

NEWMONT MINING CORP /DE/
Form 10-Q
July 30, 2014
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

Form 10-Q

(Mark One)

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

For the Quarterly Period Ended June 30, 2014

or

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

For the transition period from _____ to _____

Commission File Number: 001-31240

NEWMONT MINING CORPORATION

(Exact name of registrant as specified in its charter)

Delaware (State or Other Jurisdiction of	84-1611629
Incorporation or Organization)	(I.R.S. Employer
6363 South Fiddler s Green Circle	Identification No.)
Greenwood Village, Colorado	80111
(Address of Principal Executive Offices)	(Zip Code)
Registrant s telephone number, including area code (303) 863-7414	

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

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

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

Large accelerated filer Accelerated filer

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

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

There were 498,758,930 shares of common stock outstanding on July 18, 2014.

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Table of Contents**PART I FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS.****NEWMONT MINING CORPORATION****CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS****(unaudited, in millions except per share)**

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2014	2013	2014	2013
Sales (Note 3)	\$ 1,765	\$ 2,018	\$ 3,529	\$ 4,206
Costs and expenses				
Costs applicable to sales ⁽¹⁾ (Note 3)	1,060	1,682	2,143	2,739
Depreciation and amortization	306	415	604	682
Reclamation and remediation (Note 4)	21	18	41	36
Exploration	41	76	75	135
Advanced projects, research and development	42	46	84	98
General and administrative	48	54	93	110
Write-downs (Note 5)	13	2,261	13	2,262
Other expense, net (Note 6)	51	77	103	176
	1,582	4,629	3,156	6,238
Other income (expense)				
Other income, net (Note 7)	3	50	49	76
Interest expense, net	(94)	(70)	(187)	(135)
	(91)	(20)	(138)	(59)
Income (loss) before income and mining tax and other items	92	(2,631)	235	(2,091)
Income and mining tax benefit (expense) (Note 8)	53	287	(25)	107
Equity income (loss) of affiliates	2	(3)	2	(7)
Income (loss) from continuing operations	147	(2,347)	212	(1,991)
Income (loss) from discontinued operations (Note 9)	(2)	74	(19)	74
Net income (loss)	145	(2,273)	193	(1,917)
Net loss (income) attributable to noncontrolling interests (Note 10)	35	214	87	172
Net income (loss) attributable to Newmont stockholders	\$ 180	\$ (2,059)	\$ 280	\$ (1,745)
Net income (loss) attributable to Newmont stockholders:				
Continuing operations	\$ 182	\$ (2,133)	\$ 299	\$ (1,819)

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Discontinued operations	(2)	74	(19)	74
	\$ 180	\$ (2,059)	\$ 280	\$ (1,745)
Income (loss) per common share (Note 11)				
Basic:				
Continuing operations	\$ 0.37	\$ (4.29)	\$ 0.60	\$ (3.66)
Discontinued operations	(0.01)	0.15	(0.04)	0.15
	\$ 0.36	\$ (4.14)	\$ 0.56	\$ (3.51)
Diluted:				
Continuing operations	\$ 0.37	\$ (4.29)	\$ 0.60	\$ (3.66)
Discontinued operations	(0.01)	0.15	(0.04)	0.15
	\$ 0.36	\$ (4.14)	\$ 0.56	\$ (3.51)
Cash dividends declared per common share	\$ 0.025	\$ 0.35	\$ 0.175	\$ 0.775

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

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

Table of Contents**NEWMONT MINING CORPORATION****CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)****(unaudited, in millions)**

