NEWMONT MINING CORP /DE/
Form 10-K/A
June 08, 2009

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-K/A
(Amendment No. 1)

(Mark One)

þ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the Fiscal Year Ended December 31, 2008
or

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the Transition Period From _____ to _____
Commission File Number 001-31240
Newmont Mining Corporation
(Exact Name of Registrant as Specified in Its Charter)

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

Registrant s telephone number, including area code (303) 863-7414
Securities registered pursuant to Section 12(b) of the Act:

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

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes þ No o
Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes o No þ
Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes þ No o
Indicate by check mark 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 þ No o
Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of accelerated filer , large accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer þ	Accelerated filer o	Non-accelerated filer o	Smaller reporting company o

(Do not check if a smaller reporting company)

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

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

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Explanatory Note

This Amendment No. 1 on Form 10-K/A (the Amendment) amends Newmont Mining Corporation s Annual Report on Form 10-K for the fiscal year ended December 31, 2008 (the Form 10-K), as filed with the Securities and Exchange Commission on February 19, 2009, and is being filed solely to amend the report of Independent Registered Public Accounting Firm (the Audit Report) contained in Item 8 of the Form 10-K to correct a typographical error in the date of the Audit Report from February 18, 2008 to February 18, 2009.

Pursuant to Rule 12b-15 promulgated under the Securities Exchange Act of 1934, as amended, we have repeated the entire text of Item 8 of the Form 10-K in this Amendment. However, there have been no changes to the text of such item other than the change stated in the immediately preceding paragraph.

This Amendment includes a new consent of Independent Registered Public Accounting Firm as exhibit 23.1 hereto and new certifications by our Principal Executive Officer and Principal Financial Officer pursuant to Sections 302 and 906 of the Sarbanes-Oxley Act of 2002 as exhibits 31.1, 31.2, 32.1 and 32.2 hereto.

Except as expressly set forth above, this Amendment does not, and does not purport to, amend, update or restate the information in any other item of the Form 10-K or reflect any events that have occurred after the filing of the original Form 10-K. Please refer to the Company s Current Reports on Form 8-K and Form 10-Q for the period ended March 31, 2009 for such subsequent events or transactions.

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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

MANAGEMENT S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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

The Company s management assessed the effectiveness of the Company s internal control over financial reporting as of December 31, 2008. In making this assessment, the Company s management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control-Integrated Framework*. Based upon its assessment, management concluded that, as of December 31, 2008, the Company s internal control over financial reporting was effective.

The effectiveness of the Company s assessment of internal control over financial reporting as of December 31, 2008 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income (loss), comprehensive income, stockholders equity and cash flows present fairly, in all material respects, the financial position of Newmont Mining Corporation and its subsidiaries as of December 31, 2008 and 2007, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2008 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2008, based on criteria established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company s management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management s Report on Internal Control Over Financial Reporting appearing under Item 8. Our responsibility is to express opinions on these financial statements and on the Company s internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

As discussed in Note 2 to the consolidated financial statements, the Company changed its method of accounting for uncertain tax positions effective January 1, 2007, and changed its methods of accounting for share-based payments, stripping costs incurred during the production phase and defined benefit pension and other post retirement plans all effective January 1, 2006.

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

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

/s/ PricewaterhouseCoopers LLP

Denver, Colorado

February 18, 2009

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NEWMONT MINING CORPORATION
STATEMENTS OF CONSOLIDATED INCOME (LOSS)

	Years Ended December 31,		
	2008	2007	2006
	(in millions, except per share)		
Revenues			
Sales gold, net	$ 5,447	$ 4,305	$ 4,211
Sales copper, net	752	1,221	671
	6,199	5,526	4,882
Costs and expenses			
Costs applicable to sales gold[1]	2,745	2,404	2,043
Costs applicable to sales copper[2]	399	450	292
Loss on settlement of price-capped forward sales contracts (Note 3)		531	
Midas redevelopment (Note 4)		11	
Amortization	747	695	589
Accretion	32	29	27
Exploration	214	177	166
Advanced projects, research and development (Note 5)	166	62	81
General and administrative	144	142	136
Write-down of goodwill (Note 20)		1,122	
Write-down of property, plant and mine development (Note 19)	137	10	3
Other expense, net (Note 6)	360	246	251
	4,944	5,879	3,588
Other income (expense)			
Other income, net (Note 7)	123	106	53
Interest expense, net of capitalized interest of $47, $50 and $57, respectively	(102)	(105)	(97)
	21	1	(44)
Income (loss) from continuing operations before income tax, minority interest and equity (loss) income of affiliates	1,276	(352)	1,250
Income tax expense (Note 8)	(113)	(200)	(326)
Minority interest in income of consolidated subsidiaries (Note 9)	(329)	(410)	(363)
Equity (loss) income of affiliates (Note 10)	(5)	(1)	2
Income (loss) from continuing operations	829	(963)	563
Income (loss) from discontinued operations (Note 11)	24	(923)	228
Net income (loss)	$ 853	$ (1,886)	$ 791
Income (loss) from continuing operations per common share, basic	$ 1.83	$ (2.13)	$ 1.25
Income (loss) from discontinued operations per common share, basic	0.05	(2.04)	0.51

Net income (loss) per common share, basic (Note 12)	$ 1.88	$ (4.17)	$ 1.76
Income (loss) from continuing operations per common share, diluted	$ 1.82	$ (2.13)	$ 1.25
Income (loss) from discontinued operations per common share, diluted	0.05	(2.04)	0.50
Net income (loss) per common share, diluted (Note 12)	$ 1.87	$ (4.17)	$ 1.75
Basic weighted-average common shares outstanding	454	452	450
Diluted weighted-average common shares outstanding	455	452	452
Cash dividends declared per common share	$ 0.40	$ 0.40	$ 0.40

(1) Exclusive of Loss on settlement of price-capped forward sales contracts, Midas redevelopment, Amortization and Accretion.

(2) Exclusive of Amortization and Accretion.

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

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NEWMONT MINING CORPORATION
CONSOLIDATED BALANCE SHEETS

	At December 31, 2008	2007
	(in millions)	
ASSETS		
Cash and cash equivalents	$ 435	$ 1,231
Marketable securities and other short-term investments (Note 15)	12	61
Trade receivables	104	177
Accounts receivable	223	168
Inventories (Note 16)	519	463
Stockpiles and ore on leach pads (Note 17)	324	373
Deferred income tax assets (Note 8)	286	112
Other current assets (Note 18)	458	87
Current assets	2,361	2,672
Property, plant and mine development, net (Note 19)	10,132	9,140
Investments (Note 15)	655	1,531
Stockpiles and ore on leach pads (Note 17)	1,145	788
Deferred income tax assets (Note 8)	1,145	1,027
Other long-term assets (Note 18)	213	230
Goodwill (Note 20)	188	186
Assets of operations held for sale (Note 11)		24
Total assets	$ 15,839	$ 15,598
LIABILITIES		
Current portion of long-term debt (Note 21)	$ 169	$ 255
Accounts payable	412	339
Employee-related benefits (Note 22)	178	153
Income and mining taxes (Note 8)	58	88
Other current liabilities (Note 24)	779	665
Current liabilities	1,596	1,500
Long-term debt (Note 21)	3,373	2,683
Reclamation and remediation liabilities (Note 25)	716	623
Deferred income tax liabilities (Note 8)	1,051	1,025
Employee-related benefits (Note 22)	379	226
Other long-term liabilities (Note 24)	252	150
Liabilities of operations held for sale (Note 11)		394
Total liabilities	7,367	6,601
Commitments and contingencies (Note 33)		
Minority interest in subsidiaries	1,370	1,449
STOCKHOLDERS EQUITY		
Common stock $1.60 par value;		

Authorized 750 million shares		
Issued and outstanding		
Common: 443 million and 435 million shares issued, less 264,000 and 304,000 treasury shares, respectively	709	696
Exchangeable: 56 million shares issued, less 44 million and 38 million redeemed shares, respectively		
Additional paid-in capital	6,639	6,696
Accumulated other comprehensive (loss) income (Note 26)	(253)	957
Retained earnings (deficit)	7	(801)
Total stockholders equity	7,102	7,548
Total liabilities and stockholders equity	$ 15,839	$ 15,598

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

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NEWMONT MINING CORPORATION
STATEMENTS OF CONSOLIDATED CHANGES IN STOCKHOLDERS EQUITY

	Common Stock		Additional Paid-In	Retained Earnings	Accumulated Other Comprehensive Income	Total Stockholders
	Shares	Amount	Capital (in millions)	(Deficit)	(Loss)	Equity
Balance at December 31, 2005	448	$ 666	$ 6,578	$ 754	$ 378	$ 8,376
Net income				791		791
Other comprehensive income					322	322
Common stock dividends				(180)		(180)
Adoption of EITF 04-06				(81)		(81)
Adoption of FAS 158					(27)	(27)
Stock based compensation and related share issuances	3	5	131			136
Shares issued in exchange for exchangeable shares		6	(6)			
Balance at December 31, 2006	451	$ 677	$ 6,703	$ 1,284	$ 673	$ 9,337
Net loss				(1,886)		(1,886)
Other comprehensive income					284	284
Common stock dividends			(90)	(91)		(181)
Adoption of FIN 48				(108)		(108)
Stock based compensation and related share issuances	2	4	88			92
Shares issued in exchange for exchangeable shares		15	(15)			
Warrants issued (Note 21)			248			248
Call options purchased (net of $128 deferred tax assets)			(238)			(238)
Balance at December 31, 2007	453	$ 696	$ 6,696	$ (801)	$ 957	$ 7,548
Net income				853		853
Other comprehensive loss					(1,210)	(1,210)
Common stock dividends			(137)	(45)		(182)
Stock based compensation and related share issuances	2	2	91			93
Shares issued in exchange for exchangeable shares (Note 12)		11	(11)			
Balance at December 31, 2008	455	$ 709	$ 6,639	$ 7	$ (253)	$ 7,102

STATEMENTS OF CONSOLIDATED COMPREHENSIVE (LOSS) INCOME

	Years Ended December 31,		
	2008	2007	2006

	(in millions)		
Net income (loss)	$ 853	$ (1,886)	$ 791
Other comprehensive (loss) income:			
Unrealized (loss) gain on marketable securities, net of $105, $(19) and $(49) tax benefit (expense), respectively	(573)	113	272
Foreign currency translation adjustments	(387)	138	(14)
Change in pension liability, net of $69 and $(18) and $(9) tax benefit (expense), respectively			
Net change from periodic valuations	(139)	18	12
Net amount reclassified to income	9	15	5
Net unrecognized loss on pension liability	(130)	33	17
Change in fair value of cash flow hedge instruments, net of tax and minority interests benefit (expense) of $53, $(1) and $(26), respectively			
Net change from periodic revaluations	(125)	2	(177)
Net amount reclassified to income	5	(2)	224
Net unrecognized (loss) gain on derivatives	(120)		47
Other comprehensive (loss) income	(1,210)	284	322
Comprehensive (loss) income	$ (357)	$ (1,602)	$ 1,113

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

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NEWMONT MINING CORPORATION
STATEMENTS OF CONSOLIDATED CASH FLOWS

	Years Ended December 31,		
	2008	2007	2006
	(in millions)		
Operating activities:			
Net income (loss)	$ 853	$ (1,886)	$ 791
Adjustments to reconcile net income (loss) to net cash from continuing operations:			
Amortization	747	695	589
Minority interest in income of consolidated subsidiaries (Note 9)	329	410	363
Deferred income taxes	(300)	(152)	(127)
Write-down of investments (Note 7)	114	46	
Write-down of property, plant and mine development	137	10	3
Gain on asset sales, net	(72)	(16)	(19)
Reclamation estimate revisions (Note 25)	102	29	47
Stock based compensation and other benefits	50	46	50
Accretion of accumulated reclamation obligations (Note 25)	42	37	30
(Income) loss from discontinued operations (Note 11)	(24)	923	(228)
Hedge gain, net	(9)	(9)	(46)
Write-down of goodwill		1,122	
Revenue from prepaid forward sales obligation			(48)
Other operating adjustments and write-downs	76	25	71
Net change in operating assets and liabilities (Note 28)	(642)	(755)	(347)
Net cash provided from continuing operations	1,403	525	1,129
Net cash (used in) provided from discontinued operations (Note 11)	(111)	138	96
Net cash provided from operations	1,292	663	1,225
Investing activities:			
Additions to property, plant and mine development	(1,875)	(1,672)	(1,537)
Proceeds from sale of marketable debt and equity securities	50	224	2,216
Investments in marketable debt and equity securities	(17)	(258)	(1,493)
Acquisitions, net (Note 13)	(325)	(953)	(348)
Cash received on repayment of Batu Hijau carried interest (Note 9)		161	
Other	16	31	20
Net cash used in investing activities of continuing operations	(2,151)	(2,467)	(1,142)
Net cash (used in) provided from investing activities of discontinued operations (Note 11)	(6)	1,354	338
Net cash used in investing activities	(2,157)	(1,113)	(804)
Financing activities:			
Proceeds from debt, net	5,078	3,008	198
Repayment of debt	(4,487)	(2,036)	(111)
Dividends paid to minority interests	(389)	(270)	(264)

Dividends paid to common stockholders	(182)	(181)	(180)
Proceeds from stock issuance	29	51	78
Purchase of Company share call options (Note 21)		(366)	
Issuance of Company share warrants (Note 21)		248	
Early extinguishment of prepaid forward sales obligation			(48)
Change in restricted cash and other	74	11	(6)
Net cash provided from (used in) financing activities of continuing operations	123	465	(333)
Net cash used in financing activities of discontinued operations (Note 11)			(7)
Net cash provided from (used in) financing activities	123	465	(340)
Effect of exchange rate changes on cash	(54)	50	3
Net change in cash and cash equivalents	(796)	65	84
Cash and cash equivalents at beginning of period	1,231	1,166	1,082
Cash and cash equivalents at end of period	$ 435	$ 1,231	$ 1,166

See Note 29 for supplemental cash flow information.

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

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

NOTE 1 THE COMPANY

Newmont Mining Corporation and its affiliates and subsidiaries (collectively, Newmont or the Company) predominantly operate in a single industry, namely, exploration for and production of gold.

The Company s sales result from operations in the United States, Australia, Peru, Indonesia, Ghana, Canada, Bolivia, New Zealand and Mexico. The cash flow and profitability of the Company s operations are significantly affected by the market price of gold, and to a lesser extent, copper. The prices of gold and copper can fluctuate widely and are affected by numerous factors beyond the Company s control.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

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

Principles of Consolidation

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

The Company follows Financial Accounting Standards Board (FASB) Interpretation No. 46(R) Consolidation of Variable Interest Entities (FIN 46(R)), which provides guidance on the identification and reporting for entities over which control is achieved through means other than voting rights. FIN 46(R) defines such entities as Variable Interest Entities (VIEs). Prior to May 25, 2007, the Company considered PT Newmont Nusa Tenggara (PTNNT or Batu Hijau) a VIE since a minority interest s 20% ownership in PTNNT was not obligated to absorb the expected losses of the entity. On May 25, 2007, the minority partner fully repaid the loan (including accrued interest) and as a result, the Company s economic interest was reduced from 52.875% to 45%. The Company determined that the repayment of the loan by the minority interest and the reduction of its economic interest was a reconsideration event according to FIN 46(R) and concluded that PTNNT was no longer a VIE.

Newmont identified the Nusa Tenggara Partnership (NTP), a partnership between Newmont and an affiliate of Sumitomo Corporation that owns an 80% interest in PTNNT, as a VIE due to certain capital structures and contractual relationships. As a result of the Company s 56.25% ownership in NTP, the Company continues to be the primary beneficiary of NTP and therefore consolidates Batu Hijau in its Consolidated Financial Statements.

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NEWMONT MINING CORPORATION

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

Cash and Cash Equivalents

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

Investments

Management determines the appropriate classification of its investments in equity securities at the time of purchase and reevaluates such determinations at each reporting date. Investments in incorporated entities in which the Company s ownership is greater than 20% and less than 50%, or which the Company does not control through majority ownership or means other than voting rights, are accounted for by the equity method and are included in long-term assets. The Company accounts for its equity security investments as available for sale securities in accordance with FASB Statement of Financial Accounting Standards (FAS) No. 115, Accounting for Certain Investments in Debt and Equity Securities. The Company periodically evaluates whether declines in fair values of its investments below the Company s carrying value are other-than-temporary in accordance with FSP No. FAS 115-1 and FAS 124-1, The Meaning of Other-Than-Temporary Impairment and its Application to Certain Investments. The Company s policy is to generally treat a decline in the investment s quoted market value that has lasted continuously for more than six months as an other-than-temporary decline in value. The Company also monitors its investments for events or changes in circumstances that have occurred that may have a significant adverse effect on the fair value of the investment and evaluates qualitative and quantitative factors regarding the severity and duration of the unrealized loss and the Company s ability to hold the investment until a forecasted recovery occurs to determine if the decline in value of an investment is other-than-temporary. Declines in fair value below the Company s carrying value deemed to be other-than-temporary are charged to earnings. Additional information concerning the Company s equity method and security investments is included in Note 15.

Stockpiles, Ore on Leach Pads and Inventories

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

Stockpiles

Stockpiles represent ore that has been extracted from the mine and is available for further processing. Stockpiles are measured by estimating the number of tons added and removed from the stockpile, the number of contained ounces or pounds (based on assay data) and the estimated metallurgical recovery rates (based on the expected processing method). Stockpile ore tonnages are verified by periodic surveys. Costs are allocated to stockpiles based on relative values of material stockpiled and processed using current mining costs incurred up to the point of stockpiling the ore, including applicable overhead and amortization relating to mining operations, and removed at each stockpile s average cost per recoverable unit.

Ore on Leach Pads

The recovery of gold from certain gold oxide ores is achieved through the heap leaching process. Under this method, oxide ore is placed on leach pads where it is treated with a chemical solution, which dissolves the gold contained in the ore. The resulting gold-bearing solution is further processed in a plant where the gold is recovered. Costs are

added to ore on leach pads based on current mining costs, including applicable amortization relating to mining operations. Costs are removed from ore on leach pads as ounces are recovered based on the average cost per estimated recoverable ounce of gold on the leach pad.

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NEWMONT MINING CORPORATION

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

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

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

In-process Inventory

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

Precious Metals Inventory

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

Concentrate Inventory

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

Materials and Supplies

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

Property, Plant and Mine Development

Facilities and equipment

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

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Mine Development

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

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

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

The production phase of an open pit mine commences when saleable minerals, beyond a de minimis amount, are produced. Stripping costs incurred during the production phase of a mine are variable production costs that are included as a component of inventory to be recognized in *Costs applicable to sales* in the same period as the revenue from the sale of inventory.

The Company s definition of a mine and the mine s production phase may differ from that of other companies in the mining industry resulting in incomparable allocations of stripping costs to deferred mine development and production costs. Other mining companies may expense pre-stripping costs associated with subsequent pits within a mining complex.

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

Mineral Interests

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

The value of such assets is primarily driven by the nature and amount of mineralized material believed to be contained in such properties. Production stage mineral interests represent interests in operating properties that contain proven and probable reserves. Development stage mineral interests represent interests in properties under development that contain proven and probable reserves. Exploration stage mineral interests represent interests in properties that are believed to potentially contain mineralized material consisting of (i) mineralized material such as inferred material within pits; measured, indicated and inferred material with insufficient drill spacing to qualify as proven and probable reserves; and inferred material in close proximity to proven and probable reserves; (ii) around-mine exploration potential such as inferred material not immediately adjacent to existing reserves and mineralization, but located within the immediate mine area; (iii) other mine-related exploration potential that is not part of measured, indicated or inferred material and is comprised mainly of material outside of the immediate mine area; (iv) greenfields exploration potential that is not associated with any other production, development or exploration stage property, as described above; or (v) any acquired right to explore or extract a potential mineral deposit. The Company s mineral rights

generally are enforceable regardless of whether proven and probable reserves have been established. In certain limited situations, the nature of a mineral right changes from an exploration right to a mining right upon the establishment of proven and probable reserves. The Company has the ability and intent to renew mineral interests where the existing term is not sufficient to recover all identified and valued proven and probable reserves and/or undeveloped mineralized material.

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Asset Impairment

Long-lived Assets

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

Goodwill

The Company evaluates, on at least an annual basis during the fourth quarter, the carrying amount of goodwill to determine whether current events and circumstances indicate that such carrying amount may no longer be recoverable. To accomplish this, the Company compares the estimated fair value of its reporting units to their carrying amounts. If the carrying value of a reporting unit exceeds its estimated fair value, the Company compares the implied fair value of the reporting unit s goodwill to its carrying amount, and any excess of the carrying value over the fair value is charged to earnings. The Company s fair value estimates are based on numerous assumptions and it is possible that actual fair value will be significantly different than the estimates, as actual future quantities of recoverable minerals, gold and other commodity prices, production levels, operating costs and capital requirements are each subject to significant risks and uncertainties.

Revenue Recognition

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

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

The Company s sales based on a provisional price contain an embedded derivative that is required to be separated from the host contract for accounting purposes. The host contract is the receivable from the sale of the concentrates at the

forward London Metal Exchange price at the time of sale. The embedded derivative, which does not qualify for hedge accounting, is marked to market through earnings each period prior to final settlement.

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Stripping Costs

Stripping costs incurred during the production phase of a mine are variable production costs that are included as a component of inventory to be recognized in *Costs applicable to sales* in the same period as the revenue from the sale of inventory. Capitalization of production stage stripping costs is appropriate only to the extent product inventory exists at the end of a reporting period.

Income and Mining Taxes

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

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

The Company s operations involve dealing with uncertainties and judgments in the application of complex tax regulations in multiple jurisdictions. The final taxes paid are dependent upon many factors, including negotiations with taxing authorities in various jurisdictions and resolution of disputes arising from federal, state, and international tax audits. The Company recognizes potential liabilities and records tax liabilities for anticipated tax audit issues in the U.S. and other tax jurisdictions based on its estimate of whether, and the extent to which, additional taxes will be due. As of January 1, 2007, the Company adopted FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes, (FIN 48), an interpretation of FASB Statement No. 109, Accounting for Income Taxes, guidance to record these liabilities (refer to Note 8 for additional information). The Company adjusts these reserves in light of changing facts and circumstances; however, due to the complexity of some of these uncertainties, the ultimate resolution may result in a payment that is materially different from the Company s current estimate of the tax liabilities. If the Company s estimate of tax liabilities proves to be less than the ultimate assessment, an additional charge to expense would result. If payment of these amounts ultimately proves to be less than the recorded amounts, the reversal of the liabilities would result in tax benefits being recognized in the period when the Company determines the liabilities are no longer necessary. The Company recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense.

Reclamation and Remediation Costs (Asset Retirement Costs and Obligations)

Asset retirement obligations are recognized when incurred and recorded as liabilities at fair value. The liability is accreted over time through periodic charges to earnings. In addition, the asset retirement cost is capitalized as part of the asset s carrying value and amortized over the life of the related asset. Reclamation costs are periodically adjusted to reflect changes in the estimated present value resulting from the passage of time and revisions to the estimates of either the timing or amount of the reclamation and abandonment costs. The asset retirement obligation is based on when spending for an existing environmental disturbance will occur. The Company reviews, on an annual basis, unless otherwise deemed necessary, the asset retirement obligation at each mine site in accordance with FASB Statement No. 143, Accounting for Asset Retirement Obligations.

