149	414	—	565
Reclamation and remediation	—	7	42	—	49
Exploration	—	16	65	—	81
Advanced projects, research and development	—	6	55	—	61
General and administrative	—	38	88	—	126
Other expense, net	—	9	35	—	44
	2	796	2,182	—	2,980
Other income (expense)					
Other income, net	(9)	9	(12)	—	(12)
Interest income - intercompany	66	11	7	(84)	—
Interest expense - intercompany	(7)	—	(77)	84	—
Interest expense, net	(148)	(3)	(16)	—	(167)
	(98)	17	(98)	—	(179)
Income (loss) before income and mining tax and other items	(100)	168	653	—	721
Income and mining tax benefit (expense)	35	(37)	(343)	—	(345)
Equity income (loss) of affiliates	320	(33)	43	(346)	(16)
Income (loss) from continuing operations	255	98	353	(346)	360
Income (loss) from discontinued operations	—	—	17	—	17
Net income (loss)	255	98	370	(346)	377
Net loss (income) attributable to noncontrolling interests	—	—	(179)	57	(122)
Net income (loss) attributable to Newmont stockholders	$ 255	$ 98	$ 191	$ (289)	$ 255
Comprehensive income (loss)	$ 293	$ 149	$ 352	$ (379)	$ 415
Comprehensive loss (income) attributable to noncontrolling interests	—	—	(173)	51	(122)
Comprehensive income (loss) attributable to Newmont stockholders	$ 293	$ 149	$ 179	$ (328)	$ 293

(1) Excludes Depreciation and amortization and Reclamation and remediation.

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NEWMONT MINING CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

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

	Six Months Ended June 30, 2016				
	(Issuer)	(Guarantor)	(Non-Guarantor)		Newmont
	Newmont				Mining
	Mining	Newmont	Other		Corporation
Condensed Consolidating Statement of Cash Flows	Corporation	USA	Subsidiaries	Eliminations	Consolidated
Operating activities:					
Net cash provided by operating activities	$ 720	$ 304	$ 1,137	$ (862)	$ 1,299
Investing activities:					
Additions to property, plant and mine development	—	(129)	(462)	—	(591)
Sales of investments	—	—	184	—	184
Sales of other assets	—	—	8	—	8
Other	—	—	(6)	—	(6)
Net cash used in investing activities	—	(129)	(276)	—	(405)
Financing activities:					
Repayment of debt	(498)	(1)	(142)	—	(641)
Net intercompany borrowings (repayments)	(195)	(492)	687	—	—
Funding from noncontrolling interests	—	—	50	—	50
Dividends paid to noncontrolling interests	—	—	(146)	—	(146)
Dividends paid to common stockholders	(27)	(862)	—	862	(27)
(Increase) decrease in restricted cash	—	—	(13)	—	(13)
Other	—	—	(1)	—	(1)
Net cash (used in) provided by financing activities	(720)	(1,355)	435	862	(778)
Effect of exchange rate changes on cash	—	—	4	—	4
Net change in cash and cash equivalents	—	(1,180)	1,300	—	120
Cash and cash equivalents at beginning of period	—	1,181	1,601	—	2,782
Cash and cash equivalents at end of period	$ —	$ 1	$ 2,901	$ —	$ 2,902

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NEWMONT MINING CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

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

	Six Months Ended June 30, 2015				
	(Issuer)	(Guarantor)	(Non-Guarantor)		Newmont
	Newmont				Mining
	Mining	Newmont	Other		Corporation
Condensed Consolidating Statement of Cash Flows	Corporation	USA	Subsidiaries	Eliminations	Consolidated
Operating activities:					
Net cash provided by operating activities	$ 69	$ 175	$ 819	$ —	$ 1,063
Investing activities:					
Additions to property, plant and mine development	—	(160)	(446)	—	(606)
Sales of investments	—	25	4	—	29
Sales of other assets	—	6	38	—	44
Other	—	—	(6)	—	(6)
Net cash used in investing activities	—	(129)	(410)	—	(539)
Financing activities:					
Repayment of debt	(200)	(1)	(80)	—	(281)
Net intercompany borrowings (repayments)	(518)	619	(101)	—	—
Proceeds from stock issuance, net	675	—	—	—	675
Sale of noncontrolling interests	—	3	34	—	37
Funding from noncontrolling interests	—	—	62	—	62
Dividends paid to noncontrolling interests	—	—	(3)	—	(3)
Dividends paid to common stockholders	(23)	—	—	—	(23)
(Increase) decrease in restricted cash	—	—	(59)	—	(59)
Other	(3)	1	(6)	—	(8)
Net cash (used in) provided by financing activities	(69)	622	(153)	—	400
Effect of exchange rate changes on cash	—	—	(19)	—	(19)
Net change in cash and cash equivalents	—	668	237	—	905
Cash and cash equivalents at beginning of period	—	1,097	1,306	—	2,403
Cash and cash equivalents at end of period	$ —	$ 1,765	$ 1,543	$ —	$ 3,308

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NEWMONT MINING CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

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

Condensed Consolidating Balance Sheet	At June 30, 2016 (Issuer) Newmont Mining Corporation	(Guarantor) Newmont USA	(Non-Guarantor) Other Subsidiaries	Eliminations	Newmont Mining Corporation Consolidated
Assets:					
Cash and cash equivalents	$ —	$ 1	$ 2,901	$ —	$ 2,902
Trade receivables	—	35	280	—	315
Other accounts receivables	—	1	193	—	194
Intercompany receivable	5,546	5,806	10,486	(21,838)	—
Investments	—	—	46	—	46
Inventories	—	144	584	—	728
Stockpiles and ore on leach pads	—	260	693	—	953
Other current assets	—	40	116	—	156
Current assets	5,546	6,287	15,299	(21,838)	5,294
Property, plant and mine development, net	23	3,172	11,077	(38)	14,234
Investments	—	15	222	—	237
Investments in subsidiaries	14,654	1,422	—	(16,076)	—
Stockpiles and ore on leach pads	—	612	2,344	—	2,956
Deferred income tax assets	266	311	1,177	(490)	1,264
Non-current intercompany receivable	1,703	532	112	(2,347)	—
Other non-current assets	—	206	512	—	718
Total assets	$ 22,192	$ 12,557	$ 30,743	$ (40,789)	$ 24,703
Liabilities:					
Debt	$ —	$ 3	$ 193	$ —	$ 196
Accounts payable	—	60	288	—	348
Intercompany payable	5,261	4,873	11,704	(21,838)	—
Employee-related benefits	—	85	126	—	211
Income and mining taxes	—	5	121	—	126
Other current liabilities	62	94	323	—	479
Current liabilities	5,323	5,120	12,755	(21,838)	1,360
Debt	5,361	5	9	—	5,375
Reclamation and remediation liabilities	—	237	1,598	—	1,835
Deferred income tax liabilities	—	88	1,328	(490)	926
Employee-related benefits	2	292	169	—	463
Non-current intercompany payable	83	—	2,302	(2,385)	—
Other non-current liabilities	—	29	332	—	361
Total liabilities	10,769	5,771	18,493	(24,713)	10,320