	Three Months Ended June 30		Six Months Ended June 30,	
	2014	2013	2014	2013
Net income (loss)	\$ 145	\$ (2,273)	\$ 193	\$ (1,917)
Other comprehensive income (loss):				
Unrealized gain (loss) on marketable securities, net of \$0, \$(77), \$(1) and \$(115) tax benefit (expense), respectively	(55)	(227)	(86)	(279)
Foreign currency translation adjustments	7	(10)	2	(22)
Change in pension and other post-retirement benefits, net of \$1, \$3, \$2 and \$8 tax benefit, respectively	1	6	3	11
Change in fair value of cash flow hedge instruments, net of \$9, \$(130), \$13 and \$(145) tax benefit (expense), respectively				
Net change from periodic revaluations	25	(258)	34	(237)
Net amount reclassified to income	(13)	(11)	(13)	(35)
Net unrecognized gain (loss) on derivatives	12	(269)	21	(272)
Other comprehensive income (loss)	(35)	(500)	(60)	(562)
Comprehensive income (loss)	\$ 110	\$ (2,773)	\$ 133	\$ (2,479)
Comprehensive income (loss) attributable to:				
Newmont stockholders	\$ 143	\$ (2,560)	\$ 220	\$ (2,307)
Noncontrolling interests	(33)	(213)	(87)	(172)
	\$ 110	\$ (2,773)	\$ 133	\$ (2,479)

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

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NEWMONT MINING CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited, in millions)

	Six Months Ended	
	June 30,	
	2014	2013
Operating activities:		
Net income (loss)	\$ 193	\$ (1,917)
Adjustments:		
Depreciation and amortization	604	682
Stock based compensation and other non-cash benefits	27	38
Reclamation and remediation	41	36
Loss (income) from discontinued operations	19	(74)
Write-downs	13	2,262
Impairment of marketable securities	1	11
Deferred income taxes	(92)	(480)
Gain on asset and investment sales, net	(52)	(1)
Other operating adjustments and write-downs	260	632
Net change in operating assets and liabilities (Note 24)	(453)	(457)
Net cash provided from continuing operations	561	732
Net cash used in discontinued operations	(6)	(11)
Net cash provided from operations	555	721
Investing activities:		
Additions to property, plant and mine development	(489)	(1,120)
Acquisitions, net	(28)	(13)
Sale of marketable securities	25	1
Purchases of marketable securities	(1)	(1)
Proceeds from sale of other assets	76	49
Other	(11)	(21)
Net cash used in investing activities	(428)	(1,105)
Financing activities:		
Proceeds from debt, net	18	987
Repayment of debt	(5)	(534)
Proceeds from stock issuance, net		2
Sale of noncontrolling interests	68	32
Acquisition of noncontrolling interests	(4)	(10)
Dividends paid to noncontrolling interests	(4)	(2)
Dividends paid to common stockholders	(89)	(385)

Other	(11)	(3)
Net cash provided from (used in) financing activities	(27)	87
Effect of exchange rate changes on cash	(2)	(16)
Net change in cash and cash equivalents	98	(313)
Cash and cash equivalents at beginning of period	1,555	1,561
Cash and cash equivalents at end of period	\$ 1,653	\$ 1,248

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

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NEWMONT MINING CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS

(unaudited, in millions)

	At June 30, 2014	At December 31, 2013
ASSETS		
Cash and cash equivalents	\$ 1,653	\$ 1,555
Trade receivables	147	230
Accounts receivable	299	252
Investments (Note 16)	84	78
Inventories (Note 17)	863	717
Stockpiles and ore on leach pads (Note 18)	775	805
Deferred income tax assets	287	246
Other current assets (Note 19)	1,246	1,006
Current assets	5,354	4,889
Property, plant and mine development, net	14,043	14,277
Investments (Note 16)	347	439
Stockpiles and ore on leach pads (Note 18)	2,773	2,680
Deferred income tax assets	1,611	1,478
Other long-term assets (Note 19)	848	844
Total assets	\$ 24,976	\$ 24,607
LIABILITIES		
Debt (Note 20)	\$ 112	\$ 595
Accounts payable	435	478
Employee-related benefits	232	341
Income and mining taxes	52	13
Other current liabilities (Note 21)	1,421	1,313
Current liabilities	2,252	2,740
Debt (Note 20)	6,673	6,145
Reclamation and remediation liabilities (Note 4)	1,531	1,513
Deferred income tax liabilities	730	635
Employee-related benefits	345	323
Other long-term liabilities (Note 21)	354	342
Total liabilities	11,885	11,698
Commitments and contingencies (Note 26)		
EQUITY		
Common stock	798	789