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

and monitoring costs. Changes in estimates at inactive mines are reflected in earnings in the period an estimate is revised.

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Foreign Currency

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

Derivative Instruments

Newmont has fixed forward contracts and call option contracts designated as cash flow hedges in place to hedge against changes in foreign exchanges rates, fixed forward contracts designated as cash flow hedges in place to hedge against changes in diesel prices, and fixed to floating interest rate swap contracts designated as fair value hedges to provide balance to the Company s mix of fixed and floating rate debt. In 2006, Newmont had zero cost copper collars to hedge the copper price realized during the period. The fair value of derivative contracts qualifying as cash flow hedges are reflected as assets or liabilities in the balance sheet. To the extent these hedges are effective in offsetting forecasted cash flows from the sale of production or production costs (the effective portion), changes in fair value are deferred in *Accumulated other comprehensive (loss) income*. Amounts deferred in *Accumulated other comprehensive (loss) income* are reclassified to *Sales, net* or to *Costs applicable to sales*, as applicable, when the hedged transaction has occurred. The ineffective portion of the change in the fair value of the derivative is recorded in *Other income, net* in each period. Cash transactions related to the Company s forward and option contracts accounted for as hedges are classified in the same category as the item being hedged in the statement of cash flows.

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

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

Newmont assesses the effectiveness of the derivative contracts periodically using either regression analysis or the dollar offset approach, both retrospectively and prospectively, to determine whether the hedging instruments have been highly effective in offsetting changes in the fair value of the hedged items. The Company defines highly effective as the hedge contract and the item being hedged being between 0.8 and 1.25 correlated, and the Company measures the amount of any hedge ineffectiveness. The Company will also assess periodically whether the hedging instruments are expected to be highly effective in the future. If a hedging instrument is not expected to be highly effective, the Company will stop hedge accounting prospectively. In those instances, the gains or losses remain in *Accumulated other comprehensive (loss) income* until the hedged item affects earnings.

The fair value of all derivative contracts that do not qualify as hedges are reflected as assets or liabilities, with the change in fair value recorded in *Other income, net*.

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Net Income (Loss) per Common Share

Basic and diluted income (loss) per share are presented for *Net income (loss)* and for *Income (loss) from continuing operations*. Basic income (loss) per share is computed by dividing *Net income (loss)* or *Income (loss) from continuing operations* by the weighted-average number of outstanding common shares for the period, including the exchangeable shares (see Notes 12 and 21). Diluted income per share reflects the potential dilution that could occur if securities or other contracts that may require the issuance of common shares in the future were converted. Diluted income per share is computed by increasing the weighted-average number of outstanding common shares to include the additional common shares that would be outstanding after conversion and adjusting net income for changes that would result from the conversion. Only those securities or other contracts that result in a reduction in earnings per share are included in the calculation.

Comprehensive (Loss) Income

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

Reclassifications

Certain amounts in prior years have been reclassified to conform to the 2008 presentation. The Company reclassified accretion from *Costs applicable to sales* to a separate *Accretion* line item, regional administrative and community development from *Costs applicable to sales* to *Other expense, net*, marketing costs from *Costs applicable to sales* to *General and administrative* and write-down of investments from Costs and expenses to *Other income, net*. These changes were reflected for all periods presented.

Recently Adopted Pronouncements

Variable Interest Entities

In December 2008, the FASB issued Staff Position No. FAS 140-4 and FIN 46(R)-8, Disclosures by Public Entities (Enterprises) about Transfers of Financial Assets and Interests in Variable Interest Entities (FSP FAS 140-4 and FIN 46(R)-8). This FSP amends FASB Statement No. 140 Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities to require public entities to provide additional disclosures about transfers of financial assets. It also amends FIN 46(R) to require public enterprises to provide additional disclosures about their involvement with VIEs. FSP FAS 140-4 and FIN 46(R)-8 is effective for the Company s fiscal year ending December 31, 2008. Newmont has adopted the disclosure requirements of FSP FAS 140-4 and FIN 46(R)-8 in the Company s VIE disclosures.

Hierarchy of Generally Accepted Accounting Principles

In May 2008, the FASB issued FASB Statement No. 162, The Hierarchy of Generally Accepted Accounting Principles (FAS 162) which identifies the sources of accounting principles and the framework for selecting the principles to be used in the preparation of financial statements of nongovernmental entities that are presented in conformity with U.S. generally accepted accounting principles (GAAP). FAS 162 was effective November 15, 2008, which was 60 days following the Security and Exchange Commission s approval of the Public Company Accounting Oversight Board amendments to AU Section 411, *The Meaning of* Present Fairly in Conformity with GAAP. The adoption of FAS 162 has had no impact on the Company s consolidated financial position, results of operations or cash flows.

Fair Value Accounting

In September 2006, the FASB issued FASB Statement No. 157, Fair Value Measurements (FAS 157). FAS 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. The provisions of FAS 157 were adopted January 1, 2008. In

February 2008, the FASB staff issued FSP No. 157-2 Effective Date of FASB Statement No. 157 (FSP FAS 157-2). FSP FAS 157-2 delayed the effective date of FAS 157 for nonfinancial assets and nonfinancial liabilities, except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). The provisions of FSP FAS 157-2 are effective for the Company s fiscal year beginning January 1, 2009, and are not expected to have a significant impact on the Company.

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In October 2008, the FASB issued FSP No. FAS 157-3, Determining the Fair Value of a Financial Asset When the Market for That Asset Is Not Active (FSP FAS 157-3), which clarifies the application of FASB Statement No. 157, Fair Value Measurements (FAS 157) in an inactive market. The intent of this FSP is to provide guidance on how the fair value of a financial asset is to be determined when the market for that financial asset is inactive. FSP FAS 157-3 states that determining fair value in an inactive market depends on the facts and circumstances, requires the use of significant judgment and in some cases, observable inputs may require significant adjustment based on unobservable data. Regardless of the valuation technique used, an entity must include appropriate risk adjustments that market participants would make for nonperformance and liquidity risks when determining fair value of an asset in an inactive market. FSP FAS 157-3 was effective upon issuance. The Company has incorporated the principles of FSP FAS 157-3 in determining the fair value of financial assets when the market for those assets is not active, specifically its marketable debt securities.

FAS 157 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 under FAS 157 are described below:

Level 1	Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
Level 2	Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability;
Level 3	Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The following table sets forth the Company s financial assets and liabilities measured at fair value by level within the fair value hierarchy. As required by FAS 157, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

	Fair Value at December 31, 2008			
	Total	**Level 1**	**Level 2**	**Level 3**
Assets:				
Cash equivalents	$ 14	$ 14	$	$
Marketable equity securities	621	621		
Marketable debt securities	27			27
	$ 662	$ 635	$	$ 27
Liabilities:				
Trade payable from provisional copper and gold concentrate sales, net	$ 5	$ 5	$	$
Derivative instruments, net	140		140	
8 5/8% debentures (hedged portion)	92		92	
	$ 237	$ 5	$ 232	$

The Company s cash equivalent instruments are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices. The cash 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 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 fair value for auction rate securities and asset backed commercial paper on at least a quarterly basis. The auction rate securities are traded in markets that are not active, trade infrequently and have little price transparency. The Company estimated the fair values based on weighted average risk calculations using probabilistic cash flow assumptions. In January 2009, the investments in the Company s asset backed commercial paper were restructured under court order. The restructuring allowed an interest distribution to be made to investors. The auction rate securities and asset backed commercial paper are classified within Level 3 of the fair value hierarchy.

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The Company s net trade payable from provisional copper and gold concentrate sales is valued using quoted market prices based on the forward London Metal Exchange (LME) (copper) and the London Bullion Market Association P.M. fix (London P.M. fix) (gold) 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. Where possible, the Company verifies the values produced by its pricing models to market prices. Valuation models require a variety of inputs, including contractual terms, market prices, yield curves, credit spreads, measures of volatility, and correlations of such inputs. The Company s derivatives trade in liquid markets, and as such, model inputs can generally be verified and do not involve significant management judgment. Such instruments are classified within Level 2 of the fair value hierarchy.

The Company has fixed to floating swap contracts to hedge a portion of the interest rate risk exposure of its 8 5/8% uncollateralized debentures due May 2011. The hedged portion of the Company s 8 5/8% debentures are valued using pricing models which require inputs, including risk-free interest rates and credit spreads. Because the inputs are derived from observable market data, the hedged portion of the 8 5/8% debentures is classified within Level 2 of the fair value hierarchy.

The table below sets forth a summary of changes in the fair value of the Company s Level 3 financial assets (asset backed commercial paper and auction rate securities) for the year ended December 31, 2008.

Balance at beginning of period	$	31
Unrealized losses		(7)
Transfers in auction rate securities		3
Balance at end of period	$	27

Unrealized losses of $6 for the period were included in *Accumulated other comprehensive (loss) income* as a result of changes in C$ exchange rates from December 31, 2007. Unrealized losses of $1 for the period were included in *Accumulated other comprehensive (loss) income* as a result of mark-to-market changes from December 31, 2007. As of December 31, 2008, the assets classified within Level 3 of the fair value hierarchy represent 4% of the total assets measured at fair value.

In February 2007, the FASB issued FASB Statement No. 159, The Fair Value Option for Financial Assets and Financial Liabilities (FAS 159). FAS 159 permits entities to choose to measure many financial instruments and certain other items at fair value, with the objective of improving financial reporting by mitigating volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. The provisions of FAS 159 were adopted January 1, 2008. The Company did not elect the Fair Value Option for any of its financial assets or liabilities, and therefore, the adoption of FAS 159 had no impact on the Company s consolidated financial position, results of operations or cash flows.

Accounting for Income Tax Benefits of Dividends on Share-Based Payment Awards

In June 2007, the Emerging Issues Task Force (EITF) reached consensus on Issue No. 06-11, Accounting for Income Tax Benefits of Dividends on Share-Based Payment Awards (EITF 06-11). EITF 06-11 requires that the tax benefit related to dividend and dividend equivalents paid on equity-classified nonvested shares and nonvested share units, which are expected to vest, be recorded as an increase to additional paid-in capital. EITF 06-11 has been applied prospectively for tax benefits on dividends declared in the Company s fiscal year beginning January 1, 2008. The adoption of EITF 06-11 had an insignificant impact on the Company s consolidated financial position, results of operations or cash flows.

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Income Taxes

On January 1, 2007, the Company adopted the provisions of FIN 48, which clarifies the accounting and reporting for uncertainties in the application of the income tax laws to our operations. The interpretation prescribes a comprehensive model for the financial statement recognition, measurement, presentation and disclosure of uncertain tax provisions taken or expected to be taken in income tax returns. The cumulative effects of applying this interpretation were recorded as a decrease in retained earnings of $108, an increase of $5 in goodwill, an increase of $4 in minority interest, a decrease in net deferred tax assets of $37 (primarily, as a result of utilization of foreign tax credits and net operating losses as part of the FIN 48 measurement process, offset, in part, by the impact of the interaction of the Alternative Minimum Tax rules) and an increase of $72 in the net liability for unrecognized income tax benefits. Refer to Note 8.

The Company s continuing practice is to recognize interest and/or penalties related to unrecognized tax benefits as part of its income tax expense. As of December 31, 2008 and 2007, the amount of accrued income-tax-related interest and penalties included in the Statements of Consolidated Income (Loss) was $37 for both years. During December 2008, the Company accrued an additional $31 of interest and penalties, paid $13 of interest, and released $18 as a result of the expiration of statute of limitations.

The Company or one of its subsidiaries files income tax returns in the U.S. federal jurisdiction, various states and in foreign jurisdictions. With limited exception, the Company is no longer subject to U.S. federal, state and local income or non-U.S. income tax audits by taxing authorities for years before 2005.

Pensions

As of December 31, 2006, the Company adopted the provisions of FASB Statement No. 158, Employers Accounting for Defined Benefit Pension and Other Post-Retirement Plans an amendment of FASB Statements No. 87, 88, 106, and 132(R) (FAS 158). FAS 158 required employers that sponsor one or more defined benefit plans to (i) recognize the funded status of a benefit plan in its statement of financial position, (ii) recognize the gains or losses and prior service costs or credits that arise during the period as a component of other comprehensive income, net of tax, (iii) measure the defined benefit plan assets and obligations as of the date of the employer s fiscal year-end statement of financial position, and (iv) disclose in the notes to the financial statements additional information about certain effects on net periodic cost for the next fiscal year that arise from delayed recognition of the gains or losses, prior service costs or credits, and transition asset or obligation. The impact of adopting FAS 158 decreased *Accumulated other comprehensive (loss) income* by $27 as of December 31, 2006.

Stock Based Compensation

On January 1, 2006, the Company adopted the fair value recognition provisions of FASB Statement No. 123(R), *Share-Based Payment* (FAS 123(R)). The Company adopted FAS 123(R) using the modified prospective transition method. Under this method, compensation cost recognized in 2006 included: a) compensation cost for all share-based payments granted prior to, but not yet vested as of January 1, 2006, based on the grant-date fair value estimated in accordance with the original provisions of FAS 123, and b) compensation cost for all share-based payments granted subsequent to January 1, 2006, based on the grant-date fair value estimated in accordance with the provisions of FAS 123(R). As a result of adopting FAS 123(R), the Company s *Income from continuing operations* and *Net income* for 2008 and 2006 was $10 ($0.02 per share) and $19 ($0.04 per share) lower, respectively, and *Loss from continuing operations* and *Net loss* for 2007 was $11 ($0.02 per share) higher than if the Company had continued to account for share-based compensation under APB 25 as the Company did prior to January 1, 2006.

Deferred Stripping Costs

On January 1, 2006, the Company adopted Emerging Issues Task Force Issue No. 04-06 (EITF 04-06), Accounting for Stripping Costs Incurred during Production in the Mining Industry. EITF 04-06 addresses the accounting for stripping costs incurred during the production phase of a mine and refers to these costs as variable production costs that should be included as a component of inventory to be recognized in *Costs applicable to sales* in the same period as the revenue from the sale of inventory. As a result, capitalization of post-production stripping costs is appropriate only to

the extent product inventory exists at the end of a reporting period. The guidance required the recognition of a cumulative effect adjustment to opening retained earnings in the period of adoption, with no charge to earnings in the period of adoption for prior periods. The cumulative effect adjustment reduced retained earnings by $81 (net of tax and minority interests). Adoption of EITF 04-06 had no impact on the Company s cash position or net cash from operations.

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Recently Issued Accounting Pronouncements

Post-Retirement Benefit Plan

In December 2008, the FASB issued FSP No. FAS 132(R)-1, Employers Disclosures about Post-Retirement Benefit Plan Assets (FSP FAS 132(R)-1), which amends FASB Statement No. 132 Employers Disclosures about Pensions and Other Post-Retirement Benefits (FAS 132), to provide guidance on an employer s disclosures about plan assets of a defined benefit pension or other post-retirement plan. The objective of FSP FAS 132(R)-1 is to require more detailed disclosures about employers plan assets, including employers investment strategies, major categories of plan assets, concentrations of risk within plan assets, and valuation techniques used to measure the fair value of plan assets. FSP FAS 132(R)-1 is effective for the Company s fiscal year beginning January 1, 2009. Upon initial application, the provisions of this FSP are not required for earlier periods that are presented for comparative purposes. The Company is currently evaluating the potential impact of adopting this statement on the Company s defined benefit pension and post-retirement benefit plan disclosures.

Equity Method Investment

In November 2008, the EITF reached consensus on Issue No. 08-6, Equity Method Investment Accounting Considerations (EITF 08-6), which clarifies the accounting for certain transactions and impairment considerations involving equity method investments. The intent of EITF 08-6 is to provide guidance on (i) determining the initial carrying value of an equity method investment, (ii) performing an impairment assessment of an underlying indefinite-lived intangible asset of an equity method investment, (iii) accounting for an equity method investee s issuance of shares, and (iv) accounting for a change in an investment from the equity method to the cost method. EITF 08-6 is effective for the Company s fiscal year beginning January 1, 2009 and is to be applied prospectively. The Company is currently evaluating the potential impact of adopting this statement on the Company s consolidated financial position or results of operations.

Equity-Linked Financial Instruments

In June 2008, the EITF reached consensus on Issue No. 07-5, Determining Whether an Instrument (or Embedded Feature) Is Indexed to an Entity s Own Stock (EITF 07-5). EITF 07-5 clarifies the determination of whether an instrument (or an embedded feature) is indexed to an entity s own stock, which would qualify as a scope exception under FASB Statement No. 133, Accounting for Derivative Instruments and Hedging Activities (FAS 133). EITF 07-5 is effective for the Company s fiscal years beginning January 1, 2009. Early adoption for an existing instrument is not permitted. The Company does not expect the adoption of EITF 07-5 to have a material impact on the Company s consolidated financial position or results of operations.

Accounting for Convertible Debt Instruments

In May 2008, the FASB issued FSP No. APB 14-1, Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement) (FSP APB 14-1). FSP APB 14-1 applies to convertible debt instruments that, by their stated terms, may be settled in cash (or other assets) upon conversion, including partial cash settlement, unless the embedded conversion option is required to be separately accounted for as a derivative under FAS 133. Convertible debt instruments within the scope of FSP APB 14-1 are not addressed by the existing APB 14. FSP APB 14-1 requires that the liability and equity components of convertible debt instruments within the scope of FSP APB 14-1 be separately accounted for in a manner that reflects the entity s nonconvertible debt borrowing rate. This requires an allocation of the convertible debt proceeds between the liability component and the embedded conversion option (i.e., the equity component). The difference between the principal amount of the debt and the amount of the proceeds allocated to the liability component will be reported as a debt discount and subsequently amortized to earnings over the instrument s expected life using the effective interest method. FSP APB 14-1 is effective for the Company s fiscal year beginning January 1, 2009 and will be applied retrospectively to all periods presented. The Company estimates that approximately $301 of debt discount will be recorded and the effective interest rate on the Company s 2014 and 2017 convertible senior notes (see Note 21 to the Consolidated Financial Statements) will increase by approximately 5 percentage points to 6.0% and 6.25%, respectively, for the

non-cash amortization of the debt discount. If FSP APB 14-1 had been effective when the convertible debt instruments were issued, *Net income* would have been $21 ($0.05 per share) lower in 2008 and *Net loss* would have been $9 ($0.02 per share) higher in 2007.

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Accounting for the Useful Life of Intangible Assets

In April 2008, the FASB issued FSP No. FAS 142-3, Determination of the Useful Life of Intangible Assets (FSP 142-3) which amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under FASB Statement No. 142, Goodwill and Other Intangible Assets (FAS 142). The intent of this FSP is to improve the consistency between the useful life of a recognized intangible asset under FAS 142 and the period of expected cash flows used to measure the fair value of the asset under FASB Statement No. 141, Business Combinations (FAS 141). FSP 142-3 is effective for the Company s fiscal year beginning January 1, 2009 and will be applied prospectively to intangible assets acquired after the effective date. The Company does not expect the adoption of FSP 142-3 to have an impact on the Company s consolidated financial position, results of operations or cash flows.

Derivative Instruments

In March 2008, the FASB issued FASB Statement No. 161, Disclosure about Derivative Instruments and Hedging Activities an amendment of FASB Statement No. 133 (FAS 161) which provides revised guidance for enhanced disclosures about how and why an entity uses derivative instruments, how derivative instruments and the related hedged items are accounted for under FAS 133, and how derivative instruments and the related hedged items affect an entity s financial position, financial performance and cash flows. FAS 161 is effective for the Company s fiscal year beginning January 1, 2009. The Company is currently evaluating the potential impact of adopting this statement on the Company s derivative instrument disclosures.

Business Combinations

In December 2007, the FASB issued FASB Statement No. 141(R), Business Combinations (FAS 141(R)) which amends FAS 141, and provides revised guidance for recognizing and measuring identifiable assets and goodwill acquired, liabilities assumed, and any noncontrolling interest in the acquiree. It also provides disclosure requirements to enable users of the financial statements to evaluate the nature and financial effects of the business combination. FAS 141(R) is effective for the Company s fiscal year beginning January 1, 2009 and is to be applied prospectively. This statement will impact how the Company accounts for future business combinations and the Company s future consolidated financial position and results of operations.

Noncontrolling Interests in Consolidated Financial Statements

In December 2007, the FASB issued FASB Statement No. 160, Noncontrolling Interests in Consolidated Financial Statements an amendment of ARB No. 51 (FAS 160) which establishes accounting and reporting standards pertaining to (i) ownership interests in subsidiaries held by parties other than the parent, (ii) the amount of net income attributable to the parent and to the noncontrolling interest, (iii) changes in a parent s ownership interest, and (iv) the valuation of any retained noncontrolling equity investment when a subsidiary is deconsolidated. For presentation and disclosure purposes, FAS 160 requires noncontrolling interests to be classified as a separate component of stockholders equity. FAS 160 is effective for the Company s fiscal year beginning January 1, 2009.

NOTE 3 PRICE-CAPPED FORWARD SALES CONTRACTS

In 2001, the Company entered into transactions that closed out certain call options. The options were replaced with a series of forward sales contracts requiring physical delivery of the same quantity of gold over slightly extended future periods. Under the terms of the contracts, the Company would realize the lower of the spot price on the delivery date or the capped price, ranging from $381 to $392 per ounce. The forward sales contracts were accounted for as normal sales contracts under FAS 133 and FASB Statement No. 138 Accounting for Certain Derivative Instruments and Certain Hedging Activities-an Amendment to FASB Statement No. 133 (FAS 138). The initial fair value of the forward sales contracts was recorded as deferred revenue, and the fair value of these contracts was not included on the Condensed Consolidated Balance Sheets.

In June 2007, the Company paid $578 to settle all of the 1.85 million ounce price-capped forward sales contracts. The Company reported a $531 pre-tax loss on the early settlement of the contracts, after a $47 reversal of previously recognized deferred revenue.

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NOTE 4 MIDAS REDEVELOPMENT

In June 2007, a fatal accident occurred at the Midas mine in Nevada, which resulted in a temporary suspension of operations at the mine to initiate rescue and subsequent recovery efforts. As a result, the Mine Safety and Health Administration (MSHA) issued an order requiring operations to temporarily cease at the mine. During the third and fourth quarters of 2007, activities were undertaken, at the direction of MSHA, to regain entry into the mine in order to resume commercial production which restarted in October 2007. The redevelopment and holding costs of $11 in 2007 included access development, inspection, preventative repairs and road and mill maintenance.