Equity:					
Newmont stockholders' equity	11,423	6,786	9,290	(16,076)	11,423
Noncontrolling interests	—	—	2,960	—	2,960
Total equity	11,423	6,786	12,250	(16,076)	14,383
Total liabilities and equity	$ 22,192	$ 12,557	$ 30,743	$ (40,789)	$ 24,703

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NEWMONT MINING CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

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

Condensed Consolidating Balance Sheet	At December 31, 2015 (Issuer) Newmont Mining Corporation	(Guarantor) Newmont USA	(Non-Guarantor) Other Subsidiaries	Eliminations	Newmont Mining Corporation Consolidated
Assets:					
Cash and cash equivalents	$ —	$ 1,181	$ 1,601	$ —	$ 2,782
Trade receivables	—	31	229	—	260
Other accounts receivables	—	—	185	—	185
Intercompany receivable	4,587	6,212	8,101	(18,900)	—
Investments	—	—	19	—	19
Inventories	—	158	552	—	710
Stockpiles and ore on leach pads	—	201	695	—	896
Other current assets	—	53	78	—	131
Current assets	4,587	7,836	11,460	(18,900)	4,983
Property, plant and mine development, net	26	3,179	11,136	(38)	14,303
Investments	—	15	387	—	402
Investments in subsidiaries	15,650	3,886	2,820	(22,356)	—
Stockpiles and ore on leach pads	—	621	2,379	—	3,000
Deferred income tax assets	223	757	1,228	(490)	1,718
Non-current intercompany receivable	1,742	434	108	(2,284)	—
Other non-current assets	—	253	477	—	730
Total assets	$ 22,228	$ 16,981	$ 29,995	$ (44,068)	$ 25,136
Liabilities:					
Debt	$ —	$ 3	$ 146	$ —	$ 149
Accounts payable	—	78	318	—	396
Intercompany payable	4,888	5,495	8,517	(18,900)	—
Employee-related benefits	—	136	157	—	293
Income and mining taxes	—	—	38	—	38
Other current liabilities	70	133	337	—	540
Current liabilities	4,958	5,845	9,513	(18,900)	1,416
Debt	5,839	7	195	—	6,041
Reclamation and remediation liabilities	—	231	1,569	—	1,800
Deferred income tax liabilities	—	85	1,245	(490)	840
Employee-related benefits	—	283	154	—	437
Non-current intercompany payable	81	—	2,241	(2,322)	—
Other non-current liabilities	—	37	273	—	310
Total liabilities	10,878	6,488	15,190	(21,712)	10,844

Equity:					
Newmont stockholders’ equity	11,350	10,493	10,202	(20,695)	11,350
Noncontrolling interests	—	—	4,603	(1,661)	2,942
Total equity	11,350	10,493	14,805	(22,356)	14,292
Total liabilities and equity	$ 22,228	$ 16,981	$ 29,995	$ (44,068)	$ 25,136

NOTE 22 COMMITMENTS AND CONTINGENCIES

General

Estimated losses from contingencies are accrued by a charge to income when information available prior to issuance of the financial statements indicates that it is probable that a liability could be incurred and the amount of the loss can be reasonably estimated. Legal expenses associated with the contingency are expensed as incurred. If a loss contingency is not probable or reasonably estimable, disclosure of the contingency and estimated range of loss, if

NEWMONT MINING CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

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

determinable, is made in the financial statements when it is at least reasonably possible that a material loss could be incurred.

Operating Segments

The Company's operating segments are identified in Note 4. Except as noted in this paragraph, all of the Company's commitments and contingencies specifically described herein are included in Corporate and Other. The Yanacocha matters relate to the South America reportable segment. The PTNNT matters relate to the Asia Pacific reportable segment. The Fronteer matters relate to the North America reportable segment.

Environmental Matters

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

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 costs. Reclamation obligations are based on when the spending for an existing environmental disturbance will occur. The Company reviews, on at least an annual basis, the reclamation obligation at each mine.

Accounting for reclamation obligations requires management to make estimates unique to each mining operation of the future costs the Company will incur to complete the reclamation work required to comply with existing laws and regulations. As mining operations progress over their mine life, the Company is able to more accurately predict the estimated future reclamation costs. Any such changes in future costs, the timing of reclamation activities, or scope could materially impact the amounts charged to earnings for reclamation. Additionally, future changes to environmental laws and regulations could increase the extent of reclamation work required.

In early 2015, the Peruvian government agency responsible for certain environmental regulations, the Ministry of the Environment ("MINAM"), issued proposed water quality criteria for designated beneficial uses which apply to mining companies, including Yanacocha. These criteria would modify the in-stream water quality criteria pursuant to which Yanacocha has been designing water treatment processes and infrastructure. In December 2015, MINAM issued the final regulation that modified the water quality standards and the Company has one year to submit a modification to the previously approved Environmental Impact Assessment which is due February 15, 2017. A total of up to four years are allowed for permitting, detailed engineering, and construction of water treatment facilities required for compliance with the new water quality standards. Yanacocha is currently assessing treatment options in connection with the new water quality standards, which are expected to result in increased costs. If Yanacocha is unsuccessful in designing, constructing and implementing effective treatment options in the next four years, it could result in potential fines and penalties relating to potential intermittent non-compliant exceedances.

In addition to assessing water treatment options to comply with the new water standards described above, the Company is also performing a comprehensive update to the Yanacocha reclamation plan to address stakeholder input and changes in closure activities and estimated closure costs while preserving optionality for potential future projects at Yanacocha.