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Additional paid-in capital	8,636	8,538
Accumulated other comprehensive income (loss)	(242)	(182)
Retained earnings	1,039	848
Newmont stockholders' equity	10,231	9,993
Noncontrolling interests	2,860	2,916
Total equity	13,091	12,909
Total liabilities and equity	\$ 24,976	\$ 24,607

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

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NEWMONT MINING CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

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

NOTE 1 BASIS OF PRESENTATION

The interim Condensed Consolidated Financial Statements (interim statements) of Newmont Mining Corporation and its subsidiaries (collectively, Newmont or the Company) are unaudited. In the opinion of management, all adjustments and disclosures necessary for a fair presentation of these interim statements have been included. The results reported in these interim statements are not necessarily indicative of the results that may be reported for the entire year. These interim statements should be read in conjunction with Newmont's Consolidated Financial Statements for the year ended December 31, 2013 filed on June 13, 2014 on Form 8-K. The year-end balance sheet data was derived from the audited financial statements and, in accordance with the instructions to Form 10-Q, certain information and footnote disclosures required by United States generally accepted accounting principles (GAAP) have been condensed or omitted. References to A\$ refer to Australian currency, C\$ to Canadian currency and NZ\$ to New Zealand currency.

On February 18, 2014 the Company redeemed all outstanding exchangeable shares (other than those held by Newmont and its affiliates). On the date of the redemption, holders of exchangeable shares received, in exchange for each exchangeable share, one share of common stock of Newmont. At December 31, 2013, the value of the remaining outstanding exchangeable shares was included in Additional paid-in capital and Common shares.

Certain amounts in prior years have been reclassified to conform to the 2014 presentation.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Risks and Uncertainties

As a global mining company, our revenue, profitability and future rate of growth are substantially dependent on prevailing prices for gold, copper and, to a lesser extent, silver. Historically, the commodity markets have been very volatile, and there can be no assurance that commodity prices will not be subject to wide fluctuations in the future. A substantial or extended decline in commodity prices could have a material adverse effect on our financial position, results of operations, cash flows, access to capital and on the quantities of reserves that we can economically produce. The carrying value of our property, plant and mine development assets, inventories, stockpiles and ore on leach pads, and deferred tax assets are particularly sensitive to the outlook for commodity prices. A decline in our long term price outlook from current levels could result in material impairment charges related to these assets.

We are currently subject to an export ban at our Batu Hijau copper mine in Indonesia. In early 2014, the Indonesian government issued new regulations that impose new export conditions, an export duty and a January 2017 ban on the export of copper concentrate, all of which violate the Contract of Work signed by the Government of Indonesia and PT Newmont Nusa Tenggara (PTNNT) and the bilateral investment treaty between Indonesia and the Netherlands. While the 2009 mining law preserves the validity of PTNNT's Contract of Work (the investment agreement entered into by PTNNT and the Indonesian government in 1986, which includes the right to export copper concentrates and a prohibition against new taxes, duties, and levies), the Indonesian government has stated its intention to enforce the new regulations on PTNNT's operations and has not yet recognized PTNNT's rights to export copper concentrate and only pay the taxes, duties, and levies specified in the Contract of Work. The Company believes that these new 2014 regulations conflict with the Contract of Work. Although PTNNT is continuing to engage with government officials in

Indonesia in an effort to resolve this issue and gain clarity on implementation of the new regulations, the Company can make no assurances that the new regulations will not continue to impact operations or outlook for the Batu Hijau operation for an extended period. In June 2014, the Company invoked the force majeure clause in its Contract of Work due to these export issues and placed the Batu Hijau operations on care and maintenance. In July 2014, the Company filed international arbitration against the Government of Indonesia.