NOTE 5 ADVANCED PROJECTS, RESEARCH AND DEVELOPMENT

	Years Ended December 31,		
	2008	**2007**	**2006**
Hope Bay	$ 39	$	$
Fort a la Corne JV	26		
Technical and project services	23	15	25
Euronimba	15	7	3
Akyem	7	6	15
Phoenix	6	7	10
Conga	4	3	6
Other	46	24	22
	$ 166	$ 62	$ 81

NOTE 6 OTHER EXPENSE, NET

	Years Ended December 31,		
	2008	**2007**	**2006**
Reclamation estimate revisions (Note 25)	$ 102	$ 29	$ 47
Community development	65	58	55
Regional administration	48	38	38
Western Australia power plant	18	11	1
Peruvian royalty	18	10	22
Batu Hijau divestiture and arbitration	15	3	
Pension settlement loss (Note 22)	13	17	
World Gold Council dues	11	11	13
Accretion, non-operating (Note 25)	10	8	3
Provision for bad debts	9	1	
Buyat Bay settlement and other (Note 33)	3	12	22
Other	48	48	50
	$ 360	$ 246	$ 251

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NOTE 7 OTHER INCOME, NET

	Years Ended December 31,		
	2008	**2007**	**2006**
Canadian Oil Sands Trust income	$ 110	$ 47	$ 30
Gain on sale of exploration property	32		
Gain on sale of investments, net	30		
Interest income	29	50	67
Income from development projects, net	12	3	19
Gain on other asset sales, net	10	16	19
Gain (loss) on ineffective portion of derivative instruments, net (Note 14)	10	4	(60)
Foreign currency exchange (losses) gains, net	(12)	25	5
Write-down of investments (Note 15)	(114)	(46)	
Loss on early retirement of debt			(40)
Other	16	7	13
	$ 123	$ 106	$ 53

NOTE 8 INCOME TAXES

The Company s *Income tax (expense)* benefit consisted of:

	Years Ended December 31,		
	2008	**2007**	**2006**
Current:			
United States	$ (62)	$ 121	$
Foreign	(351)	(473)	(453)
	(413)	(352)	(453)
Deferred:			
United States	235	(1)	15
Foreign	65	153	112
	300	152	127
	$ (113)	$ (200)	$ (326)

The Company s *Income (loss) from continuing operations before income tax, minority interest and equity (loss) income of affiliates* consisted of:

	Years Ended December 31,		
	2008	**2007**	**2006**
United States	$ 564	$ (155)	$ 188
Foreign	712	(197)	1,062

$ 1,276	$ (352)	$ 1,250

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

	Years Ended December 31,		
	2008	**2007**	**2006**
Income (loss) from continuing operations before income tax, minority interest and equity (loss) income of affiliates	$ 1,276	$ (352)	$ 1,250
United States statutory corporate income tax rate	35%	35%	35%
Income tax (expense) benefit computed at United States statutory corporate income tax rate	(447)	123	(438)
Reconciling items:			
Percentage depletion and Canadian Resource Allowance	130	70	77
Change in valuation allowance on deferred tax assets	(31)	17	3
Effect of foreign earnings, net of allowable credits	(5)	(10)	(7)
U.S. tax effect of minority interest attributable to non-U.S. investees	19	4	15
Rate differential for foreign earnings indefinitely reinvested	(20)	(7)	(70)
Resolution of prior years uncertain income tax matters	69	(3)	4
Foreign currency translation of monetary assets	21		1
Tax effect of changes in tax laws		4	23
Tax effect of impairment of goodwill		(393)	
U.S. tax payable and book/tax basis analysis			27
Tax effect of loss generated on change in form of a non-U.S. subsidiary	159		
Change in Australia s functional currency for tax reporting			48
Other	(8)	(5)	(9)
Income tax expense	$ (113)	$ (200)	$ (326)

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

	At December 31, 2008	2007
Deferred income tax assets:		
Exploration costs	$ 65	$ 59
Depreciation	49	89
Net operating losses and tax credits	890	610
Retiree benefit and vacation accrual costs	138	68
Remediation and reclamation costs	138	141
Derivative instruments	111	128
Foreign currency exchange	2	
Investment in partnerships	101	78
Other	64	158
	1,558	1,331
Valuation allowances	(513)	(509)
	1,045	822
Deferred income tax liabilities:		
Net undistributed earnings of subsidiaries	(22)	(11)
Unrealized gain on investments	(44)	(149)
Depletable and amortizable costs associated with mineral rights	(602)	(629)
Derivative instruments	(5)	(25)
Foreign currency exchange		(26)
	(673)	(840)
Net deferred income tax assets (liabilities)	$ 372	$ (18)

Net deferred income tax assets and liabilities consist of:

	At December 31, 2008	2007
Current deferred income tax assets	$ 286	$ 112
Long-term deferred income tax assets	1,145	1,027
Current deferred income tax liabilities	(8)	(132)
Long-term deferred income tax liabilities	(1,051)	(1,025)
	$ 372	$ (18)

These balances include net deferred income tax assets (liabilities) that have been reclassified to *Assets* and *Liabilities of Operations Held for Sale* of:

	At December 31, 2007
Long-term deferred income tax assets	$ 1
Long-term deferred income tax liabilities	
	$ 1

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On January 1, 2007, the Company adopted the provisions of FIN 48 which clarifies the accounting and reporting for uncertainties in the application of the income tax laws to our operations. As of December 31, 2008 and 2007, the Company had $181 and $230 of total gross unrecognized tax benefits, respectively. A reconciliation of the beginning and ending amount of gross unrecognized tax benefits is as follows:

	2008	2007
Total amount of gross unrecognized tax benefits at beginning of year	$ 230	$ 267
Additions for tax positions of prior years	29	18
Additions for tax positions of current year	50	14
Reductions due to settlements with taxing authorities	(57)	(9)
Reductions due to lapse of statute of limitations	(71)	(14)
Reductions due to change in legislation		(30)
Reclassification of net interest out of gross unrecognized tax benefits balance		(16)
Total amount of gross unrecognized tax benefits at end year	$ 181	$ 230

At December 31, 2008 and 2007, $116 and $84, respectively, represents the amount of unrecognized tax benefits that, if recognized, would impact the Company s effective income tax rate. Also included in the balance at December 31, 2008 and 2007 are $11 and $13, respectively, of tax positions that, due to the impact of deferred tax accounting, the disallowance of which would not affect the annual effective tax rate.

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

On June 25, 2008, the United States Tax Court issued an opinion for Santa Fe Pacific Gold Company and Subsidiaries (Santa Fe), by and through its successor in interest, Newmont USA Limited, a member of the Newmont Mining Corporation affiliated group. The Tax Court issued the ruling for the tax years 1994 1997, which were years prior to Newmont s acquisition of Santa Fe. The Tax Court ruled unfavorably on certain issues relating to the method in which Santa Fe was calculating adjustments related to percentage depletion in its Alternative Minimum Tax calculation. As a direct result of that decision, during the second quarter, the Company increased its liability for uncertain income tax positions under FIN 48 by $27. Since the increase in the Company s FIN 48 liability is attributable to additional alternative minimum tax amounts owed, these amounts can be used in the future by the Company as a credit against its regular US corporate tax liability. Management is currently exploring its legal options in order to decide how to proceed in response to the Tax Court opinion.

The Company or one of its subsidiaries files income tax returns in the U.S. federal jurisdiction, and various state and foreign jurisdictions. With few exceptions, the Company is no longer subject to U.S. Federal, state and local, and non-U.S. income tax examinations by tax authorities for years before 2005. As a result of (i) statute of limitations that will begin to expire within the next 12 months in various jurisdictions, and (ii) possible settlements of audit-related issues with taxing authorities in various jurisdictions with respect to which none of the issues are individually significant, the Company believes that it is reasonably possible that the total amount of its net unrecognized income tax benefits will decrease between $3 to $5 in the next 12 months.

The Company s continuing practice is to recognize interest and/or penalties related to unrecognized tax benefits as part of its income tax expense. As of December 31, 2008 and 2007, the amount of accrued income-tax-related interest and penalties included in the Statements of Consolidated Income (Loss) was $37 for both years. During December 2008, the Company accrued an additional $31 of interest and penalties, paid $13 of interest, and released $18 as a result of the expiration of statute of limitations.

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Newmont intends to indefinitely reinvest earnings from certain foreign operations. Accordingly, U.S. and non-U.S. income and withholding taxes for which deferred taxes might otherwise be required, have not been provided on a cumulative amount of temporary differences (including, for this purpose, any difference between the tax basis in the stock of a consolidated subsidiary and the amount of the subsidiary s net equity determined for financial reporting purposes) related to investments in foreign subsidiaries of approximately $434 and $773 as of December 31, 2008 and 2007, respectively. The additional U.S. and non-U.S. income and withholding tax that would arise on the reversal of the temporary differences could be offset in part, by tax credits. Because the determination of the amount of available tax credits and the limitations imposed on the annual utilization of such credits are subject to a highly complex series of calculations and expense allocations, it is impractical to estimate the amount of net income and withholding tax that might be payable if a reversal of temporary differences occurred.

As of December 31, 2008 and December 31, 2007, the Company had (i) $669 and $684 of net operating loss carry forwards, respectively; and (ii) $154 and $72 of tax credit carry forwards, respectively. As of December 31, 2008 and 2007, $559 and $493, respectively, of net operating loss carry forwards are attributable to acquired mining operations in Australia for which current tax law provides no expiration period. The remaining net operating losses available are attributable to acquired entities and have various temporal and other limitations that may restrict the ultimate realization of the tax benefits of such tax attributes.

Tax credit carry forwards for 2008 and 2007 of $76 and $72 consist of foreign tax credits available in the United States; substantially all such credits not utilized will expire at the end of 2014. Other credit carry forwards at the end of 2008 and 2007 in the amounts of $78 and $nil, respectively, represent alternative minimum tax credits attributable to the Company s U.S. operations for which the current tax law provides no period of expiration.

The Company increased the valuation allowance related to deferred tax assets by $31 during 2008. This increase was offset by a decrease of $27 that had no impact on the Company s effective tax rate. The valuation allowance remaining at the end of 2008 primarily is attributable to non-U.S. subsidiaries tax loss carryforwards.

At December 31, 2008 and 2007, the Company had $187 and $10, respectively, of foreign prepaid income taxes. See Note 18.

The breakdown of the Company s net deferred tax assets (liabilities) between the United States and foreign taxing jurisdictions is as follows:

	At December 31,	
	2008	**2007**
United States	$ 1,092	$ 678
Foreign	(720)	(696)
	$ 372	$ (18)

The breakdown of the Company s current income and mining taxes payable balance between the United States and foreign taxing jurisdictions is as follows:

	At December 31,	
	2008	**2007**
United States	$ 23	$ 124
Foreign	35	343
	$ 58	$ 467

NOTE 9 MINORITY INTEREST IN INCOME OF CONSOLIDATED SUBSIDIARIES

	Years Ended December 31,		
	2008	**2007**	**2006**
Yanacocha	$ 232	$ 108	$ 256
Batu Hijau	98	299	103
Other	(1)	3	4
	$ 329	$ 410	$ 363

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Newmont has a 45% ownership interest in the Batu Hijau mine, held through the Nusa Tenggara partnership (NTP) with an affiliate of Sumitomo Corporation of Japan (Sumitomo). Newmont has a 56.25% interest in NTP and the Sumitomo affiliate holds the remaining 43.75%. NTP in turn owns 80% of P.T. Newmont Nusa Tenggara (PTNNT), the Indonesian subsidiary that operates the Batu Hijau mine. Newmont identified NTP as a VIE as a result of certain capital structures and contractual relationships. As a result, Newmont fully consolidates Batu Hijau in its consolidated financial statements. The remaining 20% interest in PTNNT is owned by P.T. Pukuafu Indah (PTPI), an unrelated Indonesian company. Because PTPI had been advanced a loan by NTP and was not obligated to absorb the expected losses of PTNNT, PTPI s interest was initially considered a carried interest and Newmont reported a 52.875% economic interest in Batu Hijau, which reflected Newmont s actual economic interest in the mine until such time as the loan was fully repaid (including accrued interest). On May 25, 2007, PTPI fully repaid the loan (including accrued interest) from NTP. As a result of the loan repayment, Newmont s economic interest in Batu Hijau was reduced from 52.875% to 45% and the Company recorded a net charge of $25 (after-tax) against *Minority interest expense* in the second quarter of 2007. During the second quarter of 2008, PTNNT advanced PTPI $20, which is included in *Other long-term assets*.

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

NOTE 10 EQUITY (LOSS) INCOME OF AFFILIATES

	Years Ended December 31,		
	2008	2007	2006
AGR Matthey Joint Venture	$ (2)	$ 1	$ 1
Regis Resources NL	(3)	(8)	(2)
European Gold Refineries		6	3
	$ (5)	$ (1)	$ 2

AGR Matthey Joint Venture

Newmont holds a 40% interest in the AGR Matthey Joint Venture (AGR), a gold refinery, with Johnson Matthey (Australia) Ltd. and the West Australian Mint holding the remaining interests. Newmont has no guarantees related to this investment. Newmont received dividends of $nil, $2 and $1 during 2008, 2007 and 2006, respectively, from its interests in AGR. See also Note 27 for details of Newmont s transactions with AGR.

Regis Resources NL

Newmont holds a 43% interest in Regis Resources NL, which is primarily a gold exploration company with substantial landholding in Western Australia. Newmont has no guarantees related to this investment.

European Gold Refineries

Prior to May 1, 2008, Newmont held a 46.72% interest in European Gold Refineries (EGR), sole owner of Valcambi SA, a London Good Delivery precious metals refiner and manufacturer of precious metal coins, medallions and luxury watch components. See Note 13 for a discussion of the acquisition of additional shares resulting in the consolidation of EGR in 2008.

NOTE 11 DISCONTINUED OPERATIONS AND ASSETS AND LIABILITIES HELD FOR SALE

Discontinued operations include the royalty portfolio and Pajingo operation, both sold in 2007, as well as the Zarafshan-Newmont Joint Venture (Zarafshan) expropriated by the Uzbekistan government in 2006 and the Holloway operation and Martabe project, both sold in 2006.

In December 2007, the Company sold substantially all of Pajingo s assets for cash and marketable equity securities totaling $23 resulting in a gain of $8. Additional Pajingo asset sales resulted in a gain of $1 in 2008.

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In June 2007, the Company s Board of Directors approved a plan to cease Merchant Banking activities. As part of this plan, Newmont decided to dispose of the assets recorded in the royalty portfolio and a portion of the marketable equity securities portfolio and to cease further investments in marketable equity securities that do not support Newmont s core gold mining business. In June 2007, Newmont recorded a $1,665 non-cash charge to impair the goodwill associated with the Merchant Banking Segment. In December 2007, Newmont received net cash proceeds of $1,187 and recognized a gain of $905 related to the sale of the royalty portfolio. In 2008, Newmont recognized additional royalty portfolio revenue of $6 in excess of the 2007 estimate and recorded a $19 tax benefit related to the US tax return true-up on the sale of the royalty portfolio.

In 2006, Newmont recorded an impairment loss of $101 due to the Uzbekistan government s expropriation of the Zarafshan operation. In 2007, after pursuing international arbitration,Newmont received proceeds of $80 and recognized a gain of $77 related to the settlement.

In 2006, Newmont received $271 net cash proceeds for the Alberta oil sands project, resulting in a $266 gain, received $42 net cash proceeds and approximately 43 million Agincourt shares valued at $37 for the Martabe project, resulting in a $30 gain and received $40 net cash proceeds plus certain royalties for the Holloway assets, resulting in a $13 gain.

Newmont has accounted for these dispositions in accordance with FASB Statement No. 144 Accounting for the Impairment or Disposal of Long-Lived Assets. The Company has reclassified the balance sheet amounts and the income statement results from the historical presentation to *Assets* and *Liabilities of operations held for sale* on the Consolidated Balance Sheets and to *Income (loss) from discontinued operations* in the Consolidated Statements of Income (Loss) for all periods presented. The Consolidated Statements of Cash Flows have been reclassified for assets held for sale and discontinued operations for all periods presented.

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

	Years Ended December 31,		
	2008	**2007**	**2006**
Sales gold, net	$	$ 119	$ 157
Income from operations:			
Royalty portfolio	$ 6	$ 123	$ 67
Pajingo		8	12
Zarafshan			6
	6	131	85
Gain on sale of operations:			
Pajingo	1	8	
Zarafshan		77	
Holloway			13
	1	85	13
Gain on sale of royalty assets		905	
Gain on sale of Alberta oil sands project			266
Gain on sale of Martabe			30
Loss on impairment of goodwill and other assets		(1,665)	(101)

Pre-tax income (loss)	7	(544)	293
Income tax benefit (expense)	17	(379)	(65)
Income (loss) from discontinued operations	$ 24	$ (923)	$ 228

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NEWMONT MINING CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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The major classes of *Assets* and *Liabilities of operations held for sale* in the consolidated balance sheets are as follows:

	At December 31, 2007
Assets:	
Accounts receivable	$ 20
Property, plant and mine development	3
Deferred income tax assets	1
	$ 24
Liabilities:	
Income and mining taxes	$ 378
Other liabilities	16
	$ 394

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

	Years Ended December 31,		
	2008	2007	2006
Net cash (used in) provided from discontinued operations:			
Income (loss) from discontinued operations	$ 24	$ (923)	$ 228
Amortization		46	51
Deferred income taxes		55	37
Gain on asset sales, net		(990)	(309)
Gain on sale of investments, net		(46)	(13)
Loss on impairment of goodwill		1,665	
Other operating adjustments and write-downs		18	96
(Decrease) increase in net operating liabilities	(135)	313	6
	$ (111)	$ 138	$ 96
Net cash (used in) provided from investing activities of discontinued operations:			
Proceeds from asset sales, net	$ (6)	$ 1,274	$ 353
Proceeds from sale of marketable securities		90	8
Additions to property, plant and mine development		(6)	(20)
Investments in marketable securities		(2)	(10)
Other		(2)	7
	$ (6)	$ 1,354	$ 338

Net cash used in financing activities of discontinued operations:			
Repayment of debt	$	$	$ (7)

NOTE 12 STOCKHOLDERS EQUITY AND INCOME (LOSS) PER SHARE

Newmont Common Stock

In October 2007, Newmont filed a shelf registration statement on Form S-3 under which it can issue an indeterminate number or amount of common stock, preferred stock, debt securities, guarantees of debt securities and warrants from time to time at indeterminate prices. It also included the resale of an indeterminate amount of common stock, preferred stock and debt securities from time to time upon exercise of warrants or conversion of convertible securities. The Company paid common stock dividends of $0.40 per share in 2008, 2007 and 2006.

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Treasury Stock

Treasury stock is acquired by the Company when certain restricted stock awards vest or are forfeited (see Note 23). At vesting, a participant has a tax liability and, pursuant to the participant s award agreement, may elect withholding of restricted stock to satisfy tax withholding obligations. The withheld or forfeited stock is accounted for as treasury stock and carried at the par value of the related common stock.

Exchangeable Shares

In connection with the acquisition of Franco-Nevada Corporation (Franco) in February 2002, certain holders of Franco common stock received 0.8 of an exchangeable share of Newmont Mining Corporation of Canada Limited (formerly Franco) for each share of common stock held. These exchangeable shares are convertible, at the option of the holder, into shares of Newmont common stock on a one-for-one basis, and entitle holders to dividends and other rights economically equivalent to holders of Newmont common stock. As of December 31, 2008 and 2007, the value of these no-par shares was included in *Additional paid-in capital*.

Call Spread Transactions

In connection with the issuance of $1,150 of convertible notes in July 2007 (see Note 21), the Company entered into separate convertible note hedge transactions and separate warrant transactions with respect to the Company s common stock to minimize the impact of the potential dilution upon conversion of the convertible notes. The Company purchased call options in private transactions to cover 24,887,956 shares of the Company s common stock at a strike price of $46.21 per share, subject to adjustment in certain circumstances, for approximately $366. The call options generally allow the Company to receive shares of the Company s common stock from counterparties equal to the number of shares of common stock payable to the holders of the notes upon conversion. The Company also sold warrants in private transactions permitting the purchasers to acquire up to 24,887,956 shares of the Company s common stock at an exercise price of $60.27, subject to adjustments in certain circumstances, for total proceeds of approximately $248.

The Company has analyzed the Call Spread Transactions under EITF Issue No. 00-19, Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company s Own Stock, and other relevant literature, and determined that they meet the criteria for classification as equity transactions. As a result, the Company recorded the purchase of the call options as a reduction in additional paid-in capital and the proceeds of the warrants as an addition to paid-in capital, and the Company will not recognize subsequent changes in fair value of the instruments.

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Net Income (Loss) per Common Share

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

	Years Ended December 31,		
	2008	**2007**	**2006**
Numerator:			
Income (loss) from continuing operations	$ 829	$ (963)	$ 563
Income (loss) from discontinued operations	24	(923)	228
Net income (loss)	$ 853	$ (1,886)	$ 791
Denominator (common shares millions):			
Basic	454	452	450
Effect of employee stock based awards	1		2
Diluted	455	452	452
Income (loss) per common share			
Basic:			
Income (loss) from continuing operations	$ 1.83	$ (2.13)	$ 1.25
Income (loss) from discontinued operations	0.05	(2.04)	0.51
Net income (loss)	$ 1.88	$ (4.17)	$ 1.76
Diluted:			
Income (loss) from continuing operations	$ 1.82	$ (2.13)	$ 1.25
Income (loss) from discontinued operations	0.05	(2.04)	0.50
Net income (loss)	$ 1.87	$ (4.17)	$ 1.75

Options to purchase 4.4 million, 1.7 million and 1.1 million shares of common stock at average exercise prices of $47.63, $52.76 and $48.48. were outstanding as of December 31, 2008, 2007 and 2006, respectively, but were not included in the computation of diluted weighted average number of common shares because the strike prices of the options exceeded the price of the common stock.

Other outstanding options to purchase 1.4 million shares of common stock were not included in the computation of diluted weighted average common shares in 2007 because their effect would have been anti-dilutive.

In July 2007, Newmont issued $1,150 of convertible notes that, if converted in the future, would have a potentially dilutive effect on the Company s stock (see Note 21). Under the indenture for the convertible notes, upon conversion Newmont is required to settle the principal amount of the convertible notes in cash and may elect to settle the remaining conversion obligation (stock price in excess of the conversion price) in cash, shares or a combination thereof. The effect on diluted earnings per share is calculated under the net share settlement method in accordance

with the FASB s Emerging Issues Task Force 04-8, The Effect of Contingently Convertible Instruments on Diluted Earnings per Share. Under the net share settlement method, the Company includes the amount of shares it would take to satisfy the conversion obligation, assuming that all of the convertible notes are surrendered. The average closing price of the Company s common stock for each of the periods presented is used as the basis for determining dilution. The average price of the Company s common stock for the year ended December 31, 2008 did not exceed the conversion price of $46.21 and therefore, did not have a dilutive effect on earnings per share.

NOTE 13 ACQUISITIONS

In April 2008, the Company purchased 15,960 additional shares of EGR for $11 in cash bringing its ownership interest to 56.67% from 46.72%. EGR owns 100% of Valcambi SA (Valcambi), a London Good Delivery precious metals refiner and manufacturer of precious metal coins, medallions and luxury watch components. The additional interest resulted in the consolidation of EGR as of May 1, 2008 and increased *Other current assets* and *Other current liabilities* by $229 and $206, respectively. EGR s revenue and expenses are included in *Other income, net* reflecting the service fee and secondary nature of EGR s business to the Company s central operations. Prior to consolidation, the Company accounted for EGR using the equity method of accounting. In November 2008, EGR repurchased 6.55% of its own shares from a minority shareholder bringing Newmont s ownership to 60.64%.