The revised reclamation plan, once approved, could result in a material increase in the reclamation obligation at Yanacocha. Additionally, increases in the future reclamation costs at Yanacocha could result in a significant increase in all-in sustaining costs per ounce and possibly result in impairments to Yanacocha's long-lived assets based upon then current mine plans. The Company will continue to advance the update to the Yanacocha reclamation plan and expects to further refine the associated cost estimates in late 2016 in connection with completing the revised Environmental Impact Assessment and our mine planning process.

For a complete discussion of the factors that influence our reclamation obligations and the associated risks, refer to Managements' Discussion and Analysis of Consolidated Financial Condition and Results of Operations under the heading "Critical Accounting Policies" and refer to Risk Factors under the heading "Mine closure and remediation costs for environmental liabilities may exceed the provisions we have made" for the year ended December 31, 2015 filed February 17, 2016 on Form 10-K.

At June 30, 2016 and December 31, 2015, $1,593 and $1,553, respectively, were accrued for reclamation costs relating to currently or recently producing mineral properties in accordance with asset retirement obligation guidance. The current portions of $35 and $37 at June 30, 2016 and December 31, 2015, respectively, are included in Other current liabilities.

In addition, the Company is involved in several matters concerning environmental obligations associated with former mining activities. Generally, these matters concern developing and implementing remediation plans at the various sites involved. The Company believes that the related environmental obligations associated with these sites are similar in nature with respect to the development of remediation plans, their risk profile and the compliance required to meet general environmental standards. Based upon the Company's best estimate of its liability for these matters, $311 and $318 were accrued for such obligations at June 30, 2016 and December 31, 2015, respectively. These amounts are included in Other current liabilities and Reclamation and remediation liabilities. Depending upon the ultimate resolution of these matters, the Company believes that it is reasonably possible that the liability for these matters could be as much as 41% greater or 1% lower than the amount accrued at June 30, 2016. The amounts accrued are reviewed periodically based upon facts and circumstances available at the time. Changes in estimates are recorded in Reclamation and remediation in the period estimates are revised.

Refer to Note 5 for further information regarding reclamation and remediation. Details about certain of the more significant matters are discussed below.

Newmont USA Limited - 100% Newmont Owned

Ross-Adams Mine Site. By letter dated June 5, 2007, the U.S. Forest Service (“USFS”) notified Newmont that it had expended approximately $0.3 in response costs to address environmental conditions at the Ross-Adams mine in Prince of Wales, Alaska, and requested Newmont USA Limited pay those costs and perform an Engineering Evaluation/Cost Analysis (“EE/CA”) to assess what future response activities might need to be completed at the site. Newmont agreed to perform the EE/CA, which has been provided to the USFS. During the first quarter of 2016, the USFS confirmed approval of the EE/CA, and Newmont issued written notice to the USFS certifying that all requirements of the Administrative Settlement Agreement and Order on Consent (“ASAOC”) between the USFS and Newmont have been completed. Newmont anticipates that the USFS will issue an Action Memorandum in the third quarter of 2016 to select the preferred removal action alternative identified in the EE/CA. The ASAOC will be final upon USFS concurrence with the notice of completion and Newmont payment of USFS response costs, which are anticipated to be received from the USFS in the third quarter of 2016. Any future liability associated with the Ross-Adams site would be subject to future negotiations with the USFS. Upon USFS issuing the Action Memorandum, Newmont will resume discussions with another potential responsible party to discuss possible allocation of future costs for implementing the remedy. No assurances can be made at this time with respect to the outcome of such negotiations and Newmont cannot predict the likelihood of additional expenditures related to this matter.

Dawn Mining Company LLC ("Dawn") - 51% Newmont Owned

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

As per the Consent Decree approved by the U.S. District Court for the Eastern District of Washington on January 17, 2012, the following actions were required of Newmont, Dawn, the Department of the Interior and the EPA: (i) Newmont and Dawn would design, construct and implement the cleanup plan selected by the EPA in 2006 for the Midnite Mine site; (ii) Newmont and Dawn would reimburse the EPA for its costs associated with overseeing the work; (iii) the Department of the Interior would contribute a lump sum amount toward past EPA costs and future costs related to the cleanup of the Midnite Mine site; (iv) Newmont and Dawn would be responsible for all other EPA oversight costs and Midnite Mine site cleanup costs and (v) Newmont would post a surety bond for work at the site.

During 2012, the Department of Interior contributed its share of past EPA costs and future costs related to the cleanup of the Midnite Mine site in a lump sum payment of $42, which Newmont classified as restricted assets with interest on the consolidated balance sheets for all periods presented. Additionally in 2012, Newmont initiated the remedial design process and subsequently submitted interim process update reports at the 30% design, 60% design and 90% design level of completion, which were approved by the EPA in July 2012, April 2014 and April 2015, respectively. Upon approval by the EPA of the 90% design coupled with the resolution of uncertainties regarding site access and material use, the expected remediation design was reasonably certain and Newmont commissioned an independent cost estimate of the overall project costs based on the 90% design. The remediation liability for the Midnite Mine site and Mill site is approximately $215 at June 30, 2016.

Other Legal Matters

Minera Yanacocha S.R.L. - 51.35% Newmont Owned

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

Additional lawsuits relating to the Choropampa incident were filed against Yanacocha in the local courts of Cajamarca, Peru, in May 2002 by over 900 Peruvian citizens. A significant number of the plaintiffs in these lawsuits entered into settlement agreements with Yanacocha prior to filing such claims. In April 2008, the Peruvian Supreme Court upheld the validity of these settlement agreements, which the Company expects to result in the dismissal of all claims brought by previously settled plaintiffs. Yanacocha has also entered into settlement agreements with approximately 350 additional plaintiffs. The claims asserted by approximately 200 plaintiffs remain. In 2011, Yanacocha was served with 23 complaints alleging grounds to nullify the settlements entered into between Yanacocha and the plaintiffs. Yanacocha has answered the complaints and the court has dismissed several of the matters and the plaintiffs have filed appeals. All appeals were referred to the Civil Court of Cajamarca, which affirmed the decisions of the lower court judge. The plaintiffs have filed appeals of such orders before the Supreme Court. Some of these appeals were dismissed by the Supreme Court in favor of Yanacocha and others are pending resolution. Yanacocha will continue to vigorously defend its position. Neither the Company nor Yanacocha can reasonably estimate the ultimate loss relating to such claims.