As a result of placing the Batu Hijau copper mine on care and maintenance, we have evaluated, and will continue to evaluate, the need for asset impairments, inventory write-downs, tax valuation allowances and other applicable accounting charges due to the status of the mine. PTNNT will continue to incur various costs during the care and maintenance period.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

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NEWMONT MINING CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

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

Recently Adopted Accounting Pronouncements

Discontinued Operations

In April 2014, ASC guidance was issued related to Discontinued Operations which changed the criteria for determining which disposals can be presented as discontinued operations and modified related disclosure requirements. The updated guidance requires an entity to only classify discontinued operations due to a major strategic shift or a major effect on an entity's operations in the financial statements. The updated guidance will also require additional disclosures relating to discontinued operations. The Company early adopted this guidance prospectively at the beginning of fiscal year January 1, 2014. Adoption of the new guidance did not have an impact on the consolidated financial position, results of operations or cash flows.

Presentation of an Unrecognized Tax Benefit

In July 2013, ASC guidance was issued related to the presentation of an unrecognized tax benefit when a net operating loss carryforward, a similar tax loss or a tax credit carryforward exists. The updated guidance requires an entity to net its unrecognized tax benefits against the deferred tax assets for all same jurisdiction net operating loss carryforward, a similar tax loss, or tax credit carryforwards. A gross presentation will be required only if such carryforwards are not available or would not be used by the entity to settle any additional income taxes resulting from disallowance of the uncertain tax position. Adoption of the new guidance, effective for the fiscal year beginning January 1, 2014, had no impact on the consolidated financial position, results of operations or cash flows.

Foreign Currency Matters

In March 2013, ASC guidance was issued related to foreign currency matters to clarify the treatment of cumulative translation adjustments when a parent sells a part or all of its investment in a foreign entity or no longer holds a controlling financial interest in a subsidiary or group of assets that is a business within a foreign entity. The updated guidance also resolves the diversity in practice for the treatment of business combinations achieved in stages in a foreign entity. Adoption of the new guidance, effective for the fiscal year beginning January 1, 2014, had no impact on the consolidated financial position, results of operations or cash flows.

Recently Issued Accounting Pronouncements

Stock based compensation

In June 2014, ASU guidance was issued to resolve the diversity of practice relating to the accounting for stock based performance awards that the performance target could be achieved after the employee completes the required service period. The update is effective prospectively or retrospectively beginning January 1, 2015. The Company does not expect the updated guidance to have an impact on the consolidated financial position, results of operations or cash flows.

Revenue Recognition

In May 2014, ASU guidance was issued related to revenue from contracts with customers. The new standard provides a five-step approach to be applied to all contracts with customers and also requires expanded disclosures about revenue recognition. The ASU is effective for annual reporting periods beginning after December 15, 2016, including interim periods and is to be retrospectively applied. Early adoption is not permitted. The Company is currently evaluating this guidance and the impact it will have on its consolidated financial statements.

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NEWMONT MINING CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

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

NOTE 3 SEGMENT INFORMATION

The Company's reportable segments are based upon the Company's management structure that is focused on the geographic region for the Company's operations. Geographic regions include North America, South America, Australia/New Zealand, Indonesia, Africa and Corporate and Other. Segment results for 2013 have been retrospectively revised to reflect a change in our reportable segments to align with a change in the chief operating decision makers' evaluation of the organization, effective in the first quarter of 2014. The Nevada operations have been revised to reflect Carlin, Phoenix, and Twin Creeks segments and Other Australia/New Zealand operations have been revised to reflect Tanami, Jundee, Waihi and Kalgoorlie segments. The Conga development project will be reported in the Other South America segment. The Nimba and Merian development projects, historically reported in Other Africa and Other South America, respectively, will be reported in Corporate and Other. The financial information relating to the Company's segments for all periods presented have been updated to reflect these changes.

On July 1, 2014, the Company completed the sale of its Jundee underground gold mine in Australia to Northern Star Resources Limited for total proceeds of approximately \$94. As of June 30, 2014, total assets and total liabilities were \$119 and \$50, respectively.