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In December 2007, the Company purchased approximately 70% of the common shares of Miramar Mining Corporation (Miramar), which, in addition to the shares previously owned, brought the Company s interest in Miramar to approximately 78%. During the first quarter of 2008, the Company completed the acquisition of 100% of Miramar. All shares were purchased for C$6.25 per share in cash.

With the completion of the Miramar acquisition, the Company controls the Hope Bay project, a large undeveloped gold property in Nunavut, Canada. The acquisition and development of the Hope Bay project is consistent with the Company s strategic focus on generating value through exploration and project development and was acquired with the intention of adding higher grade ore reserves and developing a new core gold mining district in a AAA-rated country. The purchase price paid has been allocated to the assets acquired and liabilities assumed based upon their estimated fair values on the respective closing dates as follows:

Assets:		
Cash and cash equivalents	$	38
Property, plant and mine development, net		1,880
Investments		40
Deferred income tax assets		94
Other assets		35
		2,087
Liabilities:		
Accrued liabilities		53
Deferred income tax liabilities		681
		734
Net assets acquired	$	1,353

In September 2006, Newmont acquired a 40% interest in Shore Gold Inc. s Fort a la Corne JV diamond project in Saskatchewan, Canada for cash consideration of $152.

In March 2006, Newmont acquired Newcrest Mining Limited s 22.22% interest in the Boddington project, bringing its interest in the project, at that time, to 66.67%, for cash consideration of $173.

In January 2006, Newmont acquired the remaining 15% interest in the Akyem project for cash consideration of $23, bringing its interest in the project to 100%.

NOTE 14 DERIVATIVE INSTRUMENTS

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

For 2008, 2007 and 2006, net gains (losses) of $10, $4 and $(60), respectively, were included in *Other income, net* for the ineffective portion of derivative instruments designated as fair value and cash flow hedges. All of the currency and diesel contracts have been designated as cash flow hedges of future expenditures, and as such, changes in the market value have been recorded in *Accumulated other comprehensive (loss) income*. The amount to be reclassified from *Accumulated other comprehensive (loss) income*, *net of tax* to income for derivative instruments during the next 12

months is a loss of approximately $33. The maximum period over which hedged forecasted transactions are expected to occur is 3 years.

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Foreign Currency Contracts

Newmont entered into a series of foreign currency contracts to hedge the variability of the US dollar amount of forecasted foreign currency expenditures caused by changes in currency rates. Newmont entered into IDR/$ forward purchase contracts to hedge up to 80% of the Company s IDR denominated operating expenditures which results in a blended IDR/$ rate realized each period. The hedges are forward purchase contracts with expiration dates ranging up to one year from the date of issue which increased Batu Hijau *Costs applicable to sales* by $2 in 2008, and reduced Batu Hijau *Costs applicable to sales* by $4 and $11 in 2007 and 2006, respectively. As of December 31, 2008, the Company has hedged 31% of its expected 2009 IDR operating expenditures.

During the third quarter of 2007, Newmont began a multi-year systematic, disciplined layered program to hedge up to 85% of the Company s A$ denominated operating expenditures with forward contracts that have expiration dates ranging up to three years from the date of issue. The principal hedging objective is reduction in the volatility of realized period-on-period $/A$ rates. Each month, fixed forward contracts are obtained to hedge $1/36^{th}$ of the forecasted monthly A$ operating cost exposure in the rolling three-year hedge period resulting in a blended $/A$ rate realized. During 2008 and 2007, the A$ operating hedge program increased Australia/New Zealand *Costs applicable to sales* by $13 and reduced Australia/New Zealand *Costs applicable to sales* by $1, respectively. As of December 31, 2008, the Company has hedged 66%, 38% and 12% of its expected 2009, 2010 and 2011 A$ operating expenditures, respectively, which includes our 66.67% ownership in Boddington.

During the first quarter of 2008, Newmont began a multi-year systematic, disciplined layered program to hedge up to 75% of the Company s NZ$ denominated operating expenditures with forward contracts that have expiration dates ranging up to two years from the date of issue. The principal hedging objective is reduction in the volatility of realized period-on-period $/NZ$ rates. Each month, fixed forward contracts are obtained to hedge $1/24^{th}$ of the forecasted monthly NZ$ operating cost exposure in the rolling two-year hedge period resulting in a blended $/NZ$ rate realized. During 2008, the NZ$ operating hedge program increased Australia/New Zealand *Costs applicable to sales* by $2. As of December 31, 2008, the Company has hedged 53% and 20% of its expected 2009 and 2010 NZ$ operating expenditures, respectively.

During the fourth quarter of 2007, Newmont began a program to hedge up to 95% of the Company s A$ denominated capital expenditures related to the construction of Boddington. The program consists of a series of fixed forward contracts and bought call option contracts with expiration dates ranging up to one year from the date of issue. The realized gains and losses associated with the capital expenditure hedge program will impact *Amortization* during future periods in which the Boddington assets are placed into service and affect earnings. As of December 31, 2008, the Company has hedged 83% of its remaining A$ denominated Boddington capital expenditures for its 66.67% ownership.

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Newmont had the following foreign currency derivative contracts outstanding at December 31, 2008:

	Expected Maturity Date				Fair Value At December 31,	
	2009	2010	2011	Total/ Average	2008	2007
IDR Forward Purchase Contracts:						
$(millions)	$ 35	$	$	$ 35	$ (4)[1]	$ (1)[1]
Average rate (IDR/$)	10,238			10,238		
A$ Operating Forward Purchase Contracts:						
$(millions)	$ 376	$ 282	$ 85	$ 743	$ (85)[2]	$ [2]
Average rate ($/A$)	0.79	0.78	0.74	0.78		
NZ$ Operating Forward Purchase Contracts:						
$(millions)	$ 37	$ 12	$	$ 49	$ (6)[3]	$ [3]
Average rate ($/NZ$)	0.67	0.62		0.66		
A$ Capital Forward Purchase Contracts:						
$(millions)	$ 325	$	$	$ 325	$ (40)[4]	$ (1)[4]
Average rate ($/A$)	0.80			0.80		
A$ Capital Call Option Contracts:						
$(millions)	$ 28	$	$	$ 28	$ 1 [4]	$ 1 [4]
Average rate ($/A$)	0.70			0.70		

(1) The fair value of the IDR operating forward purchase contracts includes $4 and $1 in *Other current liabilities* as of December 31, 2008 and December 31, 2007, respectively.

(2) The fair value of the A$ operating forward purchase contracts

includes $1 in *Other current assets,* $1 in *Other long-term assets*, $45 in *Other current liabilities*, and $42 in *Other long-term liabilities* as of December 31, 2008. The fair value of the A$ operating forward purchase contracts included $2 in *Other current assets,* $2 in *Other long-term assets*, $1 in *Other current liabilities*, and $3 in *Other long-term liabilities* as of December 31, 2007.

(3) The fair value of the NZ$ operating forward purchase contracts includes $5 in *Other current liabilities* and $1 in *Other long-term liabilities* as of December 31, 2008.

(4) The fair value of the capital hedge program related to the construction of the Boddington

project includes $3 in *Other current assets* for A$ bought call option and forward purchase contracts and $42 in *Other current liabilities* for A$ forward purchase contracts as of December 31, 2008. The fair value of the capital hedge program included $1 in *Other current assets* for A$ bought call option contracts and $1 in *Other current liabilities* for A$ forward purchase contracts as of December 31, 2007.

Diesel Fixed Forward Contracts

During the first quarter of 2008, Newmont implemented a program to hedge up to 66% of its operating cost exposure related to diesel prices of fuel consumed at its Nevada operations. The program consists of a series of financially settled fixed forward contracts with expiration dates of up to one year from the date of issue. During 2008, the Nevada diesel hedge program increased Nevada *Costs applicable to sales* by $4. As of December 31, 2008, the Company has hedged 34% of its expected 2009 Nevada diesel expenditures.

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Newmont had the following diesel derivative contracts outstanding at December 31, 2008:

	Expected Maturity Date		Fair Value	
	2009	Total/ Average	At December 31, 2008	At December 31, 2007
Diesel Forward Purchase Contracts:				
$(millions)	$ 37	$ 37	$ (15) [1]	$
Average rate ($/gallon)	2.49	2.49		

[1] The fair value of the diesel forward purchase contracts includes $15 in *Other current liabilities* as of December 31, 2008.

Interest Rate Swap Contracts

As of December 31, 2008, Newmont had $100 fixed to floating swap contracts designated as a hedge against a portion of its 8 5/8% debentures. Under the hedge contract terms, the Company receives fixed-rate interest payments at 8.625% and pays floating-rate interest amounts based on periodic London Interbank Offered Rate (LIBOR) settings plus a spread, ranging from 2.60% to 3.49%. The hedge contracts decreased *Interest expense, net of capitalized interest* by $2, $nil and $nil for the years ended December 31, 2008, 2007 and 2006, respectively. At December 31, 2008, the fair value of the interest rate swaps was $9, of which $2 was included in *Other current assets* and $7 was included in *Other long-term assets*. At December 31, 2007, the fair value of the interest rate swaps was $4, all of which was included in *Other long-term assets*.

Provisional Copper and Gold Sales

Under the long-established structure of sales agreements prevalent in the industry, substantially all of the Company s copper and gold concentrate sales are provisionally priced at the time of shipment. The provisional prices are finalized in a contractually specified future period (generally one to five months from the shipment date) primarily based on quoted LME prices (copper) and the London P.M. fix (gold). Sales subject to final pricing are generally settled in a subsequent month or quarter. Because a significant portion of the Company s copper and gold concentrate sales in any quarterly period usually remain subject to final pricing, the quarter-end forward price is a major determinant of recorded revenues and the average recorded copper price for the period.

LME copper prices averaged $3.16 per pound during 2008, compared with the Company s recorded average provisional price of $3.03 per pound. The applicable forward copper price at the end of 2008 was $1.39 per pound. During 2008, declining copper prices resulted in a provisional pricing mark-to-market loss of $48. At December 31, 2008, the Company had copper sales of 82 million pounds priced at an average of $1.39 per pound, subject to final pricing in the first quarter of 2009.

The average London P.M. fix was $872 per ounce during 2008, compared with the Company s recorded average provisional price of $874 per ounce. The applicable forward gold price at the end of 2008 was $883 per ounce. During

2008, changes in gold prices resulted in a provisional pricing mark-to-market loss of $2. At December 31, 2008, the Company had gold sales of 9,000 ounces priced at an average of $883 per ounce, subject to final pricing in the first quarter of 2009.

Price-capped Forward Sales Contracts

In June 2007, the Company paid $578 to settle all of the 1.85 million ounce price-capped forward sales contracts which were accounted for as normal sales contracts under FAS 133 and FAS 138. The Company reported a $531 pre-tax loss on the early settlement of the contracts, after a $47 reversal of previously recognized deferred revenue in 2007. See Note 3 for additional details.

Copper Collar Contracts

During 2006, Newmont entered into copper collar contracts to hedge the copper price realized during those periods. Final delivery under the copper collar contracts occurred in February 2007. As of December 31, 2006, approximately 13 million pounds of copper were hedged by the copper collar contracts, which had been designated as cash flow hedges of forecasted copper sales. As such, changes in the fair value related to the effective portion of the hedges were recorded in *Accumulated other comprehensive (loss) income*.

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NOTE 15 INVESTMENTS

	At December 31, 2008			
	Cost/Equity Basis	Unrealized Gain	Unrealized Loss	Fair/Equity Basis
Current:				
Marketable Equity Securities	$ 14	$ 1	$ (3)	$ 12
Long-term:				
Marketable Debt Securities:				
Auction rate securities	$ 7	$	$ (2)	$ 5
Asset backed securities	25		(3)	22
	32		(5)	27
Marketable Equity Securities:				
Canadian Oil Sands Trust	251	283		534
Gabriel Resources Ltd.	64			64
Shore Gold Inc.	6			6
Other	8		(3)	5
	329	283	(3)	609
Other investments, at cost	7			7
Investment in Affiliates (Note 10):				
AGR Matthey Joint Venture	12			12
	$ 380	$ 283	$ (8)	$ 655

	At December 31, 2007			
	Cost/Equity Basis	Unrealized Gain	Unrealized Loss	Fair/Equity Basis
Current:				
Marketable Equity Securities	$ 19	$ 39	$	$ 58
Other investments, at cost	3			3
	$ 22	$ 39	$	$ 61
Long-term:				
Marketable Debt Securities:				
Auction rate securities	$ 7	$	$ (2)	$ 5
Asset backed securities	31			31

	38		(2)	36
Marketable Equity Securities:				
Canadian Oil Sands Trust	316	907		1,223
Gabriel Resources Ltd.	94			94
Shore Gold Inc.	80			80
Other	37	15	(7)	45
	527	922	(7)	1,442
Other investments, at cost	4			4
Investment in Affiliates (Note 10):				
European Gold Refineries	29			29
AGR Matthey Joint Venture	17			17
Regis Resources NL	3			3
	49			49
	$ 618	$ 922	$ (9)	$ 1,531

During 2008, the Company recognized impairments for other-than-temporary declines in value of $67 for Shore Gold Inc., $23 for Gabriel Resources Ltd. and $24 for other marketable equity securities. During 2007, the Company recognized impairments for other-than-temporary declines in value of $26 for Shore Gold Inc. and $20 for Gabriel Resources Ltd.

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During 2008, the Company purchased marketable equity securities of Gabriel Resources for $11 and other marketable equity securities for $6. During 2007, the Company purchased marketable equity securities of Gabriel Resources for $27 and other marketable equity securities for $9.

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

	Less than 12 Months		12 Months or Greater		Total	
As of December 31, 2008	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Marketable equity securities	$ 6	$ 6	$	$	$ 6	$ 6
Marketable debt securities	22	3	5	2	27	5
	$ 28	$ 9	$ 5	$ 2	$ 33	$ 11

	Less than 12 Months		12 Months or Greater		Total	
As of December 31, 2007	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Marketable equity securities	$ 16	$ 7	$	$	$ 16	$ 7
Marketable debt securities	5	2			5	2
	$ 21	$ 9	$	$	$ 21	$ 9

The unrealized loss of $11 and $9 in 2008 and 2007, respectively, relate to the Company s investments in marketable equity securities, auction rate securities and asset backed commercial paper as listed in the December 31, 2008 and 2007 tables above. While the fair values of these investments are below their respective cost, the Company views these declines as temporary. Generally the Company s policy is to treat a decline in a marketable equity security s quoted market value that has lasted continuously for more than six months as an other-than-temporary decline in value. The fair values of these marketable equity securities have not been continuously below cost for the past six months. The Company intends to hold its investment in auction rate securities and asset backed commercial paper until maturity or such time that the market recovers and therefore considers these losses temporary.

NOTE 16 INVENTORIES

	At December 31,	
	2008	2007
In-process	$ 53	$ 64
Concentrate	54	69
Precious metals	24	27
Materials, supplies and other	388	303
	$ 519	$ 463

The Company recorded aggregate write-downs of $5, $3 and $2 for 2008, 2007 and 2006, respectively, to reduce the carrying value of inventories to net realizable value. Write-downs in 2008 were related to Nevada and Batu Hijau. Write-downs in 2007 were related to Australia/New Zealand. Write-downs in 2006 were related to Golden Giant (Other Operations). Inventory write-downs are classified as components of *Costs applicable to sales*.

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NOTE 17 STOCKPILES AND ORE ON LEACH PADS

	At December 31, 2008	2007
Current:		
Stockpiles	$ 120	$ 204
Ore on leach pads	204	169
	$ 324	$ 373
Long-term:		
Stockpiles	$ 873	$ 528
Ore on leach pads	272	260
	$ 1,145	$ 788

At December 31, 2008, stockpiles were primarily located at Batu Hijau ($612), Nevada ($214) and Australia/New Zealand ($98) and leach pads were primarily located at Yanacocha ($264) and Nevada ($165). The Company recorded aggregate write-downs of $20, $14 and $2 for 2008, 2007 and 2006, respectively, to reduce the carrying value of stockpiles and leach pads to net realizable value. Write-downs in 2008 were related to Kori Kollo (Other Operations) and Australia/New Zealand. Write-downs in 2007 were primarily related to Yanacocha and Australia/New Zealand. The write-down in 2006 was related to Australia/New Zealand. Stockpile and ore on leach pads write-downs are classified as components of *Costs applicable to sales*.

NOTE 18 OTHER ASSETS

	At December 31, 2008	2007
Other current assets:		
Prepaid income and mining taxes	$ 187	$ 10
Refinery metal inventory and receivable	168	
Other prepaid assets	43	37
Notes receivable	9	13
Other	51	27
	$ 458	$ 87
Other long-term assets:		
Debt issuance costs	$ 35	$ 40
Restricted cash	33	93
Corporate-owned life insurance	26	19
Prepaid royalties	19	20
Other receivables	17	21
Prepaid maintenance costs	13	6
Derivative instruments (Note 14)	8	6

Other	62	25
	$ 213	$ 230

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NOTE 19 PROPERTY, PLANT AND MINE DEVELOPMENT

		At December 31, 2008			At December 31, 2007		
	Depreciable Life (in years)	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Land		$ 105	$	$ 105	$ 88	$	$ 88
Facilities and equipment	1 25	9,158	(4,411)	4,747	7,786	(4,110)	3,676
Mine development	1 25	2,063	(933)	1,130	1,951	(896)	1,055
Mineral interests	1 25	2,767	(563)	2,204	2,830	(509)	2,321
Asset retirement cost	1 25	384	(191)	193	335	(165)	170
Construction-in-progress		1,753		1,753	1,830		1,830
		$ 16,230	$ (6,098)	$ 10,132	$ 14,820	$ (5,680)	$ 9,140
Leased assets included above in facilities and equipment	2 18	$ 425	$ (268)	$ 157	$ 378	$ (228)	$ 150

		At December 31, 2008			At December 31, 2007		
Mineral Interests	Amortization Period (in years)	Gross Carrying Value	Accumulated Amortization	Net Book Value	Gross Carrying Value	Accumulated Amortization	Net Book Value
Production stage	1 25	$ 804	$ (556)	$ 248	$ 766	$ (502)	$ 264
Development stage		372		372	386		386
Exploration stage		1,591	(7)	1,584	1,678	(7)	1,671
		$ 2,767	$ (563)	$ 2,204	$ 2,830	$ (509)	$ 2,321

Construction-in-progress during 2008 of $1,753 included $1,325 at Australia/New Zealand primarily related to the Boddington project, $139 at Africa primarily related to the Akyem project, the development of the Amoma pit at Ahafo and other infrastructure in Ahafo, $133 at Nevada primarily related to tailings dam expansions at Carlin and Twin Creeks and a truck shop at Carlin and $132 at Yanacocha primarily related to project infrastructure, a water treatment plant and leach pad expansions.

Construction-in-progress during 2007 of $1,830 included $782 at Nevada primarily related to the construction of the power plant as well as leach pads and a new crusher at the Phoenix operation, $242 at Yanacocha primarily related to the construction of the gold mill, $598 at Australia/New Zealand primarily related to the Boddington project, and $178 at Africa primarily related to the Akyem project, the Ahafo North project, power generation projects, and a cyanide

recovery circuit.

Write-down of property, plant and mine development totaled $137, $10 and $3 for 2008, 2007 and 2006, respectively. The 2008 write-down primarily related to mineral interests and other assets in Canada, Indonesia and Nevada. The Fort a la Corne JV assets were impaired based on 2008 geologic results and potential project economics leading to a decision by Newmont to cease funding its share of project development costs after January 2009. The assets were written-down to estimated recoverable value. The 2007 write-down primarily related to assets in Indonesia and Australia. The 2006 write-down related to assets in Peru and Indonesia.

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NOTE 20 GOODWILL

The carrying amount of goodwill by reporting unit as of December 31, 2008 and 2007 and changes in the carrying amount of goodwill are summarized in the following table:

		Australia/ New Zealand	Exploration	Consolidated
Balance at January 1, 2006		$ 186	$ 1,129	$ 1,315
Boddington acquisition from Newcrest Mining Ltd.	preliminary	23		23
Balance at December 31, 2006		209	1,129	1,338
Boddington acquisition from Newcrest Mining Ltd.	final	(23)		(23)
Pre-acquisition income tax contingency adjustment			(7)	(7)
Exploration impairment			(1,122)	(1,122)
Balance at December 31, 2007		186		186
Pre-acquisition income tax contingency adjustment		2		2
Balance at December 31, 2008		$ 188	$	$ 188

In 2007, annual testing for impairment pursuant to FAS No. 142 (comparison of implied goodwill value to carrying value) resulted in a goodwill impairment charge for the Exploration Segment of $1,122. The impairment resulted primarily from adverse changes in valuation assumptions and the application of a revised industry definition of value beyond proven and probable reserves (VBPP). The changes to valuation assumptions included: (i) a significantly lower assumed annual reserve growth rate (from 4% to 3%), (ii) a significant change in the financial markets resulting in a significant increase in the discount rate (from 8% to 10%), and (iii) an increase in finding costs due to a combination of increased spending and reduced exploration success. The revised definition of VBPP ascribes more value to tangible mineral interest than the original definition used by the Company. As a result of applying the new definition of VBPP, the higher value ascribed to the Exploration Segment s tangible mineral interests reduced the implied value of the Exploration Segment s goodwill to a negligible value. Based on the negligible valuation, the Exploration Segment goodwill was impaired and the full $1,122 of goodwill was recorded as a non-cash write-down of goodwill as of December 31, 2007.

NOTE 21 DEBT

	At December 31,			
	2008		2007	
	Current	Non-Current	Current	Non-Current
Sale-leaseback of refractory ore treatment plant	$ 24	$ 188	$ 22	$ 212
8 5/8% debentures, net of discount (due 2011)		214		218
Corporate revolving credit facility (due 2012)		757		
2014 convertible senior notes		575		575
2017 convertible senior notes		575		575
5 7/8% notes, net of discount (due 2035)		597		597
Newmont Australia 7 5/8% guaranteed notes			119	
PTNNT project financing facility	87	219	87	306
PTNNT shareholder loans	18			

Yanacocha credit facility	14	62	14	76
Yanacocha bonds		100		100
Ahafo project facility	9	66		
Other project financings and capital leases	17	20	13	24
	$ 169	$ 3,373	$ 255	$ 2,683

Scheduled minimum debt repayments are $169 in 2009, $156 in 2010, $329 in 2011, $901 in 2012, $115 in 2013 and $1,872 thereafter.