Administrative Actions. The Peruvian government agency responsible for environmental evaluation and inspection, Organismo Evaluacion y Fiscalizacion Ambiental (“OEFA”), conducts periodic reviews of the Yanacocha site. In 2011, 2012, 2013, the first quarter of 2015 and second quarter of 2016, OEFA issued notices of alleged violations of OEFA standards to Yanacocha and Conga relating to past inspections. OEFA has resolved some alleged violations with minimal or no findings. Total fines for all outstanding OEFA alleged violations remain dependent upon the number of units associated with the alleged violations. In the first quarter of 2015, the water authority of Cajamarca issued notices of alleged regulatory violations. The alleged OEFA violations currently range from zero to 40,372 units and the water authority alleged violations range from zero to 20,000 units, with each unit having a potential fine equivalent to approximately $.00118 ($0 to $71). Yanacocha and Conga are responding to all notices of alleged violations, but cannot reasonably predict the outcome of the agency allegations.

Conga Project Constitutional Claim. On October 18, 2012, Marco Antonio Arana Zegarra filed a constitutional claim against the Ministry of Energy and Mines and Yanacocha requesting the Court to order the suspension of the Conga project as well as to declare not applicable the October 27, 2010, directorial resolution approving the Conga project Environmental Impact Assessment (“EIA”). On October 23, 2012, a Cajamarca judge dismissed the claims based on formal grounds finding that: (i) plaintiffs had not exhausted previous administrative proceedings; (ii) the directorial resolution approving the Conga EIA is valid, and was not challenged when issued in the administrative proceedings; (iii) there was inadequate evidence to conclude that the Conga project is a threat to the constitutional right of living in an adequate environment and; (iv) the directorial resolution approving the Conga project EIA does not guarantee that the Conga project will proceed, so there was no imminent threat to be addressed by the Court. The plaintiffs appealed the dismissal of the case. The Civil Court of the Superior Court of Cajamarca confirmed the above mentioned resolution and the plaintiff presented an appeal. On March 13, 2015, the Constitutional Court published its ruling stating that the case should be sent back to the first court with an order to formally admit the case and start the judicial process in order to review the claim and the proofs presented by the plaintiff. Yanacocha has answered the claim. Neither the Company nor Yanacocha can reasonably predict the outcome of this litigation.

Yanacocha Tax Dispute. In 2000, Yanacocha paid Buenaventura and Minas Conga S.R.L. a total of $29 to assume their respective contractual positions in mining concession agreements with Chaupiloma Dos de Cajamarca S.M.R.L. The contractual rights allowed Yanacocha the opportunity to conduct exploration on the concessions, but not a purchase of the concessions. The tax authority alleges that the payments to Buenaventura and Minas Conga S.R.L. were acquisitions of mining concessions requiring the amortization of the amounts under the Peru Mining Law over the life of the mine. Yanacocha expensed the amounts at issue in the initial year since the payments were not for the acquisition of a concession but rather these expenses represent the payment of an intangible and therefore, amortizable in a single year or proportionally for up to ten years according to Income Tax Law. In 2010, the tax court in Peru ruled in favor of Yanacocha and the tax authority appealed the issue to the judiciary. The first appellate court confirmed the ruling of the tax court in favor of Yanacocha. However, in November, 2015, a Superior Court in Peru made an appellate decision overturning the two prior findings in favor of Yanacocha. Yanacocha has appealed the Superior Court ruling to the Peru Supreme Court. The potential liability in this matter is in the form of fines and interest in an amount up to $75. While the Company has assessed that the likelihood of a ruling against Yanacocha in the Supreme Court as remote, it is not possible to fully predict the outcome of this litigation.

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NEWMONT MINING CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

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

PT Newmont Nusa Tenggara – 31.5% Newmont Owned

Under the Batu Hijau Contract of Work, beginning in 2006 and continuing through 2010, a portion of PTNNT's shares were required to be offered for sale, first, to the Indonesian government or, second, to Indonesian nationals, equal to the difference between the following percentages and the percentage of shares already owned by the Indonesian government or Indonesian nationals (if such number is positive): 23% by March 31, 2006; 30% by March 31, 2007; 37% by March 31, 2008; 44% by March 31, 2009; and 51% by March 31, 2010. As PT Pukuafu Indah, an Indonesian national, owned a 20% interest in PTNNT at all relevant times, in 2006, a 3% interest was required to be offered for sale and, in each of 2007 through 2010, an additional 7% interest was required to be offered (for an aggregate 31% interest). The price at which such interests were offered for sale to the Indonesian parties was the fair market value of such interest considering PTNNT as a going concern, as agreed with the Indonesian government. Following certain disputes and an arbitration with the Indonesian government, in November and December 2009, sale agreements were concluded pursuant to which the 2006, 2007 and 2008 shares were sold to PT Multi Daerah Bersaing ("PTMDB"), the nominee of the local governments, and the 2009 shares were sold to PTMDB in February 2010, resulting in PTMDB owning a 24% interest in PTNNT.

On December 17, 2010, the Ministry of Energy & Mineral Resources, acting on behalf of the Indonesian government, accepted the offer to acquire the final 7% interest in PTNNT. Subsequently, the Indonesian government designated Pusat Investasi Pemerintah ("PIP"), an agency of the Ministry of Finance, as the entity that will buy the final stake. On May 6, 2011, PIP and the foreign shareholders entered into a definitive agreement for the sale and purchase of the final 7% divestiture stake, subject to receipt of approvals from certain Indonesian government ministries. Subsequent to signing the agreement, a disagreement arose between the Ministry of Finance and the Indonesian parliament in regard to whether parliamentary approval was needed to allow PIP to make the share purchase. In July 2012, the Constitutional Court ruled that parliament approval is required for PIP to use state funds to purchase the shares, which approval was never obtained. PIP and the foreign shareholders have not further extended the period in the definitive agreement for satisfaction of the conditions. Further disputes may arise in regard to the divestiture of the 2010 shares.

Refer to Note 1 for additional information regarding the anticipated sale of PTNNT.

NWG Investments Inc. v. Fronteer Gold Inc.

In April 2011, Newmont acquired Fronteer Gold Inc. ("Fronteer").

Fronteer acquired NewWest Gold Corporation (“NewWest Gold”) in September 2007. At the time of that acquisition, NWG Investments Inc. (“NWG”) owned approximately 86% of NewWest Gold and an individual named Jacob Safra owned or controlled 100% of NWG. Prior to its acquisition of NewWest Gold, Fronteer entered into a June 2007 lock-up agreement with NWG providing that, among other things, NWG would support Fronteer’s acquisition of NewWest Gold. At that time, Fronteer owned approximately 47% of Aurora Energy Resources Inc. (“Aurora”), which, among other things, had a uranium exploration project in Labrador, Canada.