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

	Sales	Costs Applicable to Sales	Depreciation and Amortization	Advanced Projects and Exploration	Pre-Tax Income (Loss)
Three Months Ended June 30, 2014					
Carlin	\$ 268	\$ 209	\$ 43	\$ 7	\$ 3
Phoenix:					
Gold	72	35	9		
Copper	39	30	5		
Total	111	65	14		30
Twin Creeks	125	49	9	3	62
La Herradura	59	26	10	2	20
Other North America				6	(7)
North America	563	349	76	18	108
Yanacocha	240	184	84	9	(53)
Other South America				9	(24)
South America	240	184	84	18	(77)
Boddington:					
Gold	190	133	24		
Copper	38	32	6		
Total	228	165	30		27
Tanami	119	63	18	4	33
Jundee	97	43	17		37
Waihi	52	19	7	1	24
Kalgoorlie	96	65	4	2	22
Other Australia/New Zealand			5	1	(13)
Australia/New Zealand	592	355	81	8	130
Batu Hijau:					
Gold	10	9	3		
Copper	59	54	17		
Total	69	63	20	1	(33)
Other Indonesia					(1)

Indonesia	69	63	20	1	(34)
Ahafo	156	65	17	5	71
Akyem	145	44	21		74
Other Africa				3	(5)
Africa	301	109	38	8	140
Corporate and Other			7	30	(175)
Consolidated	\$ 1,765	\$ 1,060	\$ 306	\$ 83	\$ 92

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

	Sales	Costs Applicable to Sales	Depreciation and Amortization	Advanced Projects and Exploration	Pre-Tax Income (Loss)
Three Months Ended June 30, 2013					
Carlin	\$ 290	\$ 169	\$ 27	\$ 8	\$ 80
Phoenix:					
Gold	80	37	8		
Copper	25	15	3		
Total	105	52	11	3	37
Twin Creeks	188	80	22	3	80
La Herradura	71	42	7	15	8
Other North America				13	(17)
North America	654	343	67	42	188
Yanacocha	420	201	97	10	83
Other South America				2	(5)
South America	420	201	97	12	78
Boddington:					
Gold	249	252	59		
Copper	49	62	14		
Total	298	314	73		(2,200)
Tanami	83	64	17	3	(116)
Jundee	105	51	21	3	30
Waihi	34	25	8	1	
Kalgoorlie	110	123	8	1	(17)
Other Australia/New Zealand			3	4	(25)
Australia/New Zealand	630	577	130	12	(2,328)
Batu Hijau:					
Gold	15	63	13		
Copper	99	413	81		
Total	114	476	94	5	(477)
Other Indonesia					(1)

Indonesia	114	476	94	5	(478)
Ahafo	200	85	20	11	84
Akyem				2	(2)
Other Africa				4	(8)
Africa	200	85	20	17	74
Corporate and Other			7	34	(165)
Consolidated	\$ 2,018	\$ 1,682	\$ 415	\$ 122	\$ (2,631)

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

	Sales	Costs Applicable to Sales	Depreciation and Amortization	Advanced Projects and Exploration	Pre-Tax Income (Loss)	Capital Expenditures ⁽¹⁾
Six Months Ended June 30, 2014						
Carlin	\$ 561	\$ 401	\$ 78	\$ 11	\$ 64	\$ 102
Phoenix:						
Gold	142	69	14			
Copper	71	56	8			
Total	213	125	22	1	59	16
Twin Creeks	257	104	20	4	173	60
La Herradura	90	42	18	6	23	14
Other North America				12	(16)	6
North America	1,121	672	138	34	303	198
Yanacocha	505	405	185	16	(140)	35
Other South America				17	(32)	15
South America	505	405	185	33	(172)	50
Boddington:						
Gold	410	275	49			
Copper	77	72	12			
Total	487	347	61		64	46
Tanami	224	118	35	5	61	38
Jundee	179	85	34	1	58	15
Waihi	85	38	12	1	31	5
Kalgoorlie	214	142	10	3	55	5
Other Australia/New Zealand			9	2	(25)	4
Australia/New Zealand	1,189	730	161	12	244	113
Batu Hijau:						
Gold	18	17	5			
Copper	101	111	30			
Total	119	128	35	2	(84)	31
Other Indonesia					(1)	