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Sale-Leaseback of Refractory Ore Treatment Plant

In September 1994, the Company entered into a sale and leaseback agreement for its refractory ore treatment plant located in Carlin, Nevada. The lease term is 21 years and aggregate future minimum lease payments, which include interest, were $263 and $299 as of December 31, 2008 and 2007, respectively. Future minimum lease payments are $37 in 2009, $36 in 2010, $39 in 2011, $70 in 2012, $36 in 2013 and $45 thereafter. The lease includes purchase options during and at the end of the lease at predetermined prices. The interest rate on this sale-leaseback transaction is 6.36%. In connection with this transaction, the Company entered into certain interest rate hedging contracts that were settled for a gain of $11, which is recognized as a reduction of interest expense over the term of the lease. Including this gain, the effective interest rate on the borrowing is 6.15%. The related asset is specialized, therefore it is not practicable to estimate the fair value of this debt.

$5^{7}/_{8}$% Notes

In March 2005, Newmont issued uncollateralized notes with a principal amount of $600 due April 2035 bearing an annual interest rate of 5 7/8%. Interest on the notes is paid semi-annually in April and October. Using prevailing interest rates on similar instruments, the estimated fair value of these notes was $449 and $523 as of December 31, 2008 and 2007, respectively. The foregoing fair value estimate was prepared by an independent third party and may or may not reflect the actual trading value of this debt.

$8^{5}/_{8}$% Debentures

Newmont has outstanding uncollateralized debentures with a principal amount of $223 due May 2011 bearing an annual interest rate of 8.625%. Interest is paid semi-annually in May and November and the debentures are redeemable prior to maturity under certain conditions. Newmont has contracts to hedge the interest rate risk exposure on $100 of these debentures. The Company receives fixed-rate interest payments at 8.625% and pays floating-rate interest based on periodic London Interbank Offered Rate (LIBOR) settings plus a spread, ranging from 2.60% to 3.49% (see Note 14). Using prevailing interest rates on similar instruments, the estimated fair value of these debentures was $225 and $238 as of December 31, 2008, and 2007, respectively. The foregoing fair value estimate was prepared by an independent third party and may or may not reflect the actual trading value of this debt.

2014 and 2017 Convertible Senior Notes

During July 2007, the Company completed a private offering of $1,150 convertible senior notes due in 2014 and 2017, each in the amount of $575. The 2014 Notes, maturing on July 15, 2014, will pay interest semi-annually at a rate of 1.25% per annum, and the 2017 Notes, maturing on July 15, 2017, will pay interest semi-annually at a rate of 1.625% per annum. The Notes are convertible, at the holder s option, at a conversion price of $46.21 per share of common stock. Upon conversion, the principle amount and all accrued interest will be repaid in cash and any conversion premium will be settled in shares of our common stock or, at our election, cash or any combination of cash and shares of our common stock. When the conversion premium becomes dilutive to the Company s earnings per share (Newmont s share price exceeds $46.21) the shares will be included in the computation of diluted income per common share. The Company is not entitled to redeem the notes prior to their stated maturity dates. The net proceeds from the offering, after expenses, were approximately $1,126.

In connection with the convertible senior notes offering, the Company entered into convertible note hedge transactions and warrant transactions (Call Spread Transactions). These transactions included the purchase of call options and the sale of warrants. As a result of the Call Spread Transactions, the conversion price of $46.21 was effectively increased to $60.27. When the warrant transactions become dilutive to the Company s earnings per share (Newmont s share price exceeds $60.27) the underlying shares will be included in the computation of diluted income per common share. The Company has analyzed the Call Spread Transactions under EITF Issue No. 00-19, Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company s Own Stock, and other relevant accounting literature, and determined that they meet the criteria for classification as equity transactions. As a result, the Company recorded the purchase of the call options as a reduction in paid-in capital and the proceeds of the warrants as an addition to paid-in capital, and the Company will not recognize subsequent changes in fair value of the agreements.

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Newmont Australia $7^{5}/_{8}$% Notes

Newmont Finance Limited (NFL) a subsidiary of Newmont Australia Limited (NAL) had outstanding notes with a principal amount of $119 that were paid in July 2008.

Project Financings

PTNNT Project Financing Facility

PTNNT has a project financing facility with a syndicate of banks. The scheduled repayments of this debt are semi-annual installments of $43 through November 2010 and $22 from May 2011 through November 2013. Amounts outstanding under the project financing were $306 and $393 as of December 31, 2008 and 2007.

The project financing facility is non-recourse to Newmont and substantially all of PTNNT s assets are pledged as collateral. The carrying value of the property, plant and mine development was $1,359 and $1,428 as of December 31, 2008 and 2007, respectively. Under the terms of the project financing facility, PTNNT must maintain an escrow account for the next interest and principle installment due in order to make any restricted payments. In November 2008, PTNNT made its principal and interest payments from the escrow account. Therefore, PTNNT cannot make any dividend or other restricted payments until the escrow account is replenished. As of December 31, 2007, the escrow account balance was $57 and was included in *Other long-term assets*.

The interest rate is based on blended fixed and floating rates and at market rates on December 31, 2008, the weighted average interest rate approximated LIBOR plus 1.6%. The weighted average interest rates were 5.6%, 6.9% and 6.7% during 2008, 2007 and 2006, respectively, and the interest rates were 4.9% and 6.5% as of December 31, 2008 and 2007, respectively. The fair market value cannot be practicably determined due to the lack of available market information for this type of debt.

PTNNT Shareholder Loans

PTNNT has shareholder subordinated loan agreements (Shareholder Loans) with Newmont Indonesia Limited (NIL), a wholly-owned subsidiary of Newmont, and Nusa Tenggara Mining Corporation (NTMC), an affiliate of Sumitomo Corporation, with substantially the same terms for each shareholder. Total principal outstanding under these Shareholder Loans was $41 and $nil as of December 31, 2008 and 2007, respectively. At December 31, 2008, 43.75% or approximately $18 was due to NTMC, an unrelated third-party, and was non-recourse to Newmont, with the remainder payable to Newmont. Payments of $nil and $36 were made to NTMC during 2008 and 2007, respectively. Borrowings under the Shareholder Loans were guaranteed by Nusa Tenggara Partnership (NTP) and payable on demand, subject to the Senior Debt subordination terms. The 2008 Shareholder Loans are based on the six-month London Interbank Offering Rate (LIBOR) plus 8% for principal and LIBOR rate plus 9% for any unpaid accrued interest. The weighted average interest rates were 10.6%, 8.4% and 8.2% during 2008, 2007 and 2006, respectively, and the interest rates were 10.6% and 8.4% as of December 31, 2008 and 2007, respectively.

Newmont and NTMC provide a contingent support line of credit to PTNNT. No funding was required in 2007 and $41 provided in 2008 was under this contingent support agreement. Available additional support from NTP s partners was $24, of which Newmont s pro-rata share was $14, as of December 31, 2008. Finally, subject to certain conditions, there is additional contingent support from NTP of $20 (Newmont s pro-rata share is $11) in respect of Senior Debt obligations payable during 2009 and 2010, resulting from any debt service shortfall, if applicable.

Yanacocha

$24 from Banco de Credito del Peru Leasing. During 2007, Yanacocha acquired nine haul trucks through a capital lease agreement with Banco de Credito del Peru. Monthly repayments began in January 2008 and continue for three years. The lease bears interest at an annual fixed rate of 6.10%.

$16 from Bank of Nova Scotia Leasing. During 2007, Yanacocha signed a $16 capital lease agreement with the Scotia Bank to acquire six haul trucks. As of December 2008 and 2007, as per the lease agreement, Yanacocha is committed to the bank for $16 and $4, respectively. Monthly repayments began in February 2008 and continue for three years. The lease bears interest at an annual fixed rate of 6.00%.

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$100 Credit Facility. During 2006, Yanacocha entered into an uncollateralized $100 bank financing with a syndicate of Peruvian commercial banks. Quarterly repayments commenced in May 2007 with final maturity May 2014. Payments of $14 and $10 were made in 2008 and 2007, respectively. Borrowings under the facility bear interest at a rate of LIBOR plus 1.875%. The loan is uncollateralized and non-recourse to Newmont. The estimated fair value of this credit facility approximates the carrying value as of December 31, 2008.

$100 Bond Program. During 2006, Yanacocha issued $100 of bonds into the Peruvian capital markets under a $200 bond program. The issuance is comprised of $42 of floating interest rate bonds bearing interest at a rate of LIBOR plus 1.4375% and $58 of fixed rate bonds bearing an annual interest of 7.0%. Quarterly repayments commence in July 2010 for six years. The bonds are uncollateralized and are non-recourse to Newmont. The estimated fair value of these bonds approximates the carrying value as of December 31, 2008.

Ahafo

Newmont Ghana Gold Limited (NGGL) has an $85 project financing agreement with the International Finance Corporation (IFC) ($75) and a commercial lender ($10). NGGL borrowed $75 from the IFC in December 2008 and borrowed the remaining $10 in February 2009. Amounts borrowed are guaranteed by Newmont. Semi-annual payments through April 2017 are required. Borrowings bear interest of LIBOR plus 3.5%.

Corporate Revolving Credit Facility

The Company has an uncollateralized $2,000 revolving credit facility with a syndicate of commercial banks, which matures in April 2012. The facility contains a letter of credit sub-facility. Interest rates and facility fees vary based on the credit ratings of the Company s senior, uncollateralized, long-term debt. Borrowings under the facilities bear interest at an annual interest rate of LIBOR plus a margin of 0.28% or the lead bank s prime interest rate. Facility fees accrue at an annual rate of 0.07% of the aggregate commitments. The Company also pays a utilization fee of 0.05% on the amount of revolving credit loans and letters of credit outstanding under the facility for each day on which the sum of such loans and letters of credit exceed 50% of the commitments under the facility. As of December 31, 2008 and 2007, the facility fees were 0.07% of the commitment. There was $519 and $440 outstanding under the letter of credit sub-facility as of December 31, 2008 and 2007, respectively. As of December 31, 2008, $757 was borrowed under the facility.

Debt Covenants

The 5 7/8% notes, 8 5/8% debentures, and sale-leaseback of the refractory ore treatment plant debt facilities contain various covenants and default provisions including payment defaults, limitation on liens, limitation on sales and leaseback agreements and merger restrictions.

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

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

Certain of the Company s project debt facilities contain debt covenants and default provisions including limitations on dividends subject to certain debt service cover ratios, limitations on sales of assets, negative pledges on certain assets, restricted payments to partners, change of control provisions and limitations of additional permitted debt.

As of December 31, 2008, the Company and its related entities were in compliance with all debt covenants and provisions related to potential defaults.

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NOTE 22 EMPLOYEE-RELATED BENEFITS

	At December 31, 2008	2007
Current:		
Accrued payroll and withholding taxes	$ 87	$ 79
Peruvian workers participation	35	25
Accrued severance	6	5
Employee pension benefits	5	6
Other post-retirement plans	4	3
Other employee-related payables	41	35
	$ 178	$ 153

	At December 31, 2008	2007
Long-term:		
Employee pension benefits	$ 235	$ 107
Other post-retirement benefit plans	85	66
Accrued severance	39	33
Peruvian workers participation	10	9
Other employee-related payables	10	11
	$ 379	$ 226

Pension Plans

The Company s pension plans include: (1) two qualified non-contributory defined benefit plans (for salaried employees and substantially all domestic hourly union employees); (2) one non-qualified plan (for salaried employees whose benefits under the qualified plan are limited by federal legislation); (3) two qualified plans for salaried and hourly Canadian employees; (4) one non-qualified plan for employees of PTNNT; (5) an international plan for select employees who are not eligible to participate in the U.S.-based plans because of citizenship; (6) one non-qualified plan for members of the board of directors; (7) one non-qualified plan for former employees under terminated plans; and (8) three qualified plans for salaried and hourly employees of the former Miramar operations, acquired in December 2007. The vesting period for plans identified in (1) and (2) is five years of service. These plans benefit formulas are based on an employee s years of credited service and either (i) such employee s highest consecutive five years average pay (salaried plan) or (ii) a flat dollar amount adjusted by a service-weighted multiplier (hourly plan). The Canadian plan provides for full vesting of benefits upon remittance and the benefit formula is based on a percentage of annual pay. The PTNNT plan is based on Indonesian Labor Law and provides for benefits to employees at age 55 or if employment is terminated at mine closing. The benefits formula under the Indonesian Labor Law is based on an employee s current salary and years of service prior to retirement or termination of employment at mine closing. The international retirement plan s basic and savings accounts have a graded vesting schedule and are fully vested after four years of service. The international retirement plan s supplemental account is vested after attaining age 55 with 10 years of service or attaining age 62. The plan s benefit formula is based on a percentage of compensation as defined in the plan document. The former Miramar operation s plans will continue for current retired members and no additional employees will become eligible for benefits under these plans.

Pension costs are determined annually by independent actuaries and pension contributions to the qualified plans are made based on funding standards established under the Employee Retirement Income Security Act of 1974, as amended.

Other Benefit Plans

The Company provides defined medical and life insurance benefits to selected qualified U.S. and Canadian retirees (generally salaried employees and to a limited extent their eligible dependents). In general, participants become eligible for these benefits upon retirement directly from the Company if they are at least 55 years old and, for U.S. employees, the combination of their age and years of service with the Company equals 75 or more. This benefit is not provided to employees who joined the Company after January 1, 2003.

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Defined medical benefits cover most of the reasonable and customary charges for hospital, surgical, diagnostic and physician services and prescription drugs. Life insurance benefits are based on a percentage of final base annual salary and decline over time after retirement commences. The majority of the costs of these medical and life insurance benefits are paid by the Company. In 2003, the Company began a strategy to more equitably share costs with retirees and as of December 31, 2008, 75% of retiree medical coverage cost is paid by the Company. Qualified retirees that became eligible after January 1, 2003 are required to contribute additional amounts to the medical coverage.

Under the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the Act), beginning in 2006, the Act provides a prescription drug benefit under Medicare Part D, as well as a federal subsidy to plan sponsors of retiree healthcare plans that provide a prescription drug benefit to their participants that is at least actuarially equivalent to the benefit that is available under Medicare. The Company sponsors retiree health care plans that provide prescription drug benefits to eligible retirees that our plan actuaries have determined are actuarially equivalent to Medicare Part D. The effect of the Act was to decrease post-retirement projected benefit obligation by $8 and $6 at December 31, 2008 and 2007, respectively.

The following tables provide a reconciliation of changes in the plans benefit obligations and assets fair values for 2008 and 2007:

	Pension Benefits		Other Benefits	
	2008	2007	2008	2007
Change in Benefit Obligation:				
Benefit obligation at beginning of year	$ 447	$ 448	$ 68	$ 79
Service cost-benefits earned during the year	15	18	2	3
Interest cost	29	27	5	5
Actuarial loss (gain)	74	(18)	17	(17)
Foreign currency exchange gain	(8)	(1)		
Settlement payments	(21)	(31)		
Benefits paid	(18)	(15)	(3)	(3)
Plans acquired		19		1
Projected benefit obligation at end of year	$ 518	$ 447	$ 89	$ 68
Accumulated Benefit Obligation	$ 421	$ 383	N/A	N/A
Change in Fair Value of Assets:				
Fair value of assets at beginning of year	$ 341	$ 260	$	$
Actual return on plan assets	(94)	12		
Employer contributions	73	98	3	3
Foreign currency exchange loss	(3)			
Settlement payments	(21)	(31)		
Benefits paid	(18)	(15)	(3)	(3)
Plans acquired		17		
Fair value of assets at end of year	$ 278	$ 341	$	$

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

exist as general corporate obligations. The information contained in the above tables indicates the combined funded status of qualified and non-qualified plans, in accordance with accounting pronouncements. Assumptions used for IRS purposes differ from those used for accounting purposes. The funded status shown above compares the projected benefit obligation (PBO) of all plans, which is an actuarial present value of obligations that takes into account assumptions as to future compensation levels of plan participants, to the fair value of the assets held in trust for the qualified plans. Accumulated benefit obligation (ABO), which is an actuarial present value of benefits (whether vested or nonvested) attributed to employees based on employee service and compensation prior to the end of the period presented, is also shown above. The Company is currently planning to contribute $48 to its retirement benefit programs in 2009.

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The following is the funding status of the plans plan assets in excess (deficit) of benefit obligation:

	2008 PBO	2008 Market value of plan assets	2008 Funded status	2007 PBO	2007 Market value of plan assets	2007 Funded status
Qualified plan salaried employees	$ 395	$ 232	$ (163)	$ 309	$ 278	$ (31)
Non-qualified plan salaried employees	30		(30)	41		(41)
Qualified plan hourly employees	44	36	(8)	38	45	7
Non-qualified plan Indonesian employees	19		(19)	23		(23)
Other plans	30	10	(20)	36	18	(18)
	$ 518	$ 278	$ (240)	$ 447	$ 341	$ (106)

The following table provides the net amounts recognized in the consolidated balance sheets as of December 31:

	Pension Benefits		Other Benefits	
	2008	2007	2008	2007
Prepaid pension asset	$	$ 7	$	$
Accrued employee benefit liability	$ 240	$ 113	$ 89	$ 68
Accumulated other comprehensive (loss) income:				
Net actuarial loss (gain)	$ 261	$ 81	$ (9)	$ (28)
Prior service cost (credit)	9	10	(6)	(7)
	270	91	(15)	(35)
Less: Income taxes	(94)	(32)	5	12
	$ 176	$ 59	$ (10)	$ (23)

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

	Pension Benefit Costs			Other Benefit Costs		
	2008	2007	2006	2008	2007	2006
Service cost	$ 15	$ 18	$ 18	$ 2	$ 3	$ 3
Interest cost	29	27	24	5	5	4
Expected return on plan assets	(28)	(22)	(18)			
Amortization of loss (gain)	3	6	8	(2)		
Amortization of prior service cost (credit)	1	1	1	(1)	(1)	(1)
Amendments			9			(2)

Settlements		13		17								
	$	33	$	47	$	42	$	4	$	7	$	4

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Prior service costs (credits) are amortized on a straight-line basis over the average remaining service period of active participants. Gains and losses in excess of 10% of the greater of the benefit obligation or the market-related value of assets are amortized over the average remaining service period of active participants. The following table provides the components recognized in *Other comprehensive (loss) income* for the years ended December 31:

	Pension Benefits			Other Benefits		
	2008	2007	2006	2008	2007	2006
Net loss (gain)	$ 196	$ (9)	$ (7)	$ 17	$ (19)	$ (11)
Amortization of net (loss) gain	(16)	(23)	(8)	2		
Amortization of prior service (cost) credit	(1)	(1)	(1)	1	1	1
Total recognized in Other comprehensive loss (income)	$ 179	$ (33)	$ (16)	$ 20	$ (18)	$ (10)
Total recognized in net periodic benefit cost and Other comprehensive loss (income)	$ 212	$ 14	$ 26	$ 24	$ (11)	$ (6)

The following table provides the components of the expected recognition in 2009 of amounts in *Accumulated other comprehensive (loss) income*:

	Pension Benefits	Other Benefits
Net actuarial loss (gain)	$ 8	$ (2)
Prior service cost	1	(1)
	$ 9	$ (3)

Significant assumptions were as follows:

	Pension Benefits As of December 31,		Other Benefits As of December 31,	
	2008	2007	2008	2007
Weighted-average assumptions used in measuring the Company s benefit obligation:				
Discount rate	6.05%	6.8%	6.05%	6.8%
Rate of compensation increase	5.0%	5.0%	5.0%	5.0%

	Pension Benefits Years Ended December 31,			Other Benefits Years Ended December 31,		
	2008	2007	2006	2008	2007	2006
Weighted-average assumptions used in measuring the net periodic pension benefit cost:						
Discount long-term rate	6.8%	5.9%	5.75%	6.8%	5.9%	5.75%
Expected return on plan assets	8.0%	8.0%	8.0%	N/A	N/A	N/A
Rate of compensation increase .	5.0%	4.0%	4.0%	5.0%	4.0%	4.0%

Yield curves matching our benefit obligations were derived using a cash flow analysis under the Citigroup pension discount curve. The Citigroup pension discount curve shows the relationship between interest rates and duration for hypothetical zero coupon investments. Under this approach, Treasury par curve data is used to set the shape of the yield curve and calculate the AA corporate spot yield at each maturity. The resulting curve was used to identify a discount rate for the Company of 6.05% and 6.8% in 2008 and 2007, respectively, based on the timing of future benefit payments. The decision to use 8% as the expected long-term return on plan assets was made based on an analysis of the actual plan asset returns over multiple time horizons and review of assumptions used by other U.S. corporations with defined benefit plans of similar size and investment strategy and is reviewed periodically by the audit committee. The average actual return on plan assets during the 20 years ended December 31, 2008 approximated 9%.

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The pension plans employ several independent investment firms which invest the assets of the plan in certain approved funds that correspond to specific asset classes with associated target allocations. Depending upon actual sector performance, the assets in the plan are periodically rebalanced to match the established target levels for the asset classes. The goal of the pension fund investment program is to achieve expected rates of return consistent with the investment risk associated with the approved investment portfolio. The investment performance of the plan and that of the individual investment firms is measured against recognized market indices. This performance is monitored by an investment committee comprised of members of the Company s management, which is advised by an independent investment consultant. The performance of the plan is reviewed annually with the Audit Committee of the Company s board of directors. The following is a summary of the target asset allocations for 2008 and the actual asset allocation at December 31, 2008.

Asset Allocation	Target	Actual at December 31, 2008
U.S. equity investments	45%	37%
International equity investments	20%	14%
Fixed income investments	35%	41%
Cash	%	8%

The assumed health care cost trend rate to measure the expected cost of benefits was 9% for 2009, 8.3% for 2010, 7.7% for 2011, 7% for 2012, 6.3% for 2013, 5.7% for 2014, and 5% for 2015 and each year thereafter. Assumed health care cost trend rates have a significant effect on amounts reported for the health care plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

	One-percentage-point Increase	One-percentage-point Decrease
Effect on total of service and interest cost components of net periodic post-retirement health care benefit cost	$ 1	$ (1)
Effect on the health care component of the accumulated post-retirement benefit obligation	$ 13	$ (10)

Cash Flows

Benefit payments expected to be paid to plan participants are as follows:

	Pension Benefits	Other Benefit Plans
2009	$ 25	$ 4
2010	21	4
2011	21	4
2012	24	4
2013	28	5
2014 through 2018	175	29
	$ 294	$ 50

Savings Plans

The Company has two qualified defined contribution savings plans, one that covers salaried and non-union hourly employees and one that covers substantially all hourly union employees. In addition, the Company has one non-qualified supplemental savings plan for salaried employees whose benefits under the qualified plan are limited by federal regulations. When an employee meets eligibility requirements, the Company matches 100% of employee contributions of up to 6% of base salary for the salaried and hourly plans. Effective March 2008, the Company makes a contribution between 5.0% and 7.5% (based on continuous years of service) to each non-union employee Retirement Contribution account at its sole discretion. Matching contributions are made with Newmont stock; however, no holding restrictions are placed on such contributions, which totaled $14 in 2008, $13 in 2007 and $11 in 2006.