NWG contends that, during the negotiations leading up to the lock-up agreement, Fronteer represented to NWG, among other things, that Aurora would commence uranium mining in Labrador by 2013, that this was a firm date, that Aurora faced no current environmental issues in Labrador and that Aurora’s competitors faced delays in commencing uranium mining. NWG further contends that it entered into the lock-up agreement and agreed to support Fronteer’s acquisition of NewWest Gold in reliance upon these purported representations. On October 11, 2007, less than three weeks after the Fronteer-NewWest Gold transaction closed, a member of the Nunatsiavut Assembly introduced a motion calling for the adoption of a moratorium on uranium mining in Labrador. On April 8, 2008, the Nunatsiavut Assembly adopted a three-year moratorium on uranium mining in Labrador. NWG contends that Fronteer was aware during the negotiations of the NWG/Fronteer lock-up agreement that the Nunatsiavut Assembly planned on adopting this moratorium and that its adoption would preclude Aurora from commencing uranium mining by 2013, but Fronteer nonetheless fraudulently induced NWG to enter into the lock-up agreement.

On September 24, 2012, NWG served a summons and complaint on the Company, and then amended the complaint to add Newmont Canada Holdings ULC as a defendant. The complaint also named Fronteer Gold Inc. and Mark O'Dea as defendants. The complaint sought rescission of the merger between Fronteer and NewWest Gold and $750 in damages. In August 2013 the Supreme Court of New York, New York County issued an order granting the defendants' motion to dismiss on forum non conveniens. Subsequently, NWG filed a notice of appeal of the decision and then a notice of dismissal of the appeal on March 24, 2014.

On February 26, 2014, NWG filed a lawsuit in Ontario Superior Court of Justice against Fronteer Gold Inc., Newmont Mining Corporation, Newmont Canada Holdings ULC, Newmont FH B.V. and Mark O'Dea. The Ontario complaint is based upon substantially the same allegations contained in the New York lawsuit with claims for fraudulent and negligent misrepresentation. NWG seeks disgorgement of profits since the close of the NWG deal on September 24, 2007 and damages in the amount of C$1.2 billion. Newmont, along with other defendants, served the plaintiff with its statement of defense on October 17, 2014. Newmont intends to vigorously defend this matter, but cannot reasonably predict the outcome.

Investigations

We occasionally identify or are apprised of information or allegations that certain employees, affiliates, agents or associated persons may have engaged in unlawful conduct for which we might be held responsible. We are conducting an investigation, with the assistance of outside counsel, relating to certain business activities of the Company and its affiliates and contractors in countries outside the U.S. The investigation includes a review of compliance with the requirements of the U.S. Foreign Corrupt Practices Act and other applicable laws and regulations. The Company is working with the U.S. Securities and Exchange Commission and the U.S. Department of Justice with respect to the investigation. In March 2016, the Company entered into a one-year agreement with the U.S. Securities and Exchange Commission tolling the statute of limitations relating to the investigation, and in April 2016, entered into a similar agreement with the U.S. Department of Justice. As of the filing of these financial statements, we cannot predict the outcome of these matters. Accordingly, no provision with respect to these matters has been made in our consolidated financial statements. See also Item 1A of the Company's most recent Form 10-K, filed with the SEC on February 17, 2016 under the heading "Our business is subject to the U.S. Foreign Corrupt Practices Act and other extraterritorial and domestic anti-bribery laws, a breach or violation of which could lead to civil and criminal fines and penalties, loss of licenses or permits and other collateral consequences and reputational harm."

Other Commitments and Contingencies

The Company has minimum royalty obligations on one of its producing mines in Nevada for the life of the mine. Amounts paid as a minimum royalty (where production royalties are less than the minimum obligation) in any year are recoverable in future years when the minimum royalty obligation is exceeded. Although the minimum royalty requirement may not be met in a particular year, the Company expects that over the mine life, gold production will be sufficient to meet the minimum royalty requirements. Royalty payments payable, net of recoverable amounts, are $28 in 2016, $30 in 2017, $30 in 2018, $33 in 2019, $35 in 2020 and $19 thereafter.

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

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contingent consideration at $62. At June 30, 2016 and December 31, 2015, the estimated fair value of the unpaid contingent consideration was approximately $12 and $10, respectively. Changes to the estimated fair value resulting from periodic revaluations are recorded to Other expense, net. This contingent royalty is capped at $100 in aggregate payments, of which $72 has been paid to date. The Company has made no payments during 2016 and 2015; however, we expect $2 to be paid in the next 12 months. The range of remaining undiscounted amounts the Company could pay is between $0 and $28.

Discontinued operations include a retained royalty obligation ("Holt") to Holloway Mining Company. Holloway Mining Company, which owned the Holt-McDermott property, was sold to St. Andrew Goldfields Ltd. ("St. Andrew") in 2006. In January 2016, St. Andrew was acquired by Kirkland Lake Gold Inc. In 2009, the Superior Court issued a decision finding Newmont Canada Corporation ("Newmont Canada") liable for a sliding scale royalty on production from the Holt property, which Newmont Canada appealed. In May 2011, the Ontario Court of Appeal upheld the Superior Court ruling finding Newmont liable for the sliding scale royalty, which equals 0.013% of net smelter returns multiplied by the quarterly average gold price, minus a 0.013% of net smelter returns. There is no cap on the sliding scale royalty and it will increase or decrease with changes in gold price, discount rate and gold production scenarios. At June 30, 2016 and December 31, 2015, the estimated fair value of the Holt sliding scale royalty was $200 and $129, respectively. Changes to the estimated fair value resulting from periodic revaluations are recorded to Income (loss) from discontinued operations. During the three and six months ended June 30, 2016, the Company recorded a loss of $27 (net of a tax benefit of $12) and a loss of $53 (net of a tax benefit of $23), respectively. During the three and six months ended June 30, 2015, the Company recorded a gain of $9 (net of tax expense of $4) and a gain of $17 (net of tax expense of $8), respectively. During the six months ended June 30, 2016 and 2015, the Company paid $5 and $6, respectively, related to the royalty.