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Indonesia	119	128	35	2	(85)	31
Ahafo	297	126	33	14	115	60
Akyem	298	82	42		162	
Other Africa				5	(8)	
Africa	595	208	75	19	269	60
Corporate and Other			10	59	(324)	12
Consolidated	\$ 3,529	\$ 2,143	\$ 604	\$ 159	\$ 235	\$ 464

(1) Includes a decrease in accrued capital expenditures of \$25; consolidated capital expenditures on a cash basis were \$489.

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

	Sales	Costs Applicable to Sales	Depreciation and Amortization	Advanced Projects and Exploration	Pre-Tax Income (Loss)	Capital Expenditures ⁽¹⁾
Six Months Ended June 30, 2013						
Carlin	\$ 641	\$ 348	\$ 59	\$ 19	\$ 208	\$ 119
Phoenix:						
Gold	133	78	15			
Copper	36	26	5			
Total	169	104	20	7	33	68
Twin Creeks	354	132	40	6	172	43
La Herradura	161	82	13	21	45	64
Other North America				21	(26)	13
North America	1,325	666	132	74	432	307
Yanacocha	875	361	167	23	276	89
Other South America				5	(7)	161
South America	875	361	167	28	269	250
Boddington:						
Gold	578	426	101			
Copper	114	110	24			
Total	692	536	125		(2,085)	54
Tanami	181	139	33	5	(112)	44
Jundee	229	105	37	7	80	23
Waihi	84	53	16	2	12	8
Kalgoorlie	230	198	13	2	22	5
Other Australia/New Zealand			5	8	(37)	3
Australia/New Zealand	1,416	1,031	229	24	(2,120)	137
Batu Hijau:						
Gold	26	70	15			
Copper	169	460	90			
Total	195	530	105	11	(481)	56
Other Indonesia					2	

Indonesia	195	530	105	11	(479)	56
Ahafo	395	151	37	24	187	117
Akyem				5	(7)	154
Other Africa				6	(17)	
Africa	395	151	37	35	163	271
Corporate and Other			12	61	(356)	48
Consolidated	\$ 4,206	\$ 2,739	\$ 682	\$ 233	\$ (2,091)	\$ 1,069

- (1) Includes a decrease in accrued capital expenditures of \$51; consolidated capital expenditures on a cash basis were \$1,120.

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NOTE 4 RECLAMATION AND REMEDIATION

The Company's *Reclamation and remediation* expense consisted of:

	Three Months Ended June 30		Six Months Ended June 30,	
	2014	2013	2014	2013
Accretion operating	\$ 18	\$ 15	\$ 36	\$ 30
Accretion non-operating	3	3	5	6
	\$ 21	\$ 18	\$ 41	\$ 36

At June 30, 2014 and December 31, 2013, \$1,457 and \$1,432, respectively, were accrued for reclamation obligations relating to operating properties. In addition, the Company is involved in several matters concerning environmental obligations associated with former, primarily historic, mining activities. Generally, these matters concern developing and implementing remediation plans at the various sites involved. At June 30, 2014 and December 31, 2013, \$165 and \$179, respectively, were accrued for such obligations. These amounts are also included in *Reclamation and remediation liabilities*.

The following is a reconciliation of *Reclamation and remediation liabilities*:

	Six Months Ended June 30,	
	2014	2013
Balance at beginning of period	\$ 1,611	\$ 1,539
Additions, changes in estimates and other	(7)	(3)
Liabilities settled	(23)	(24)
Accretion expense	41	36
Balance at end of period	\$ 1,622	\$ 1,548

The current portion of *Reclamation and remediation liabilities* of \$91 and \$98 at June 30, 2014 and December 31, 2013, respectively, are included in *Other current liabilities* (see Note 21).