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NOTE 23 STOCK BASED COMPENSATION

Employee Stock Options

The Company has a Stock Incentive Plan (Stock Plan) for executives and eligible employees. Under this Stock Plan, options to purchase shares of stock can be granted with exercise prices not less than fair market value of the underlying stock at the date of grant. Fair market value of a share of common stock as of the grant date is the average of the high and low sales prices for a share of the Company s common stock on the New York Stock Exchange. The Company also maintains prior stock plans, but no longer grants awards under these plans. Options granted under the Company s stock plans vest over periods of three years or more and are exercisable over a period of time not to exceed 10 years from grant date. As of December 31, 2008, 13,514,010 shares were available for future grants under the Stock Plan. During 2008, 2007 and 2006, 1,416,963, 1,066,500 and 1,238,750 stock option awards were granted, respectively.

The value of each option award is estimated on the date of grant using the Black-Scholes option-pricing model. The Black-Scholes option-pricing model requires the input of subjective assumptions, including the expected term of the option award and stock price volatility. The expected term of options granted is derived from historical data on employee exercise and post-vesting employment termination experience. Expected volatility is based on the historical volatility of our stock at the time grants are issued (generally in April). These estimates involve inherent uncertainties and the application of management judgment. In addition, we are required to estimate the expected forfeiture rate and only recognize expense for those options expected to vest. As a result, if other assumptions had been used, our recorded stock based compensation expense would have been different from that reported. The Black-Scholes option-pricing model used the following assumptions:

	2008	2007	2006	2005	2004
Weighted-average risk-free interest rate	3.1%	4.6%	4.9%	4.2%	3.4%
Dividend yield	1.0%	1.0%	0.7%	1.0%	0.8%
Expected life in years	5	5	5	4	4
Volatility	30%	32%	34%	38%	41%

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

	2008		2007		2006	
	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price
Outstanding at beginning of year	6,234,814	$ 41.09	7,503,608	$ 39.08	9,433,669	$ 35.90
Granted	1,416,963	$ 40.77	1,066,500	$ 42.06	1,238,750	$ 57.71
Exercised	(931,741)	$ 30.88	(1,706,303)	$ 29.93	(2,397,816)	$ 31.50
Forfeited and expired	(257,032)	$ 49.17	(628,991)	$ 46.30	(770,995)	$ 53.23
Outstanding at end of year	6,463,004	$ 42.17	6,234,814	$ 41.09	7,503,608	$ 39.08
Options exercisable at year-end	4,464,475	$ 42.01	4,687,127	$ 39.15	5,333,035	$ 34.60

Weighted-average fair value of options granted during the year	$ 11.96	$ 13.36	$ 19.76

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The following table summarizes information about stock options outstanding as of December 31, 2008:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$0 to $20	110,762	0.8	$ 18.37	110,762	$ 18.37
$20 to $30	1,177,114	5.0	$ 26.15	877,114	$ 25.89
$30 to $40	426,666	6.3	$ 38.05	429,962	$ 38.05
$40 to $50	3,849,462	7.3	$ 44.59	2,340,630	$ 45.15
$50+	899,000	7.3	$ 57.71	706,007	$ 57.71
	6,463,004	5.3	$ 42.17	4,464,475	$ 42.01

As of December 31, 2008, there was $19 of unrecognized compensation cost related to 1,998,529 unvested stock options. This cost is expected to be recognized over a weighted-average period of approximately 2.2 years. The total intrinsic value of options exercised in 2008, 2007 and 2006 was $15, $31 and $54, respectively. The aggregate intrinsic value of outstanding stock options was $20 at December 31, 2008. The aggregate intrinsic value of the exercisable options was $16.

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

	2008	2007	2006
Stock options vested	835,982	1,484,732	2,020,049
Weighted-average exercise price	$ 47.21	$ 47.05	$ 40.80

Other Stock Based Compensation

The Company grants restricted stock to certain employees upon achievement of certain financial and operating thresholds. The shares of restricted stock vest over periods of three years or more. Prior to vesting, these shares of restricted stock are subject to certain restrictions related to ownership and transferability. Holders of restricted stock are entitled to vote the shares and to receive any dividends declared on the shares. In 2008, 2007, and 2006, 218,697, 175,114, and 102,491 shares of restricted stock, respectively, were granted and issued, at the weighted-average fair market value of $39, $44, and $58, respectively. As of December 31, 2008, 201,895, 79,449 and 11,754 shares remained unvested for the 2008, 2007 and 2006 grants, respectively.

Restricted stock units are granted upon achievement of certain financial and operating thresholds to employees in certain foreign jurisdictions. Restricted stock units vest over periods of three years or more. Prior to vesting, holders of restricted stock units are not entitled to vote the underlying shares or receive dividends. Upon vesting, the employee is entitled to receive for each restricted stock unit one share of the Company s common stock and an amount equivalent to accrued dividends. In 2008, 2007, and 2006 the Company granted 16,360, 20,212, and 19,181 restricted stock units, respectively, at the weighted-average fair market value of $39, $45 and $58, respectively, per underlying share of the Company s common stock. As of December 31, 2008, 13,269, 964 and 376 shares remain unvested for the 2008, 2007 and 2006 grants, respectively.

The Company grants deferred stock awards to certain other employees. The deferred stock awards vest over periods of three years or more. Prior to vesting, holders of deferred stock are not entitled to vote the underlying shares or receive dividends. In 2008, 2007 and 2006, the Company granted deferred stock awards of 394,095, 365,776, and 237,946

shares of the Company s common stock, respectively, at weighted-average fair market values of $44, $42, and $58 per share, respectively. As of December 31, 2008, 369,162, 205,036 and 54,877 shares remained unvested for the 2008, 2007 and 2006 awards, respectively.

In 2008, 315,909 other stock based compensation awards vested. The total fair value of other stock based compensation awards that vested in 2008, 2007 and 2006 was $14, $21 and $20, respectively. At December 31, 2008, there was $28 of unrecognized compensation costs related to the unvested other stock based compensation awards. This cost is expected to be recognized over a weighted-average period of approximately 2.2 years.

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The Company recognized stock option and other stock based compensation as follows:

	Year Ended December 31,		
	2008	2007	2006
Stock options	$ 16	$ 17	$ 29
Restricted stock	6	4	
Restricted stock units		1	
Deferred stock awards	12	9	8
	$ 34	$ 31	$ 37

NOTE 24 OTHER LIABILITIES

	At December 31,	
	2008	2007
Other current liabilities:		
Refinery metal payable	$ 168	$
Accrued operating costs	158	147
Derivative instruments (Note 14)	111	3
Accrued capital expenditures	107	172
Reclamation and remediation costs (Note 25)	64	71
Taxes other than income and mining	39	23
Interest	35	40
Royalties	28	34
Peruvian royalty	18	5
Deferred income tax (Note 8)	8	132
Other	43	38
	$ 779	$ 665

	At December 31,	
	2008	2007
Other long-term liabilities:		
Income and mining taxes	$ 167	$ 113
Derivative instruments (Note 14)	43	3
Other	42	34
	$ 252	$ 150

NOTE 25 RECLAMATION AND REMEDIATION LIABILITIES (ASSET RETIREMENT OBLIGATIONS)

The Company s mining and exploration activities are subject to various federal and state laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Company conducts its operations so as to protect the public health and environment and believes its operations are in compliance with applicable laws and regulations in all material respects. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations, but

cannot predict the full amount of such future expenditures. Estimated future reclamation costs are based principally on legal and regulatory requirements.

As of December 31, 2008 and 2007, $617 and $569, respectively, were accrued for reclamation obligations relating to currently or recently producing mineral properties. In addition, the Company is involved in several matters concerning environmental obligations associated with former, primarily historic, mining activities. Generally, these matters concern developing and implementing remediation plans at the various sites involved. As of December 31, 2008 and 2007, $163 and $125, respectively, were accrued for such obligations. These amounts are also included in *Reclamation and remediation liabilities*.

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Included in *Other long-term assets* as of December 31, 2008 and 2007 is $23 and $28, respectively, of restricted cash that is legally restricted for purposes of settling asset retirement obligations related to Hope Bay and former Miramar operations. Also included in *Other long-term assets* as of December 31, 2008 is $13 related to commitments in Peru.

The following is a reconciliation of the total liability for reclamation and remediation:

Balance January 1, 2007	$	598
Additions, change in estimates and other		95
Liabilities settled		(54)
Acquisition/Disposition of liability, net		18
Accretion expense		37
Balance December 31, 2007		694
Additions, change in estimates and other		148
Liabilities settled		(104)
Accretion expense		42
Balance December 31, 2008	$	780

The current portions of *Reclamation and remediation liabilities* of $64 and $71 as of December 31, 2008 and 2007, respectively, are included in *Other current liabilities*.

The Company s reclamation and remediation expenses consisted of:

	Years Ended December 31,		
	2008	**2007**	**2006**
Asset retirement cost amortization	$ 26	$ 28	$ 23
Accretion, operating	32	29	27
Accretion, non-operating (Note 6)	10	8	3
Reclamation estimate revisions (Note 6)	102	29	47
	$ 170	$ 94	$ 100

Asset retirement cost amortization is a component of *Amortization* on the Statement of Consolidated Income (Loss).

Additions to the reclamation liability in 2008 of $148 include additions relating to currently or recently producing mineral properties of $76 primarily for Yanacocha primarily due to a need for additional water treatment associated with the San Jose reservoir, the Phoenix mine at Nevada and Ahafo due to increased disturbance area related to mine expansion and the Golden Giant mine site related to additional water treatment costs, as well as additions relating to former mining operations of $72, primarily for Mt. Leyshon due to site characterization, stabilization and long-term surface water management due to overflow discharge from heavy rain, the Midnite mine site in light of the recent decisions made in the U.S. District Court for the Eastern District of Washington, additions to the Grass Valley, California mine site from the settlement of the water treatment dispute, and the Con Mine site acquired from the Miramar acquisition, primarily from a better understanding of the site conditions including soil cover materials, contractor services and water treatment costs.

Additions to reclamation in 2007 of $95 include additions relating to currently or recently producing mineral properties of $60 primarily for Batu Hijau due to increased waste dump reclamation areas due to mine expansion and Ghana, Nevada at the Phoenix mine and Yanacocha due to increased disturbance area related to mine expansion, and for former mining operations of $35 including additions to Resurrection, due to assumption of liabilities to settle

litigation for CERCLA liability and Natural Resource Damages and Empire Mine.

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NOTE 26 ACCUMULATED OTHER COMPREHENSIVE (LOSS) INCOME

	At December 31, 2008	2007
Unrealized gain on marketable securities, net of $55 and $161 tax expense, respectively	$ 218	$ 791
Foreign currency translation adjustments	(206)	181
Pension liability adjustments, net of $94 and $32 tax benefit, respectively	(176)	(59)
Other post-retirement benefit adjustments, net of $5 and $12 tax expense, respectively	10	23
Changes in fair value of cash flow hedge instruments, net of tax and minority interests benefit (expense) of $44 and $(9), respectively	(99)	21
	$ (253)	$ 957

NOTE 27 RELATED PARTY TRANSACTIONS

Newmont had transactions with EGR and AGR, as follows:

	Years Ended December 31, 2008	2007	2006
Gold and silver sales:			
AGR	$ 10	$ 9	$
EGR	$	$ 135	$ 66
Refining fees paid:			
AGR	$ 3	$ 2	$ 1
EGR	$	$ 2	$ 3

During 2008, Newmont increased its investment in EGR to 60.64%, and the additional interest resulted in the consolidation of EGR. See Notes 10 and 13 for a discussion of Newmont s investments in AGR and EGR, respectively.

NOTE 28 NET CHANGE IN OPERATING ASSETS AND LIABILITIES

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

	Years Ended December 31, 2008	2007	2006
Decrease (increase) in operating assets:			
Trade and accounts receivable	$ 80	$ 17	$ (110)
Inventories, stockpiles and ore on leach pads .	(354)	(95)	(382)
EGR refinery assets	38		
Other assets	(209)	6	(25)
(Decrease) increase in operating liabilities:			
Accounts payable and other accrued liabilities	(55)	(629)	230
EGR refinery liabilities	(38)		
Reclamation liabilities (Note 25)	(104)	(54)	(60)
	$ (642)	$ (755)	$ (347)

The decrease in accounts payable and other accrued liabilities in 2007 includes $276 from the settlement of pre-acquisition Australian income taxes of Normandy and $174 from the final settlement of copper collar contracts.

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NOTE 29 SUPPLEMENTAL CASH FLOW INFORMATION

	Years Ended December 31,		
	2008	2007	2006
Income taxes, net of refunds	$ 785	$ 324	$ 403
Interest, net of amounts capitalized	$ 97	$ 88	$ 96

Noncash Investing Activities and Financing Activities

Minera Yanacocha entered into mining equipment leases that resulted in non-cash increases to *Property, plant and mine development, net* and *Long-term debt* of $12 in 2008 and $28 in 2007. In 2008, Nevada entered into warehouse equipment leases that resulted in non-cash increases to *Property, plant and mine development, net* and *Long-term debt* of $2.

In March 2007, the Company completed an agreement with Oxiana Resources (Oxiana) and Agincourt Resources (Agincourt) in connection with Oxiana s offer to acquire Agincourt. The transaction followed the Company s sale in 2006 of the Martabe project to Agincourt in exchange for Agincourt shares, and as a result, the Company received Oxiana shares classified as marketable equity securities valued at $64 in return for its 43 million Agincourt shares classified as marketable equity securities.

In December 2007, the Company sold its royalty portfolio for total cash consideration of $1,197 less $21 in expenses of which $11 was paid in 2008. Newmont also sold its Pajingo operation for total consideration of $23 which includes $14 received in cash and $9 received in marketable equity securities.

In 2006, the Company delivered 161,111 ounces of gold in connection with the prepaid forward sales obligation, resulting in a noncash reduction in debt of $48.

NOTE 30 OPERATING LEASE COMMITMENTS

The Company leases certain assets, such as equipment and facilities, under operating leases expiring at various dates through 2020. Future minimum annual lease payments are $12 in 2009, 2010 and 2011, $10 in 2012, $9 in 2013 and $44 thereafter, totaling $99. Rent expense for 2008, 2007 and 2006 was $36, $33 and $17, respectively.

NOTE 31 SEGMENT AND RELATED INFORMATION

Newmont predominantly operates in a single industry, namely exploration for and production of gold. Newmont s major operations include Nevada, Yanacocha, Australia/New Zealand, Batu Hijau and Africa. Newmont also has an Exploration Segment. The Exploration Segment is responsible for all activities, regardless of location, associated with the Company s efforts to discover new mineralized material that will advance into proven and probable reserves.

The Company identifies its reportable segments as those consolidated mining operations or functional groups that represent more than 10% of the combined revenue, profit or loss or total assets of all reported operating segments. Consolidated mining operations or functional groups not meeting this threshold are aggregated at the applicable geographic or corporate level for segment reporting purposes. Earnings from operations do not reflect general corporate expenses, interest (except project-specific interest) or income 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.

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During 2008, Newmont made certain reclassifications in its segment reporting presentation for 2007 and 2006 to conform to changes in presentation reflected in internal management reports, including the following:

Accretion, which was previously reported in *Costs applicable to sales* has been reclassified to a separate *Accretion* line item.

Regional administrative and community development, which were previously reported in *Costs applicable to sales* have been reclassified to *Other expense, net* for all periods presented.

Marketing, which was reported in *Costs applicable to sales* has been reclassified to *General and administrative*.

Write-down of investments, which was reported in Costs and expenses has been reclassified to *Other income, net*.

The Other Operations reportable segment includes the La Herradura, Kori Kollo and Golden Giant operations.

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	Nevada	Yanacocha	Australia/ New Zealand	Batu Hijau	Africa	Other Operations
Year Ended December 31, 2008						
Sales, net:						
Gold	$ 1,929	$ 1,613	$ 1,050	$ 261	$ 435	$ 158
Copper	$	$	$	$ 752	$	$
Cost applicable to sales:						
Gold	$ 1,022	$ 637	$ 655	$ 124	$ 205	$ 102
Copper	$	$	$	$ 399	$	$
Amortization:						
Gold	$ 246	$ 170	$ 122	$ 25	$ 63	$ 18
Copper	$	$	$	$ 80	$	$
Other	$	$	$ 3	$	$	$
Accretion	$ 6	$ 10	$ 5	$ 8	$ 1	$ 2
Exploration	$	$	$	$	$	$
Advanced projects, research and development	$ 12	$ 6	$ 9	$ 2	$ 12	$ 4
Write-down of property, plant and mine development	$ 4	$	$ 2	$ 10	$	$
Other expense	$ 45	$ 76	$ 83	$ 44	$ 17	$ 18
Other income, net	$ 7	$ 11	$ 51	$ 5	$ 14	$ 2
Interest expense, net of capitalized interest	$	$ 8	$	$ 23	$	$ 1
Pre-tax income (loss) before minority interest and equity loss of affiliates	$ 600	$ 717	$ 219	$ 301	$ 151	$ 14
Equity loss of affiliates	$	$	$ (5)	$	$	$
Capital expenditures	$ 337	$ 239	$ 962	$ 84	$ 117	$ 33

	Total Operations	Hope Bay	Exploration	Corporate and Other	Consolidated
Year Ended December 31, 2008					
Sales, net:					
Gold	$ 5,446	$	$	$ 1	$ 5,447
Copper	$ 752	$	$	$	$ 752
Cost applicable to sales:					
Gold	$ 2,745	$	$	$	$ 2,745
Copper	$ 399	$	$	$	$ 399
Amortization:					
Gold	$ 644	$	$	$	$ 644
Copper	$ 80	$	$	$	$ 80
Other	$ 3	$ 1	$ 1	$ 18	$ 23
Accretion	$ 32	$	$	$	$ 32
Exploration	$	$	$ 214	$	$ 214

Advanced projects, research and development	$ 45	$ 39	$ 3	$ 79	$ 166
Write-down of property, plant and mine development	$ 16	$	$	$ 121	$ 137
Other expense	$ 283	$	$	$ 77	$ 360
Other income, net	$ 90	$ 1	$ 32	$	$ 123
Interest expense, net of capitalized interest	$ 32	$	$	$ 70	$ 102
Pre-tax income (loss) before minority interest and equity loss of affiliates	$ 2,002	$ (39)	$ (186)	$ (501)	$ 1,276
Equity loss of affiliates	$ (5)	$	$	$	$ (5)
Capital expenditures	$ 1,772	$ 82	$	$ 21	$ 1,875

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	Nevada	Yanacocha	Australia/ New Zealand	Batu Hijau	Africa	Other Operations
Year Ended December 31, 2007						
Sales, net:						
Gold	$ 1,616	$ 1,093	$ 809	$ 351	$ 306	$ 129
Copper	$	$	$	$ 1,221	$	$
Cost applicable to sales:						
Gold	$ 1,021	$ 490	$ 552	$ 114	$ 168	$ 59
Copper	$	$	$	$ 450	$	$
Loss on settlement of price-capped forward sales contracts	$	$	$	$	$	$
Midas redevelopment	$ 11	$	$	$	$	$
Amortization:						
Gold	$ 220	$ 160	$ 109	$ 25	$ 43	$ 17
Copper	$	$	$	$ 96	$	$
Other	$	$	$ 3	$	$	$
Accretion	$ 5	$ 9	$ 6	$ 6	$ 1	$ 2
Exploration	$	$	$	$	$	$
Advanced projects, research and development	$ 7	$ 9	$ 6	$	$ 15	$
Write-down of goodwill	$	$	$	$	$	$
Write-down of property, plant and mine development	$	$	$ 2	$ 8	$	$
Other expense	$ 37	$ 74	$ 39	$ 23	$ 10	$ (9)
Other income, net	$ 10	$ 16	$ (8)	$ 17	$ 4	$ 7
Interest expense, net	$	$ 3	$	$ 37	$ 1	$ 1
Pre-tax income (loss) before minority interest and equity income of affiliates	$ 325	$ 363	$ 81	$ 829	$ 73	$ 65
Equity (loss) income of affiliates	$	$	$ (7)	$	$	$
Capital expenditures	$ 588	$ 253	$ 599	$ 74	$ 134	$ 13

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	Total Operations	Exploration	Corporate and Other	Consolidated
Year Ended December 31, 2007				
Sales, net:				
Gold	$ 4,304	$	$ 1	$ 4,305
Copper	$ 1,221	$	$	$ 1,221
Cost applicable to sales:				
Gold	$ 2,404	$	$	$ 2,404
Copper	$ 450	$	$	$ 450
Loss on settlement of price-capped forward sales contracts	$	$	$ 531	$ 531
Midas redevelopment	$ 11	$	$	$ 11
Amortization:				
Gold	$ 574	$	$	$ 574
Copper	$ 96	$	$	$ 96
Other	$ 3	$ 1	$ 21	$ 25
Accretion	$ 29	$	$	$ 29
Exploration	$	$ 177	$	$ 177
Advanced projects, research and development	$ 37	$	$ 25	$ 62
Write-down of goodwill	$	$ 1,122	$	$ 1,122
Write-down of property, plant and mine development	$ 10	$	$	$ 10
Other expense	$ 174	$	$ 72	$ 246
Other income, net	$ 46	$ 2	$ 58	$ 106
Interest expense, net	$ 42	$	$ 63	$ 105
Pre-tax income (loss) before minority interest and equity income of affiliates	$ 1,736	$ (1,300)	$ (788)	$ (352)
Equity (loss) income of affiliates	$ (7)	$	$ 6	$ (1)
Capital expenditures	$ 1,661	$	$ 11	$ 1,672

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	Nevada	Yanacocha	Australia/ New Zealand	Batu Hijau	Africa	Other Operations
Year Ended December 31, 2006						
Sales, net:						
Gold	$ 1,441	$ 1,543	$ 709	$ 264	$ 124	$ 160
Copper	$	$	$	$ 671	$	$
Cost applicable to sales:						
Gold	$ 960	$ 450	$ 438	$ 86	$ 52	$ 57
Copper	$	$	$	$ 292	$	$
Amortization:						
Gold	$ 180	$ 172	$ 91	$ 20	$ 19	$ 18
Copper	$	$	$	$ 66	$	$
Other	$	$	$ 3	$	$	$ 1
Accretion	$ 6	$ 7	$ 6	$ 5	$	$ 3
Exploration	$	$	$	$	$	$
Advanced projects, research and development	$ 10	$ 6	$ 2	$ 2	$ 28	$ 1
Write-downs of property, plant and mine development	$	$ 1	$	$ 1	$	$
Other expense	$ 36	$ 105	$ 36	$ 18	$ 8	$ (18)
Other income, net	$ 22	$ 19	$ 7	$ (45)	$ 1	$ 7
Interest expense, net	$	$ 12	$	$ 44	$ (1)	$ 1
Pre-tax income (loss) before minority interest and equity income of affiliates	$ 270	$ 808	$ 135	$ 357	$ 19	$ 105
Equity income of affiliates	$	$	$ (1)	$	$	$
Capital expenditures	$ 705	$ 269	$ 192	$ 106	$ 234	$ 11

	Total Operations	Exploration	Corporate and Other	Consolidated
Year Ended December 31, 2006				
Sales, net:				
Gold	$ 4,241	$	$ (30)	$ 4,211
Copper	$ 671	$	$	$ 671
Cost applicable to sales:				
Gold	$ 2,043	$	$	$ 2,043
Copper	$ 292	$	$	$ 292
Amortization:				
Gold	$ 500	$	$	$ 500
Copper	$ 66	$	$	$ 66
Other	$ 4	$ 3	$ 16	$ 23
Accretion	$ 27	$	$	$ 27
Exploration	$	$ 166	$	$ 166

Advanced projects, research and development	$ 49	$	$ 32	$ 81
Write-downs of property, plant and mine development	$ 2	$	$ 1	$ 3
Other expense	$ 185	$ 1	$ 65	$ 251
Other income, net	$ 11	$ 6	$ 36	$ 53
Interest expense, net	$ 56	$	$ 41	$ 97
Pre-tax income (loss) before minority interest and equity income of affiliates	$ 1,694	$ (164)	$ (280)	$ 1,250
Equity income of affiliates	$ (1)	$	$ 3	$ 2
Capital expenditures	$ 1,517	$	$ 20	$ 1,537

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

	At December 31, 2008	2007
Goodwill:		
Australia/New Zealand	$ 188	$ 186
Total assets:		
Nevada	$ 3,215	$ 3,104
Yanacocha	1,902	1,908
Australia/New Zealand	2,633	1,876
Batu Hijau	2,371	2,471
Africa	1,181	1,082
Hope Bay	1,621	1,566
Other operations	166	157
Exploration	37	24
Corporate and other	2,713	3,386
Total assets from continuing operations	15,839	15,574
Assets held for sale		24
	$ 15,839	$ 15,598

Revenues from export and domestic sales were as follows:

	Years Ended December 31, 2008	2007	2006
Europe	$ 4,831	$ 3,837	$ 4,053
Japan	464	562	355
Indonesia	307	512	85
Korea	231	248	154
Australia	170	165	79
India	32	101	76
Other	164	101	80
	$ 6,199	$ 5,526	$ 4,882

As gold can be sold through numerous gold market traders worldwide, the Company is not economically dependent on a limited number of customers for the sale of its product. In 2008, 2007 and 2006, sales to Bank of Nova Scotia were $1,618 (30%), $876 (20%) and $894 (21%), respectively, of total gold sales. Additionally in 2008, the Company had sales to BNP Paribas that totaled $1,239 (23%) of total gold sales.