As part of its ongoing business and operations, the Company and its affiliates are required to provide surety bonds, bank letters of credit and bank guarantees as financial support for various purposes, including environmental reclamation, exploration permitting, workers compensation programs and other general corporate purposes. At June 30, 2016 and December 31, 2015, there were $2,164 and $2,060, respectively, of outstanding letters of credit, surety bonds and bank guarantees. The surety bonds, letters of credit and bank guarantees reflect fair value as a condition of their underlying purpose and are subject to fees competitively determined in the market place. The obligations associated with these instruments are generally related to performance requirements that the Company addresses through its ongoing operations. As the specific requirements are met, the beneficiary of the associated instrument cancels and/or returns the instrument to the issuing entity. Certain of these instruments are associated with operating sites with long-lived assets and will remain outstanding until closure. Generally, bonding requirements associated with environmental regulation are becoming more restrictive. However, the Company believes it is in compliance with all applicable bonding obligations and will be able to satisfy future bonding requirements through existing or alternative means, as they arise.

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

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

The following Management's Discussion and Analysis ("MD&A") 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 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 Measures" beginning on page 70. References to "A$" refers to Australian currency.

This item should be read in conjunction with our interim unaudited Condensed Consolidated Financial Statements and the notes thereto included in this quarterly report. Additionally, the following discussion and analysis should be read in conjunction with Management's Discussion and Analysis of Consolidated Financial Condition and Results of Operations and the consolidated financial statements included in Part II of our Annual Report on Form 10-K for the year ended December 31, 2015 filed February 17, 2016.

Overview

Newmont is one of the world's largest gold producers and is the only gold company included in the S&P 500 Index and Fortune 500. We have been included in the Dow Jones Sustainability Index-World for nine consecutive years and have adopted the World Gold Council's Conflict-Free Gold Policy. We are also engaged in the exploration for and acquisition of gold and copper properties. We have significant operations and/or assets in the United States ("U.S."), Australia, Peru, Indonesia, Ghana and Suriname.

On June 30, 2016, the Company, through its subsidiaries, entered into binding agreements with PT Amman Mineral Internasional ("PTAMI") to sell, in effect, its 48.5% economic interest in PT Newmont Nusa Tenggara ("PTNNT"), which operates the Batu Hijau copper and gold mine in Indonesia. The sales proceeds to be received for the Company's 48.5% economic interest in PTNNT include $920 in cash to be received at closing, as well as contingent payments totaling up to $403. For further information, see Note 1 to the Condensed Consolidated Financial Statements.

We continue to focus on improving safety and efficiency at our operations, maintaining leading environmental, social and governance practices, and building a stronger portfolio of longer-life, lower cost mines to generate the financial flexibility we need to fund our best projects, reduce debt, and return cash to shareholders. As part of these efforts, we launched the Full Potential program ("Full Potential") in 2013 which continues to deliver results in the current year. Full Potential is designed to leverage our industry experience and discipline to accelerate the delivery of business improvement opportunities across our operations and support areas, resulting in improved levels of operating cash flow.

Highlights for the three and six months ended June 30, 2016 are included below and discussed further in Results of Consolidated Operations.

Operating highlights

- Net income (loss) attributable to Newmont stockholders from continuing operations of $50 and $128 for the three and six months ended June 30, 2016, respectively; Adjusted net income of $231 and $413 for the three and six months ended June 30, 2016, respectively (see “Non-GAAP Financial Measures” on page 70);

- Adjusted EBITDA of $804 and $1,607 for the three and six months ended June 30, 2016, respectively (see “Non-GAAP Financial Measures” on page 70);

- Net cash provided by continuing operating activities of $1,304 and Free Cash Flow of $713 during the six months ended June 30, 2016 (see “Non-GAAP Financial Measures” on page 70);

- Consolidated gold production of 1,457,000 ounces (1,285,000 attributable ounces) and 2,873,000 ounces 2,514,000 attributable ounces) for the three and six months ended June 30, 2016, respectively;

- Consolidated copper production of 144 million pounds (85 million attributable pounds) and 285 million pounds (168 million attributable pounds) for the three and six months ended June 30, 2016, respectively;

- Costs applicable to sales of $1,059 and $2,140 for the three and six months ended June 30, 2016, respectively;

- Gold costs applicable to sales per ounce of $637 and $638 for the three and six months ended June 30, 2016, respectively; Copper costs applicable to sales per pound of $1.21 and $1.12 for the three and six months ended June 30, 2016, respectively (see "Non-GAAP Financial Measures" on page 70);

- Gold all-in sustaining costs per ounce of $876 and $852 for the three and six months ended June 30, 2016, respectively; Copper all-in sustaining costs per pound of $1.53 and $1.42 for the three and six months ended June 30, 2016, respectively (see "Non-GAAP Financial Measures" on page 70);

- Cash dividends declared per common share of $0.025 and $0.050 for the three and six months ended June 30, 2016, respectively.

Our global project pipeline

Projects included in our global pipeline comprise an important part of the Company's growth strategy and reflect opportunities throughout the development cycle. The most advanced projects, including early stage development and projects in or near the Execution phase, are described below. The exploration, construction and execution of these projects may require significant funding to complete.

Merian, Suriname. On July 29, 2014, the Board of Directors of Newmont approved full funding for the development of the Merian project in Suriname and construction began in August 2014. Following the project approval by Newmont, the Government of Suriname granted the Right of Exploitation on August 22, 2014. The Government of Suriname opted for a 25% ownership in Merian and made their earn-in payments. The 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. We expect Merian to reach commercial production by the fourth quarter of 2016. Upon reaching commercial production, we expect average estimated gold production (on a 100% basis) of 400,000 to 500,000 ounces per year for the first five years. Total capital spend on the project is expected to range from $575 to $625 on an attributable basis. As of June 30, 2016, total capital costs were $536, of which $45 related to the second quarter on an attributable basis. At December 31, 2015, we reported 110.6 million tons of probable reserves, grading 0.035 ounces per ton for 3.8 million ounces of gold reserves on an attributable basis at Merian.

Long Canyon, Nevada. The Board of Directors approved full funding for the first phase of developing the Long Canyon project in the second quarter of 2015. The Environmental Impact Statement Record of Decision was issued by the Bureau of Land Management on April 7, 2015. The project is now under construction and is expected to achieve commercial production in the first quarter of 2017. This first phase of development consists of an open pit mine and heap leach operation with average estimated production between 100,000 and 150,000 ounces per year over an eight year mine life. Total capital costs of the project are estimated between $250 and $300. As of June 30, 2016, total capital costs were $208 of which $37 related to the second quarter. We are currently assessing mining and processing options and completing a three-year infill drilling program to inform our approach to Phase 2. At December 31, 2015, we reported 18 million tons of probable reserves, grading 0.067 ounce per ton for 1.2 million ounces of gold reserves at Long Canyon.

Tanami Expansion, Australia. The Board of Directors approved full funding of the Tanami Expansion project on October 28, 2015. The goal of the Tanami Expansion project is to increase production and lower all-in sustaining costs per ounce at the existing Tanami operation. Incremental improvements are driven by bringing ounces forward, mining additional ounces at depth and leveraging the fixed costs of the mine and processing facilities. The scope for this project includes a ventilation upgrade, additional mining equipment, additional mine access and increasing process plant capacity and recovery. We expect the Tanami Expansion to reach commercial production by mid-2017. Total capital costs for Newmont to complete the Tanami expansion project are estimated to be between $100 and $120, which will enable Tanami production of between 425,000 and 475,000 gold ounces for the first five years following the expansion at lower costs and increase the mine life by three years. As of June 30, 2016, total capital costs were $43 of which $13 related to the second quarter of 2016.

Cripple Creek & Victor ("CC&V") Expansion, Colorado. An expansion project at CC&V, which will extend CC&V's estimated mine life to at least 2026, includes the construction of a new leach pad, mill and recovery plant. The mill was mechanically completed in the first quarter of 2015. Total capital costs for Newmont to complete the CC&V expansion project are estimated to be approximately $185. As of June 30, 2016, total capital costs for Newmont were $87, of which $13 related to the second quarter of 2016. Mill commissioning and ramp up of production will continue through 2016. The new leach pad and half of the recovery plant reached commercial production in the first quarter of 2016.

NW Exodus. Nevada. In June 2016, Newmont approved the Northwest Exodus Underground project. The Northwest Exodus gold deposit is located in close proximity to the Exodus deposit in Newmont's Carlin North Area, Eureka County, Nevada, within the mine plan (Genesis-Blue Star Plan of Operations). The Project expands the existing Exodus Underground mine infrastructure. Incremental gold production will average between 50,000 and 75,000 ounces per year for the first five years. The NW Exodus project extends the Exodus mine life by seven years and reduces Carlin's all-in sustaining cost (see "Non-GAAP Financial Measures" on page 70) by an average of $25 per ounce for the first 5 years. First gold production is expected to occur in the third quarter of 2016. Total capital costs for Newmont to complete the NW Exodus project are estimated to be between $50 and $75. As of June 30, 2016, total capital costs for Newmont were $20, of which $4 related to the second quarter of 2016.

Subika Underground, Ghana. Subika Underground is in the feasibility stage of development as work continues to optimize the mine plan and reduce costs. The project would increase profitable production by 150,000 to 200,000 ounces of gold per year and an investment decision is expected in late 2016.

Quecher Main, Peru. Quecher Main is a potential brownfield development within the existing footprint of Yanacocha. It is an oxide deposit that would extend the life of the Yanacocha operation to 2024. As a result, Yanacocha would produce an average of 200,000 ounces of gold per year beginning in 2020. The project is currently in the feasibility stage of development.

Ahafo Mill Expansion, Ghana. We continue to evaluate development alternatives for this project, currently in the feasibility stage. The project would increase profitable production by 75,000 to 100,000 ounces (first five year average) while lowering costs and off-setting the impacts of lower grades and harder ore.

We 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.

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Selected Financial and Operating Results

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Sales	$ 2,038	$ 1,908	$ 4,070	$ 3,880
Gold	$ 1,803	$ 1,574	$ 3,497	$ 3,219
Copper	$ 235	$ 334	$ 573	$ 661
Income (loss) from continuing operations	$ 89	$ 139	$ 250	$ 360
Net income (loss)	$ 62	$ 148	$ 197	$ 377
Net income (loss) attributable to Newmont stockholders	$ 23	$ 72	$ 75	$ 255
Per common share, basic:				
Income (loss) from continuing operations attributable to Newmont stockholders	$ 0.09	$ 0.13	$ 0.24	$ 0.48
Income (loss) attributable to Newmont stockholders	$ 0.04	$ 0.14	$ 0.14	$ 0.51
Adjusted net income (loss) (1)	$ 231	$ 131	$ 413	$ 361
Adjusted net income (loss) per share, basic (1)	$ 0.44	$ 0.26	$ 0.78	$ 0.72
Earnings before interest, taxes and depreciation and amortization (1)	$ 789	$ 656	$ 1,680	$ 1,453
Adjusted earnings before interest, taxes and depreciation and amortization (1)	$ 804	$ 692	$ 1,607	$ 1,508
Net cash provided by operating activities			$ 1,299	$ 1,063
Free Cash Flow (1)			$ 713	$ 463
Consolidated gold ounces (thousands):				
Produced	1,457	1,402	2,873	2,764
Sold (2)	1,429	1,337	2,850	2,704
Consolidated copper pounds (millions):				
Produced	144	157	285	296
Sold	122	139	289	278
Average realized price:				
Gold (per ounce)	$ 1,260	$ 1,179	$ 1,226	$ 1,192
Copper (per pound)	$ 1.94	$ 2.41	$ 1.98	$ 2.37
Consolidated costs applicable to sales: (1)(3)				
Gold (per ounce)	$ 637	$ 642	$ 638	$ 628
Copper (per pound)	$ 1.21	$ 1.21	$ 1.12	$ 1.28
All-in sustaining costs: (1)				
Gold (per ounce)	$ 876	$ 909	$ 852	$ 879
Copper (per pound)	$ 1.53	$ 1.61	$ 1.42	$ 1.67

(1) See "Non-GAAP Financial Measures" beginning on page 70.

(2) Excludes development ounces.

(3) Excludes Depreciation and amortization and Reclamation and remediation.

Consolidated Financial Results

Net income (loss) attributable to Newmont stockholders for the three months ended June 30, 2016 was $23 ($0.04 per share) compared to income of $72 ($0.14 per share) for the three months ended June 30, 2015. Results for the three months ended June 30, 2016 compared to the same period in 2015 were impacted by higher deferred income taxes, higher operating costs attributable to higher gold sales volumes and lower realized copper prices and sales volumes, partially offset by higher realized gold prices and sales volumes. Net income (loss) attributable to Newmont stockholders for the six months ended June 30, 2016 was $75 ($0.14 per share) compared to income of $255 ($0.51 per share) for the six months ended June 30, 2015. Results for the six months ended June 30, 2016 compared to the same period in 2015 were impacted by higher deferred income taxes, higher operating costs attributable to higher gold sales volumes and lower realized copper prices, partially offset by higher gold sales volumes and prices and the sale of the Company’s investment in Regis Resources Ltd.