Long-lived assets, excluding deferred tax assets, investments and restricted cash, in the United States and other countries are as follows:

	At December 31,

	2008	2007
United States	$ 3,034	$ 2,932
Australia	2,371	1,555
Indonesia	1,980	1,744
Canada	1,671	1,639
Peru	1,461	1,357
Ghana	1,051	974
Other	77	74
	$ 11,645	$ 10,275

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

NOTE 32 CONSOLIDATING FINANCIAL STATEMENTS

The following Consolidating Financial Statements are presented to satisfy disclosure requirements of Rule 3-10(e) of Regulation S-X resulting from the inclusion of Newmont USA Limited (Newmont USA), a wholly-owned subsidiary of Newmont, as a co-registrant with Newmont on a shelf registration statement on Form S-3 filed under the Securities Act of 1933 under which securities of Newmont (including debt securities which may be guaranteed by Newmont USA) may be issued from time to time (the Shelf Registration Statement). To the extent Newmont issues debt securities under the Shelf Registration Statement, it is expected that Newmont USA will provide a guarantee of that debt. In accordance with Rule 3-10(e) of Regulation S-X, Newmont USA, as the subsidiary guarantor, is 100% owned by Newmont, the guarantee will be full and unconditional, and it is not expected that any other subsidiary of Newmont will guarantee any security issued under the Shelf Registration Statement. There are no significant restrictions on the ability of Newmont USA to obtain funds from its subsidiaries by dividend or loan.

	For the Year Ended December 31, 2008				
Condensed Consolidating Statement of Income	**Newmont Mining Corporation**	**Newmont USA**	**Other Subsidiaries**	**Eliminations**	**Newmont Mining Corporation Consolidated**
Revenues					
Sales gold, net	$	$ 3,961	$ 1,486	$	$ 5,447
Sales copper, net		752			752
		4,713	1,486		6,199
Costs and expenses					
Costs applicable to sales (exclusive of amortization and accretion shown separately below)					
Gold		1,887	879	(21)	2,745
Copper		399			399
Amortization		558	190	(1)	747
Accretion		25	7		32
Exploration		132	82		214
Advanced projects, research and development		63	107	(4)	166
General and administrative		113	6	25	144
Write-down of property, plant and mine development		15	122		137
Other expense, net	1	246	112	1	360
	1	3,438	1,505		4,944
Other (expense) income					
Other income (expense), net	(40)	112	51		123
Interest income intercompany	278	24		(302)	
Interest expense intercompany	(8)		(294)	302	
Interest expense, net	(41)	(56)	(5)		(102)

	189	80	(248)		21
Income (loss) from continuing operations before taxes, minority interest and equity (loss) income of affiliates	188	1,355	(267)		1,276
Income tax (expense) benefit	(66)	(105)	58		(113)
Minority interest in income of subsidiaries		(347)	10	8	(329)
Equity income (loss) of affiliates	707	4	102	(818)	(5)
Income (loss) from continuing operations	829	907	(97)	(810)	829
Income (loss) from discontinued operations	24	5	3	(8)	24
Net income (loss)	$ 853	$ 912	$ (94)	$ (818)	$ 853

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

	For the Year Ended December 31, 2007				
Condensed Consolidating Statement of Income	**Newmont Mining Corporation**	**Newmont USA**	**Other Subsidiaries**	**Eliminations**	**Newmont Mining Corporation Consolidated**
Revenues					
Sales gold, net	$	$ 3,181	$ 1,124	$	$ 4,305
Sales copper, net		1,221			1,221
		4,402	1,124		5,526
Costs and expenses					
Costs applicable to sales (exclusive of loss on settlement of price-capped forward sales contracts, Midas redevelopment, amortization and accretion shown separately below)					
Gold		1,683	739	(18)	2,404
Copper		450			450
Loss on settlement of price-capped forward sales		531			531
Midas redevelopment		11			11
Amortization		541	155	(1)	695
Accretion		22	7		29
Exploration		113	64		177
Advanced projects, research and development		34	30	(2)	62
General and administrative		117	4	21	142
Write-down of goodwill			1,122		1,122
Write-down of property, plant and mine development		8	2		10
Other expense, net		203	43		246
		3,713	2,166		5,879
Other income (expense)					
Other income (expense), net	35	104	(33)		106
Interest income intercompany	210	52		(262)	
Interest expense intercompany	(7)		(255)	262	
Interest expense, net	(49)	(44)	(12)		(105)
	189	112	(300)		1
Income (loss) from continuing operations before taxes, minority interest and equity (loss) income of affiliates	189	801	(1,342)		(352)
Income tax (expense) benefit	(56)	38	(182)		(200)
Minority interest in income of subsidiaries		(451)	321	(280)	(410)

Equity (loss) income of affiliates	(1,096)	4	(236)	1,327	(1)
(Loss) income from continuing operations	(963)	392	(1,439)	1,047	(963)
(Loss) income from discontinued operations	(923)	(124)	(760)	884	(923)
Net (loss) income	$ (1,886)	$ 268	$ (2,199)	$ 1,931	$ (1,886)

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

	For the Year Ended December 31, 2006				
Condensed Consolidating Statement of Income	**Newmont Mining Corporation**	**Newmont USA**	**Other Subsidiaries**	**Eliminations**	**Newmont Mining Corporation Consolidated**
Revenues					
Sales gold, net	$	$ 3,342	$ 869	$	$ 4,211
Sales copper, net		671			671
		4,013	869		4,882
Costs and expenses					
Costs applicable to sales (exclusive of amortization and accretion shown separately below)					
Gold		1,542	511	(10)	2,043
Copper		292			292
Amortization		475	114		589
Accretion		19	8		27
Exploration		120	46		166
Advanced projects, research and development		44	36	1	81
General and administrative		125	3	8	136
Write-down of property, plant and mine development		3			3
Other expense	37	184	30		251
	37	2,804	748	(1)	3,588
Other income (expense)					
Other income	13	6	34		53
Interest income intercompany	121	79		(200)	
Interest expense intercompany	(7)		(193)	200	
Interest expense, net	(27)	(62)	(8)		(97)
	100	23	(167)		(44)
Income (loss) from continuing operations before taxes, minority interest and equity income of affiliates	63	1,232	(46)	1	1,250
Income tax (expense) benefit	(54)	(303)	31		(326)
Minority interest in income of subsidiaries		(364)	(17)	18	(363)
Equity income (loss) of affiliates	554		119	(671)	2
Income (loss) from continuing operations	563	565	87	(652)	563
Income (loss) from discontinued operations	228	(65)	208	(143)	228

Net income (loss)	$ 791	$ 500	$ 295	$ (795)	$ 791

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

	At December 31, 2008				
Condensed Consolidating Balance Sheets	**Newmont Mining Corporation**	**Newmont USA**	**Other Subsidiaries**	**Eliminations**	**Newmont Mining Corporation Consolidated**
Assets					
Cash and cash equivalents	$	$ 310	$ 125	$	$ 435
Marketable securities and other short-term investments		1	11		12
Trade receivables		97	7		104
Accounts receivable	1,941	913	370	(3,001)	223
Inventories		407	112		519
Stockpiles and ore on leach pads		276	48		324
Deferred income tax assets		238	48		286
Other current assets	1	223	234		458
Current assets	1,942	2,465	955	(3,001)	2,361
Property, plant and mine development, net		5,329	4,822	(19)	10,132
Investments		11	644		655
Investments in subsidiaries	6,247	25	828	(7,100)	
Long-term stockpiles and ore on leach pads		1,040	105		1,145
Deferred income tax assets	61	873	211		1,145
Other long-term assets	1,983	320	153	(2,243)	213
Goodwill			188		188
Total assets	$ 10,233	$ 10,063	$ 7,906	$ (12,363)	$ 15,839
Liabilities					
Current portion of long-term debt	$	$ 160	$ 9	$	$ 169
Accounts payable	524	587	2,292	(2,991)	412
Employee-related benefits		147	31		178
Income and mining taxes	21	36	1		58
Other current liabilities	15	312	461	(9)	779
Current liabilities	560	1,242	2,794	(3,000)	1,596
Long-term debt	2,504	802	67		3,373
Reclamation and remediation liabilities	1	519	196		716
Deferred income tax liabilities		364	687		1,051
Employee-related benefits	3	341	35		379
Other long-term liabilities	283	182	2,049	(2,262)	252
Total liabilities	3,351	3,450	5,828	(5,262)	7,367
Minority interest in subsidiaries		1,432	202	(264)	1,370

Stockholders equity					
Preferred stock			61	(61)	
Common stock	709				709
Additional paid-in capital	6,419	2,647	4,334	(6,761)	6,639
Accumulated other comprehensive (loss) income	(253)	(173)	(138)	311	(253)
Retained earnings (deficit)	7	2,707	(2,381)	(326)	7
Total stockholders equity	6,882	5,181	1,876	(6,837)	7,102
Total liabilities and stockholders equity	$ 10,233	$ 10,063	$ 7,906	$ (12,363)	$ 15,839

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

	At December 31, 2007				
Condensed Consolidating Balance Sheets	**Newmont Mining Corporation**	**Newmont USA**	**Other Subsidiaries**	**Eliminations**	**Newmont Mining Corporation Consolidated**
Assets					
Cash and cash equivalents	$	$ 790	$ 441	$	$ 1,231
Marketable securities and other short-term investments		3	58		61
Trade receivables		174	3		177
Accounts receivable	1,407	1,730	405	(3,374)	168
Inventories		378	85		463
Stockpiles and ore on leach pads		330	43		373
Deferred income tax assets		89	23		112
Other current assets	1	51	35		87
Current assets	1,408	3,545	1,093	(3,374)	2,672
Property, plant and mine development, net		5,189	3,971	(20)	9,140
Investments		11	1,520		1,531
Investments in subsidiaries	4,299	22	772	(5,093)	
Long-term stockpiles and ore on leach pads		718	70		788
Deferred income tax assets	119	680	228		1,027
Other long-term assets	4,037	325	131	(4,263)	230
Goodwill			186		186
Assets of operations held for sale		2	22		24
Total assets	$ 9,863	$ 10,492	$ 7,993	$ (12,750)	$ 15,598
Liabilities					
Current portion of long-term debt	$	$ 135	$ 120	$	$ 255
Accounts payable	456	1,795	1,459	(3,371)	339
Employee-related benefits		111	42		153
Income and mining taxes	66	(49)	71		88
Other current liabilities	20	302	349	(6)	665
Current liabilities	542	2,294	2,041	(3,377)	1,500
Long-term debt	1,747	935	1		2,683
Reclamation and remediation liabilities		456	167		623
Deferred income tax liabilities	66	357	602		1,025
Employee-related benefits	2	193	31		226
Other long-term liabilities	263	113	4,058	(4,284)	150
Liabilities of operations held for sale	41	262	91		394
Total liabilities	2,661	4,610	6,991	(7,661)	6,601

Minority interest in subsidiaries		1,467	273	(291)	1,449
Stockholders equity					
Preferred stock			61	(61)	
Common stock	696				696
Additional paid-in capital	6,350	2,647	2,434	(4,735)	6,696
Accumulated other comprehensive income (loss)	957	(28)	517	(489)	957
Retained (deficit) earnings	(801)	1,796	(2,283)	487	(801)
Total stockholders equity	7,202	4,415	729	(4,798)	7,548
Total liabilities and stockholders equity	$ 9,863	$ 10,492	$ 7,993	$ (12,750)	$ 15,598

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

	For the Year Ended December 31, 2008				
Condensed Consolidating Statement of Cash Flows	**Newmont Mining Corporation**	**Newmont USA**	**Other Subsidiaries**	**Eliminations**	**Newmont Mining Corporation Consolidated**
Operating activities:					
Net income (loss)	$ 853	$ 912	$ (94)	$ (818)	$ 853
Adjustments to reconcile net income (loss) to net cash provided from (used in) operations	27	787	(440)	818	1,192
Net change in operating assets and liabilities	17	(590)	(69)		(642)
Net cash provided from (used in) continuing operations	897	1,109	(603)		1,403
Net cash (used in) provided from discontinued operations		(130)	19		(111)
Net cash provided from (used in) operations	897	979	(584)		1,292
Investing activities:					
Additions to property, plant and mine development		(712)	(1,163)		(1,875)
Proceeds from sale of marketable debt and equity securities			50		50
Investments in marketable debt and equity securities			(17)		(17)
Acquisitions, net		(7)	(318)		(325)
Other		17	(1)		16
Net cash used in investing activities of continuing operations		(702)	(1,449)		(2,151)
Net cash (used in) provided from investing activities of discontinued operations		(10)	4		(6)
Net cash used in investing activities		(712)	(1,445)		(2,157)
Financing activities:					
Net external borrowings (repayments)	757	(120)	(46)		591
Net intercompany (repayments) borrowings	(1,518)	(287)	1,805		
Dividends paid to minority interests		(385)	(4)		(389)
Dividends paid to common stockholders	(182)				(182)
Proceeds from stock issuance	29				29
Change in restricted cash and other	17	48	9		74
Net cash (used in) provided from financing activities of continuing operations	(897)	(744)	1,764		123
Effect of exchange rate changes on cash		(3)	(51)		(54)
Net change in cash and cash equivalents		(480)	(316)		(796)

Cash and cash equivalents at beginning of period		790	441		1,231
Cash and cash equivalents at end of period	$	$ 310	$ 125	$	$ 435

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

	For the Year Ended December 31, 2007				
Condensed Consolidating Statement of Cash Flows	**Newmont Mining Corporation**	**Newmont USA**	**Other Subsidiaries**	**Eliminations**	**Newmont Mining Corporation Consolidated**
Operating activities:					
Net (loss) income	$ (1,886)	$ 268	$ (2,199)	$ 1,931	$ (1,886)
Adjustments to reconcile net (loss) income to net cash (used in) provided from operations	871	1,138	3,088	(1,931)	3,166
Net change in operating assets and liabilities	66	(549)	(272)		(755)
Net cash (used in) provided from continuing operations	(949)	857	617		525
Net cash provided from discontinued operations		27	111		138
Net cash (used in) provided from operations	(949)	884	728		663
Investing activities:					
Additions to property, plant and mine development		(940)	(732)		(1,672)
Proceeds from sale of marketable debt and equity securities		224			224
Investments in marketable debt and equity securities		(222)	(36)		(258)
Acquisitions, net			(953)		(953)
Cash received on repayment of Batu Hijau carried interest		161			161
Other		24	7		31
Net cash used in investing activities of continuing operations		(753)	(1,714)		(2,467)
Net cash provided from investing activities of discontinued operations	1	122	1,231		1,354
Net cash provided from (used in) investing activities	1	(631)	(483)		(1,113)
Financing activities:					
Net borrowings (repayments)	1,125	(148)	(5)		972
Net intercompany borrowings (repayments)	71	(91)	20		
Dividends paid to minority interests		(270)			(270)
Dividends paid to common stockholders	(181)				(181)
Proceeds from stock issuance	51				51
Purchase of Company share call options	(366)				(366)
Issuance of Company share warrants	248				248
Change in restricted cash and other		6	5		11
Net cash provided from (used in) financing activities	948	(503)	20		465

Effect of exchange rate changes on cash			50		50
Net change in cash and cash equivalents		(250)	315		65
Cash and cash equivalents at beginning of period		1,040	126		1,166
Cash and cash equivalents at end of period	$	$ 790	$ 441	$	$ 1,231

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

	For the Year Ended December 31, 2006				
Condensed Consolidating Statement of Cash Flows	**Newmont Mining Corporation**	**Newmont USA**	**Other Subsidiaries**	**Eliminations**	**Newmont Mining Corporation Consolidated**
Operating activities:					
Net income (loss)	$ 791	$ 500	$ 295	$ (795)	$ 791
Adjustments to reconcile net income (loss) to net cash provided from operations	(826)	892	(176)	795	685
Net change in operating assets and liabilities	64	(354)	(57)		(347)
Net cash provided from continuing operations	29	1,038	62		1,129
Net cash (used in) provided from discontinued operations		(12)	108		96
Net cash provided from operations	29	1,026	170		1,225
Investing activities:					
Additions to property, plant and mine development		(1,116)	(421)		(1,537)
Proceeds from sale of marketable debt and equity securities		2,216			2,216
Investments in marketable debt and equity securities		(1,442)	(51)		(1,493)
Acquisitions, net			(348)		(348)
Other		12	8		20
Net cash used in investing activities of continuing operations		(330)	(812)		(1,142)
Net cash provided from investing activities of discontinued operations	48	3	287		338
Net cash provided from (used in) investing activities	48	(327)	(525)		(804)
Financing activities:					
Net borrowings (repayments)		89	(2)		87
Net intercompany borrowings (repayments)	6	(400)	394		
Dividends paid to minority interests		(264)			(264)
Dividends paid to common stockholders	(168)		(12)		(180)
Proceeds from stock issuance	78				78
Early extinguishment of prepaid forward sales obligation		(48)			(48)
Change in restricted cash and other	6	(12)			(6)
Net cash (used in) provided from financing activities of continuing operations	(78)	(635)	380		(333)
Net cash used in financing activities of discontinued operations		(7)			(7)

Net cash (used in) provided from financing activities	(78)	(642)	380		(340)
Effect of exchange rate changes on cash		4	(1)		3
Net change in cash and cash equivalents	(1)	61	24		84
Cash and cash equivalents at beginning of period	1	979	102		1,082
Cash and cash equivalents at end of period	$	$ 1,040	$ 126	$	$ 1,166

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

NOTE 33 COMMITMENTS AND CONTINGENCIES

General

The Company follows FASB Statement No. 5, Accounting for Contingencies, in determining its accruals and disclosures with respect to loss contingencies other than tax contingencies provided for in accordance with FIN 48 (see Note 8). Accordingly, estimated losses from loss contingencies are accrued by a charge to income when information available prior to issuance of the financial statements indicates that it is probable (greater than a 75% probability) that a liability could be incurred and the amount of the loss can be reasonably estimated. Legal expenses associated with the contingency are expensed as incurred. If a loss contingency is not probable or reasonably estimable, disclosure of the loss contingency is made in the financial statements when it is at least reasonably possible that a material loss could be incurred.

Operating Segments

The Company s operating segments are identified in Note 31. Except as noted in this paragraph, all of the Company s commitments and contingencies specifically described in this Note 33 relate to the Corporate and Other reportable segment. The Nevada Operations matters under Newmont USA Limited relate to the Nevada reportable segment. The PT Newmont Minahasa Raya matters relate to the Other Operations reportable segment. The Yanacocha matters relate to the Yanacocha reportable segment. The Newmont Yandal Operations Pty Limited matter relates to the Australia/New Zealand reportable segment. The PTNNT matters relate to the Batu Hijau reportable segment.

Environmental Matters

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

Estimated future reclamation costs are based principally on legal and regulatory requirements. At December 31, 2008 and 2007, $617 and $569, respectively, were accrued for reclamation costs relating to mineral properties in accordance with FASB Statement No. 143, Accounting for Asset Retirement Obligations. The current portions of $49 and $57 at December 31, 2008 and 2007, 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, $163 and $125 were accrued for such obligations at December 31, 2008 and 2007, 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 126% greater or 7% lower than the amount accrued at December 31, 2008. The amounts accrued for these matters are reviewed periodically based upon facts and circumstances available at the time. Changes in estimates are recorded in *Other expense, net* in the period estimates are revised.

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

Details about certain of the more significant matters involved are discussed below.

Dawn Mining Company LLC (Dawn) 51% Newmont Owned

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

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

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

On July 14, 2008, after a bench trial, the Court held Newmont liable under CERCLA as an operator of the Midnite Mine. The Court previously ruled on summary judgment that both the U.S. Government and Dawn were liable under CERCLA. On October 17, 2008 the Court issued its written decision in the bench trial. The Court found Dawn and Newmont jointly and severally liable under CERCLA for past and future response costs, and ruled that each of Dawn and Newmont are responsible to pay one-third of such costs. The Court also found the U.S. Government liable on Dawn s and Newmont s contribution claim, and ruled that the U.S. Government is responsible to pay one-third of all past and future response costs. In November 2008, all parties appealed the Court s ruling. Also in November 2008, the EPA issued an Administrative Order pursuant to Section 106 of CERCLA ordering Dawn and Newmont to conduct water treatment, testing and other preliminary remedial actions. However, the issue of whether the EPA s preferred remedy is consistent with the National Contingency Plan has not yet come before the Court.

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

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

Idarado Mining Company (Idarado) 80.1% Newmont Owned

In July 1992, Newmont and Idarado signed a consent decree with the State of Colorado (State), which was approved by the U.S. District Court of Colorado, to settle a lawsuit brought by the State under CERCLA.

Idarado agreed in the consent decree to undertake specified remediation work at its former mining site in the Telluride/Ouray area of Colorado. Remediation work at this property is substantially complete. If the remediation does not achieve specific performance objectives defined in the consent decree, the State may require Idarado to implement supplemental activities at the site, also as defined in the consent decree. Idarado and Newmont obtained a $6 reclamation bond to secure their potential obligations under the consent decree. In addition, Idarado settled natural resources damages and past and future response costs, and agreed to habitat enhancement work under the consent decree. Such habitat enhancement work is substantially complete.

Newmont Capital Limited (Newmont Capital) 100% Newmont Owned

In February 1999, the EPA placed the Lava Cap mine site in Nevada County, California on the National Priorities List under CERCLA. The EPA then initiated a RI/FS under CERCLA to determine environmental conditions and remediation options at the site.

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Newmont Capital, formerly known as Franco-Nevada Mining Corporation, Inc., owned the property for approximately three years from 1984 to 1986 but never mined or conducted exploration at the site. The EPA asserts that Newmont Capital is responsible for clean up costs incurred at the site. Newmont Capital and the EPA entered into a consent decree to settle all aspects of this matter except future potential Natural Resource Damage claims. The consent decree will be subject to approval by the U.S. District Court for the Northern District of California.

Newmont USA Limited 100% Newmont Owned

Pinal Creek. Newmont is a defendant in a lawsuit brought on November 5, 1991 in U.S. District Court in Arizona by the Pinal Creek Group, alleging that Newmont and others are responsible for some portion of costs incurred to address groundwater contamination emanating from copper mining operations located in the area of Globe and Miami, Arizona. Two former subsidiaries of Newmont, Pinto Valley Copper Corporation and Magma Copper Company (now known as BHP Copper Inc.) owned some of the mines in the area between 1983 and 1987. The court has dismissed plaintiffs claims seeking to hold Newmont liable for the acts or omissions of its former subsidiaries. Newmont believes it has strong defenses to plaintiffs remaining claims, including, without limitation that Newmont s agents did not participate in any pollution causing activities; that Newmont s liabilities, if any, were contractually transferred to one of the plaintiffs; that portions of plaintiffs claimed damages are not recoverable; and that Newmont s equitable share of liability, if any, would be immaterial. While Newmont has denied liability and is vigorously defending these claims, it cannot reasonably predict the final outcome of this lawsuit.

Grass Valley. On February 3, 2004, the City of Grass Valley, California brought suit against Newmont under CERCLA in the U.S. District Court for the Northern District of California. This matter involves an abandoned mine adit on property previously owned by a predecessor of Newmont and currently owned by the City of Grass Valley. The complaint alleges that the adit is discharging metals-bearing water into a stream on the property, in concentrations in excess of current EPA drinking water standards. On February 4, 2009, this matter was fully resolved by settlement. Pursuant to the settlement, Newmont has agreed to manage the water discharge on an ongoing basis.

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

Ross Adams Mine Site. By letter dated June 5, 2007, the U.S. Forest Service notified Newmont that it had expended approximately $0.3 in response costs to address environmental conditions at the Adams Ross 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 does not believe it has any liability for environmental conditions at the site, and intends to vigorously defend any formal claims by the EPA. Newmont has agreed to perform the EE/CA. Newmont cannot reasonably predict the likelihood or outcome of any future action against it arising from this matter.

PT Newmont Minahasa Raya (PTNMR) 80% Newmont Owned

In July 2004, a criminal complaint was filed against PTNMR, the Newmont subsidiary that operated the Minahasa mine in Indonesia, alleging environmental pollution relating to submarine tailings placement into nearby Buyat Bay. The Indonesian police detained five PTNMR employees during September and October of 2004. The police investigation and the detention of PTNMR s employees was declared illegal by the South Jakarta District Court in December 2004, but in March 2005, the Indonesian Supreme Court upheld the legality of the police investigation, and the police turned their evidence over to the local prosecutor. In July 2005, the prosecutor filed an indictment against PTNMR and its President Director, alleging environmental pollution at Buyat Bay. After the court rejected motions to dismiss the proceeding, the trial proceeded and all evidence, including that of the defense, was presented in court by September 2006. In November 2006 the prosecution filed its charge, seeking a three-year jail sentence for PTNMR s

President Director plus a nominal fine. In addition, the prosecution recommended a nominal fine against PTNMR. The defense filed responses in January 2007, and final briefing was completed in March 2007. On April 24, 2007, the court entered its verdict acquitting PTNMR and its President Director of all charges. In May 2007, the prosecution appealed the decision of the court to the Indonesian Supreme Court, despite Indonesian laws that prohibit the appeal of a verdict of acquittal. In October 2008, a panel of Supreme Court justices was assigned to consider the appeal.

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In addition, on March 22, 2007, an Indonesian non-governmental organization named Wahana Lingkungan Hidup Indonesia (WALHI) filed a civil suit against PTNMR and Indonesia s Ministry of Energy and Mineral Resources and Ministry for the Environment, alleging pollution from the disposal of mine tailings into Buyat Bay, and seeking a court order requiring PTNMR to fund a 25-year monitoring program in relation to Buyat Bay. In December 2007, the court ruled in PTNMR s favor and found that WALHI s allegations of pollution in Buyat Bay were without merit. In March 2008, WALHI appealed this decision to the Indonesian Supreme Court.

Independent sampling and testing of Buyat Bay water and fish, as well as area residents, conducted by the World Health Organization and the Australian Commonwealth Scientific and Industrial Research Organization, confirm that PTNMR has not polluted the Buyat Bay environment, and, therefore, has not adversely affected the fish in Buyat Bay or the health of nearby residents. The Company remains steadfast that it has not caused pollution or health problems and will continue to vigorously defend itself against these allegations.

Resurrection Mining Company (Resurrection) 100% Newmont Owned

Newmont, Resurrection and other defendants were named in lawsuits filed by the State of Colorado under CERCLA in 1983, which were subsequently consolidated with a lawsuit filed by EPA in 1986. These proceedings sought to compel the defendants to remediate the impacts of pre-existing, historic mining activities near Leadville, Colorado, which date back to the mid-1800s, and which the government agencies claim were causing substantial environmental problems in the area.

In 1988 and 1989, the EPA issued administrative orders with respect to one area on the site and the defendants collectively implemented those orders by constructing a water treatment plant, which was placed in operation in early 1992. Remaining remedial work for this area consists of water treatment plant operation and continuing environmental monitoring and maintenance activities. The parties also entered into a consent decree with respect to the remaining areas at the site, which apportioned liabilities and responsibilities for these areas. The EPA approved remedial actions for selected components of Resurrection s portion of the site, which actions were initiated in 1995, but the EPA did not select the final remedy for the site at that time.

On August 9, 2005, ASARCO LLC, another potentially responsible party at the site, filed for Chapter 11 bankruptcy in the U.S. Bankruptcy Court for the Southern District of Texas (the Bankruptcy Court). In June 2007, Resurrection, the EPA, the State and ASARCO reached a settlement relating to all outstanding issues at the site. In July 2007, the settlement was approved by the Bankruptcy Court and in August 2008 it was approved by the U.S. District Court for the District of Colorado. The settlement agreement as approved sets out the required remedial actions of the parties and, subject to completion of those remedial actions, resolves all outstanding matters related to the site.

Other Legal Matters

Minera Yanacocha S.R.L. (Yanacocha) 51.35% Newmont Owned

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

Yanacocha, various wholly-owned subsidiaries of Newmont, and other defendants have been named in lawsuits filed by approximately 1,100 Peruvian citizens in Denver District Court for the State of Colorado. These actions seek compensatory damages based on claims associated with the elemental mercury spill incident. The parties in these cases agreed to submit these matters to binding arbitration. In October 2007, the parties to the arbitration entered a

court-approved settlement agreement, resolving most of these cases.

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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 should 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. Neither Newmont nor Yanacocha can reasonably estimate the ultimate loss relating to such claims.

Conga. Yanacocha is involved in a dispute with the Provincial Municipality of Celendin regarding the authority of that governmental body to regulate the development of the Conga project. In the fourth quarter of 2004, the Municipality of Celendin enacted an ordinance declaring the area around Conga to be a mining-free reserve and naturally protected area. Yanacocha has challenged this ordinance by means of two legal actions, one filed by Yanacocha (as the lease holder of the Conga mining concessions) and one filed by Minera Chaupiloma (as the titleholder of the Conga mining concessions). In August 2007, a Peruvian Court of first instance upheld Chaupiloma s claim, stating that the Municipality of Celendin lacks the authority to create natural protected areas. The Municipality of Celendin has not appealed the ruling. Based on legal precedent established by Peru s Constitutional Tribunal and the foregoing resolution of the Chaupiloma claim, it is reasonable to believe that Yanacocha s mining rights will be upheld.

Newmont Yandal Operations Pty Ltd (NYOL) 100% Newmont Owned

On September 3, 2003, J. Aron & Co. commenced proceedings in the Supreme Court of New South Wales (Australia) against NYOL, its subsidiaries and the administrator in relation to the completed voluntary administration of the NYOL group. J. Aron & Co., a NYOL creditor, initially sought injunctive relief that was denied by the court on September 8, 2003. On October 30, 2003, J. Aron & Co. filed a statement of claim alleging various deficiencies in the implementation of the voluntary administration process and seeking damages and other relief against NYOL and other parties. Newmont cannot reasonably predict the final outcome of this lawsuit.

PT Newmont Nusa Tenggara (PTNNT) 45% Newmont Owned

Under the Batu Hijau Contract of Work, beginning in 2006 and continuing through 2010, a portion of PTNNT s shares must be offered for sale, first, to the Indonesian government or, second, to Indonesian nationals, equal to the difference between the following percentages and the percentage of shares already owned by the Indonesian government or Indonesian nationals (if such number is positive): 23% by March 31, 2006; 30% by March 31, 2007; 37% by March 31, 2008; 44% by March 31, 2009; and 51% by March 31, 2010. As PT Pukuafu Indah (PTPI), an Indonesian national, has owned and continues to own a 20% interest in PTNNT, in 2006 a 3% interest was required to be offered for sale and in each of 2007 through 2010 an additional 7% interest must be offered (for an aggregate 31% interest). The price at which such interest must be offered for sale to the Indonesian parties is the highest of the then-current replacement cost, the price at which shares would be accepted for listing on the Indonesian Stock Exchange, or the fair market value of such interest as a going concern, as agreed with the Indonesian government. Pursuant to this provision, it is possible that the ownership interest of NTP in PTNNT could be reduced to 49%.

Initial arbitration matter

PTPI has owned and continues to own a 20% interest in PTNNT, and therefore the Newmont-Sumitomo partnership was required to offer a 3% interest in PTNNT for sale in 2006 and an additional 7% interest in each of 2007 through 2010. In accordance with the Contract of Work, an offer to sell a 3% interest was made to the Indonesian government in 2006 and an offer for an additional 7% interest was made in each of 2007 and 2008. A further 7% interest in the shares of PTNNT will be offered for sale in March 2009. While the central government declined to participate in the 2006 and 2007 offers, local governments in the area in which the Batu Hijau mine is located have expressed interest in acquiring shares, as have various Indonesian nationals. In January 2008, the Newmont-Sumitomo partnership agreed to sell, under a carried interest arrangement, 2% of PTNNT s shares to Kabupaten Sumbawa, one of the local governments, subject to satisfaction of closing conditions. The Indonesian government has subsequently stated that it

will not approve the transfer of shares under this agreement. On

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February 11, 2008, PTNNT received notification from the Department of Energy and Mineral Resources (DEMR) alleging that PTNNT is in breach of its divestiture requirements under the Contract of Work, and threatening to issue a notice to terminate the Contract of Work if PTNNT did not agree to divest the 2006 and 2007 shares, in accordance with the direction of the DEMR, by February 22, 2008, which date was extended to March 3, 2008. A second Notice of Default was received relating to the alleged failure to divest the 2008 shares as well. On March 3, 2008, the Indonesian government filed for international arbitration as provided under the Contract of Work, as did PTNNT. In the arbitration proceeding, PTNNT seeks a declaration that the Indonesian government is not entitled to terminate the Contract of Work and additional declarations pertaining to the procedures for divesting the shares. For its part, the Indonesian government seeks declarations that PTNNT is in default of its divestiture obligations, that the government may terminate the Contract of Work, and that PTNNT must cause shares subject to divestiture to be sold to certain local governments. The international arbitration panel has been appointed and a hearing was held in Jakarta in December 2008. A ruling is expected in the first half of 2009. Newmont and its Sumitomo partnership believe there is no basis for terminating the Contract of Work, and PTNNT is vigorously defending the matter.

Second arbitration matter

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

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

Other Commitments and Contingencies

Tax contingencies are provided for under FIN 48 (see Note 8).

In a 1993 asset exchange, a wholly-owned subsidiary transferred a coal lease under which the subsidiary had collected advance royalty payments totaling $484. From 1994 to 2018, remaining advance payments under the lease to the transferee total $390. In the event of title failure as stated in the lease, this subsidiary has a primary obligation to refund previously collected payments and has a secondary obligation to refund any of the $390 collected by the transferee, if the transferee fails to meet its refund obligation. The subsidiary has title insurance on the leased coal deposits of $240 covering the secondary obligation. The Company and the subsidiary regard the circumstances entitling the lessee to a refund as remote.

The Company has minimum royalty obligations on one of its producing mines in Nevada for the life of the mine. Amounts paid as a minimum royalty (where production royalties are less than the minimum obligation) in any year are recoverable in future years when the minimum royalty obligation is exceeded. Although the minimum royalty requirement may not be met in a particular year, the Company expects that over the mine life, gold production will be sufficient to meet the minimum royalty requirements. Minimum royalty payments payable are $19 per year in 2009 through 2013 and $93 thereafter.

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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 December 31, 2008 and 2007, there were $778 and $662, 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. In addition, the surety markets for certain types of environmental bonding used by the Company have become increasingly constrained. The Company, however, 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.

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NOTE 34 UNAUDITED SUPPLEMENTARY DATA

Quarterly Data

The following is a summary of selected quarterly financial information (unaudited):

	2008 Three Months Ended			
	March 31	June 30	September 30	December 31
Revenues	$ 1,943	$ 1,522	$ 1,392	$ 1,342
Gross profit[(1)]	$ 962	$ 571	$ 384	$ 359
Income from continuing operations	$ 364	$ 279	$ 177	$ 9
Income (loss) from discontinued operations	$ 6	$ (2)	$ 19	$ 1
Net income	$ 370	$ 277	$ 196	$ 10
Income from continuing operations, per common share, basic	$ 0.81	$ 0.61	$ 0.39	$ 0.02
Income from discontinued operations, per common share, basic	$ 0.01	$	$ 0.04	$
Net income per common share, basic	$ 0.82	$ 0.61	$ 0.43	$ 0.02
Income from continuing operations, per common share, diluted	$ 0.80	$ 0.61	$ 0.39	$ 0.02
Income from discontinued operations, per common share, diluted	$ 0.01	$	$ 0.04	$
Net income per common share, diluted	$ 0.81	$ 0.61	$ 0.43	$ 0.02
Basic weighted-average shares outstanding	453	454	454	454
Diluted weighted-average shares outstanding	457	456	455	455
Dividends declared per common share	$ 0.10	$ 0.10	$ 0.10	$ 0.10
Closing price of common stock	$ 45.30	$ 52.16	$ 38.76	$ 40.70

	2007 Three Months Ended			
	March 31	June 30	September 30	December 31
Revenues	$ 1,224	$ 1,276	$ 1,616	$ 1,410
Gross profit (loss)[(1)]	$ 285	$ (163)	$ 739	$ 545
Income (loss) from continuing operations	$ 40	$ (401)	$ 331	$ (933)
Income (loss) from discontinued operations	$ 28	$ (1,661)	$ 66	$ 644
Net income (loss)	$ 68	$ (2,062)	$ 397	$ (289)
Income (loss) from continuing operations, per common share, basic	$ 0.09	$ (0.89)	$ 0.73	$ (2.06)
Income (loss) from discontinued operations, per common share, basic	$ 0.06	$ (3.68)	$ 0.15	$ 1.43

Net income (loss) per common share, basic	$ 0.15	$ (4.57)	$ 0.88	$ (0.63)
Income (loss) from continuing operations, per common share, diluted	$ 0.09	$ (0.89)	$ 0.73	$ (2.06)
Income (loss) from discontinued operations, per common share, diluted	$ 0.06	$ (3.68)	$ 0.15	$ 1.43
Net income (loss) per common share, diluted	$ 0.15	$ (4.57)	$ 0.88	$ (0.63)
Basic weighted-average shares outstanding	451	451	452	452
Diluted weighted-average shares outstanding	452	451	453	452
Dividends declared per common share	$ 0.10	$ 0.10	$ 0.10	$ 0.10
Closing price of common stock	$ 41.99	$ 39.06	$ 44.73	$ 48.83

(1) Revenues less *Costs applicable to sales, Loss on settlement of price-capped forward sales contracts*, *Midas redevelopment, Amortization* and *Accretion*.

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Significant after-tax adjustments were as follows:

Fourth quarter 2008: (i) a $111 ($0.24 per share, basic) loss on the impairment of marketable equity securities and other assets and (ii) a $18 ($0.04 per share, basic) loss on reclamation obligations at non-operating properties;

Third quarter 2008: (i) a $27 ($0.06 per share, basic) loss on the impairment of marketable equity securities and other assets; (ii) a $19 ($0.04 per share, basic) gain on the sale of exploration property; (iii) a $9 ($0.02 per share, basic) loss on reclamation obligations at non-operating properties;

Second quarter 2008: (i) a $41 ($0.09 per share, basic) loss on reclamation obligations at non-operating properties; (ii) a $34 ($0.08 per share, basic) loss on the impairment of marketable equity securities and (iii) a $5 ($0.01 per share, basic) loss related to the Western Australia gas interruption;

First quarter 2008: (i) a $22 ($0.04 per share, basic) loss on the impairment of marketable equity securities;

Fourth quarter 2007: (i) a $1,122 ($2.48 per share, basic) loss on the write-down of Exploration Segment goodwill; (ii) a $39 ($0.09 per share, basic) loss on the impairment of marketable securities and (iii) a $597 ($1.32 per share, basic) gain on the sale of royalty and other non-core assets;

Third quarter 2007: none;

Second quarter 2007: (i) a $1,665 ($3.69 per share, basic) loss on the write-down of Merchant Banking Goodwill; (ii) a $460 ($1.02 per share, basic) loss on the settlement of price-capped forward sales contracts; (iii) a $25 ($0.06 per share, basic) loss on a Batu Hijau minority loan repayment; (iv) an $11 ($0.02 per share, basic) loss on reclamation obligations at non-operating properties and (v) an $8 ($0.02 per share, basic) loss on the settlement of senior management retirement obligations;

First quarter 2007: (i) a $22 ($0.05 per share, basic) gain on exchange of securities and (ii) a $5 ($0.01 per share, basic) loss on the impairment of marketable securities;

NOTE 35 SUBSEQUENT EVENTS

On January 27, 2009, the Company entered into a definitive sale and purchase agreement with AngloGold Ashanti Australia Limited to acquire its 33.33% interest in the Boddington project in Western Australia. Upon expected completion of the acquisition, Newmont will own 100% of the project. Consideration for the acquisition consists of $750 payable in cash at closing, $240 payable in cash and/or Newmont common stock, at the Company s option, in December 2009, and a royalty capped at $100, equal to 50% of the average realized operating margin (if any) exceeding $600 per ounce, payable on one-third of gold sales from Boddington. The valuation date for the transaction is January 1, 2009 and the transaction is expected to close in March 2009, subject to satisfaction or waiver of certain conditions and approvals.

On February 3, 2009, the Company completed a public offering of $518 convertible senior notes, including notes offered to cover over-allotments, maturing on February 15, 2012 for net proceeds of $504 after deducting the underwriters discount and estimated expenses of the offering. The notes will pay interest semi-annually at a rate of 3.00% per annum. The notes are convertible, at the holder s option, equivalent to a conversion price of $46.25 per share of common stock.

On February 3, 2009, the Company completed a public offering of 34,500,000 shares of common stock, including shares offered to cover over-allotments, at a price of $37.00, for net proceeds of $1,233 after deducting the underwriters discount and estimated expenses of the offering. Such offerings were made pursuant to our automatic shelf registration statement on Form S-3. See Item 7, Management s Discussion and Analysis of Consolidated Financial Condition and Results of Operations - Shelf Registration Statement.

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The following table represents the pro-forma capitalization of the Company assuming the completion of the public offerings of the convertible senior notes and common stock noted above as well as the impact of the adoption of FSP APB 14-1. FSP APB 14-1 applies to convertible debt instruments and requires that the liability and equity components of convertible debt instruments within the scope be separately accounted for in a manner that reflects the entity s nonconvertible debt borrowing rate. This requires an allocation of the convertible debt proceeds between the liability component and the embedded conversion option (i.e., the equity component). The difference between the principal amount of the debt and the amount of the proceeds allocated to the liability component will be reported as a debt discount and subsequently amortized to earnings over the instrument s expected life using the effective interest method. FSP APB 14-1 is effective for the Company s fiscal year beginning January 1, 2009 and will be applied retrospectively to all periods presented.

	Total Capitalization as of December 31, 2008		
	Actual	Pro-Forma Adjustments	Pro-Forma Balance
Cash, cash equivalents, marketable securities and other short-term instruments	$ 447	$ 1,737	$ 2,184
Long-term debt, including current portion:			
3.00% Convertible Senior Notes due 2012	$	$ 444	$ 444
1.250% Convertible Senior Notes due 2014	575	(127)	448
1.625% Convertible Senior Notes due 2017	575	(174)	401
Other debt	2,392		2,392
Total long-term debt	$ 3,542	$ 143	$ 3,685
Stockholders equity:			
Common stock	$ 709	$ 55	$ 764
Additional paid-in capital	6,639	1,444	8,083
Accumulated other comprehensive loss	(253)		(253)
Retained earnings (deficit)	7	(30)	(23)
Total stockholders equity	$ 7,102	$ 1,469	$ 8,571
Total capitalization	$ 10,644	$ 1,612	$ 12,256

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PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

The following documents are filed as a part of this report:

(a) Financial Statements

The Consolidated Financial Statements, together with the report thereon of PricewaterhouseCoopers LLP dated February 18, 2009, are included as part of Item 8, Financial Statements and Supplementary Data, commencing on page 1 above.

	Page
Report of Independent Registered Public Accounting Firm	2
Statements of Consolidated Income (Loss)	3
Consolidated Balance Sheets	4
Statements of Consolidated Changes in Stockholders Equity	5
Statements of Consolidated Comprehensive (Loss) Income	5
Statements of Consolidated Cash Flows	6
Notes to Consolidated Financial Statements	7

(b) Exhibits

Exhibit Number	Description
23.1	Consent of PricewaterhouseCoopers LLP, filed herewith.
31.1	Certification Pursuant to Rule 13A-14 or 15D-14 of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 signed by the Principal Executive Officer, filed herewith.
31.2	Certification Pursuant to Rule 13A-14 or 15D-14 of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 signed by the Principal Financial Officer, filed herewith.
32.1	Statement Required by 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 signed by Principal Executive Officer, furnished herewith.
32.2	Statement Required by 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 signed by Chief Financial Officer, furnished herewith.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Form 10-K/A (Amendment No. 1) to be signed on its behalf by the undersigned, thereunto duly authorized.

NEWMONT MINING CORPORATION

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

June 8, 2009

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EXHIBIT INDEX

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