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Gold sales increased 15% and 9% during the three and six months ended June 30, 2016 compared to the same periods in 2015, respectively, primarily due to the addition of CC&V, higher average realized prices and higher sales volumes at existing operations, partially offset by the sale of Waihi. The following analysis summarizes consolidated gold sales:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Consolidated gold sales:				
Gross before provisional pricing	$ 1,808	$ 1,588	$ 3,493	$ 3,252
Provisional pricing mark-to-market	10	1	40	—
Gross after provisional pricing	1,818	1,589	3,533	3,252
Treatment and refining charges	(15)	(15)	(36)	(33)
Net	$ 1,803	$ 1,574	$ 3,497	$ 3,219
Consolidated gold ounces sold (thousands):	1,429	1,337	2,850	2,704
Average realized gold price (per ounce):				
Gross before provisional pricing	$ 1,264	$ 1,190	$ 1,225	$ 1,204
Provisional pricing mark-to-market	7	1	14	—
Gross after provisional pricing	1,271	1,191	1,239	1,204
Treatment and refining charges	(11)	(12)	(13)	(12)
Net	$ 1,260	$ 1,179	$ 1,226	$ 1,192

The change in consolidated gold sales is due to:

	Three Months Ended June 30, 2016 vs. 2015	Six Months Ended June 30, 2016 vs. 2015
Change in consolidated ounces sold	$ 112	$ 178
Change in average realized gold price	117	103
Change in treatment and refining charges	—	(3)
	$ 229	$ 278

Copper sales decreased 30% and 13% during the three and six months ended June 30, 2016 compared to the same periods in 2015, respectively. For the three months ended June 30, 2016 compared to the same period in 2015, the decrease is primarily due to lower average realized prices and lower sales volumes. For the six months ended June 30, 2016 compared to the same period in 2015, the decrease is primarily due to lower average realized prices, partially offset by higher sales volumes. The following analysis summarizes consolidated copper sales:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Consolidated copper sales:				
Gross before provisional pricing	$ 266	$ 377	$ 622	$ 747
Provisional pricing mark-to-market	(8)	(18)	6	(34)
Gross after provisional pricing	258	359	628	713
Treatment and refining charges	(23)	(25)	(55)	(52)
Net	$ 235	$ 334	$ 573	$ 661
Consolidated copper pounds sold (millions):	122	139	289	278
Average realized copper price (per pound):				
Gross before provisional pricing	$ 2.18	$ 2.71	$ 2.15	$ 2.68
Provisional pricing mark-to-market	(0.06)	(0.13)	0.02	(0.12)
Gross after provisional pricing	2.12	2.58	2.17	2.56
Treatment and refining charges	(0.18)	(0.17)	(0.19)	(0.19)
Net	$ 1.94	$ 2.41	$ 1.98	$ 2.37

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The change in consolidated copper sales is due to:

	Three Months Ended June 30, 2016 vs. 2015	Six Months Ended June 30, 2016 vs. 2015
Change in consolidated pounds sold	$ (45)	$ 28
Change in average realized copper price	(56)	(113)
Change in treatment and refining charges	2	(3)
	$ (99)	$ (88)

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Gold				
North America:				
Carlin	$ 256	$ 243	$ 502	$ 519
Phoenix	62	50	126	111
Twin Creeks	144	150	303	299
CC&V (1)	144	—	209	—
	606	443	1,140	929
South America:				
Yanacocha	194	242	405	543
Asia Pacific:				
Boddington	250	202	454	441
Tanami	179	138	299	258
Waihi (2)	—	39	—	89
Kalgoorlie	122	100	228	174
Batu Hijau (3)	191	178	474	292
	742	657	1,455	1,254
Africa:				
Ahafo	115	87	216	208
Akyem	146	145	281	285
	261	232	497	493
	1,803	1,574	3,497	3,219
Copper				
North America:				
Phoenix	22	24	43	58
Asia Pacific:				
Boddington	35	41	65	88

Batu Hijau (3)	178	269	465	515
	213	310	530	603
	235	334	573	661
	$ 2,038	$ 1,908	$ 4,070	$ 3,880

(1) On August 3, 2015, the Company acquired the CC&V gold mining business.

(2) On October 29, 2015, the Company sold the Waihi mine.

(3) On June 30, 2016 we announced the anticipated sale of Batu Hijau. For further information, see Note 1 to the Condensed Consolidated Financial Statements.

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The following is a summary of Costs applicable to sales and Depreciation and amortization:

	Costs Applicable to Sales Three Months Ended June 30,		Depreciation and Amortization Three Months Ended June 30,		Costs Applicable to Sales Six Months Ended June 30,		Depreciation and Amortization Six Months Ended June 30,	
	2016	2015	2016	2015	2016	2015	2016	2015
Gold								
North America:								
Carlin	$ 184	$ 187	$ 43	$ 46	$ 373	$ 365	$ 92	$ 91
Phoenix	39	32	12	8	88	73	27	18
Twin Creeks	58	65	13	12	118	124	26	25
CC&V (1)	58	—	28	—	91	—	46	—
	339	284	96	66	670	562	191	134
South America:								
Yanacocha	120	130	59	66	248	245	128	137
Merian	—	—	—	—	—	—	1	—
	120	130	59	66	248	245	129	137
Asia Pacific:								
Boddington	141	122	29	24	252	279	52	54
Tanami	64	59	23	22	123	117	42	41
Waihi (2)	—	18	—	3	—	37	—	8
Kalgoorlie	67	78	4	6	132	138	9	11
Batu Hijau (3)	65	73	14	14	165	124	34	23
	337	350	70	69	672	695	137	137
Africa:								
Ahafo	60	43	17	13	117	99	32	28
Akyem	56	51	32	24	111	97	61	46
	116	94	49	37	228	196	93	74
	912	858	274	238	1,818	1,698	550	482
Copper								
North America:								
Phoenix	22	17	7	3	44	42	12	9
Asia Pacific:								
Boddington	33	29	6	5	56	68	11	12
Batu Hijau (3)	92	123	19	21	222	246	45	42
	125	152	25	26	278	314		