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NOTE 5 WRITE-DOWNS

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Property, plant and mine development				
Yanacocha	\$	\$	\$	\$ 1
Other South America	13		13	
Boddington		2,107		2,107
Tanami		66		66
Batu Hijau		1		1
	13	2,174	13	2,175
Other long-term assets				
Boddington		31		31
Tanami		56		56
		87		87
	\$ 13	\$ 2,261	\$ 13	\$ 2,262

Write-downs totaled \$13 for the three and six months ended June 30, 2014, and \$2,261 and \$2,262 for the three and six months ended June 30, 2013, respectively. The 2014 write-downs are primarily related to non-essential equipment in Other South America. The 2013 write-downs were primarily due to a decrease in the Company's long-term gold and copper price assumptions during the second quarter to \$1,400 per ounce and \$3.00 per pound, respectively, combined with rising operating costs. These factors represented significant changes in the business, requiring the Company to evaluate for impairment. For purposes of this evaluation, estimates of future cash flows of the individual reporting units were used to determine fair value. The estimated cash flows were derived from life-of-mine plans, developed using long-term pricing reflective of the current price environment and projections for operating costs.

Due to the above conditions in 2013, Goodwill was included in the Company's impairment analysis. After-tax discounted future cash flows of reporting units with Goodwill were analyzed. Goodwill had a carrying value of \$188 at December 31, 2012. As a result of this evaluation, the Company recorded an impairment of \$56 at Tanami, resulting in a carrying value of \$132 at June 30, 2013.

NOTE 6 OTHER EXPENSE, NET

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Regional administration	\$ 16	\$ 18	\$ 31	\$ 36
Community development	15	17	26	30
Restructuring and other	6	21	13	30
Western Australia power plant	1	7	7	11
Transaction/Acquisition costs				45
Other	13	14	26	24
	\$ 51	\$ 77	\$ 103	\$ 176

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NOTE 7 OTHER INCOME, NET

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Gain on Midas sale	\$	\$	\$ 47	\$
Refinery Income, net	5	4	9	7
Gain on sale of investments, net	1		5	
Development projects, net		7	2	8
Interest	1	2	2	6
Canadian Oil Sands dividends		11		21
Derivative ineffectiveness, net		(3)		
Impairment of marketable securities		(7)	(1)	(11)
Foreign currency exchange, net	(10)	40	(24)	37
Other	6	(4)	9	8
	\$ 3	\$ 50	\$ 49	\$ 76

NOTE 8 INCOME AND MINING TAXES

During the second quarter of 2014, the Company recorded an estimated income and mining tax benefit of \$53, resulting in an effective tax rate of (58)%. Estimated income and mining tax benefit during the second quarter of 2013 was \$287 for an effective tax rate of 12%. During the first half of 2014, the estimated income and mining tax expense was \$25, resulting in an effective tax rate of 10%. Estimated income and mining tax benefit during the first half of 2013 was \$107 for an effective tax rate of 7%.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
<i>Income (loss) before income and mining tax and other items</i>	\$ 92	\$ (2,631)	\$ 235	\$ (2,091)
Tax at statutory rate	35% \$ 32	35% \$ (921)	35% \$ 82	35% \$ (732)
Reconciling items:				
Percentage depletion	(21)% (19)	2% (52)	(13)% (30)	4% (93)

Change in valuation allowance on deferred tax assets	(81)%	(75)	(26)%	723	(27)%	(62)	(33)%	728
Mining and other Taxes	5%	5	(1)%	18	3%	8	(1)%	36
Disallowed loss on Midas Sale					6%	13		
Effect of foreign earnings, net of credits	3%	3	(1)%	20	4%	9	(1)%	16
Other	1%	1	3%	(75)	2%	5	3%	(62)

Income and mining tax expense

<i>(benefit)</i>	(58)%	\$ (53)	12%	\$ (287)	10%	\$ 25	7%	\$ (107)
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The difference in effective tax rates is due to the following: (i) a 2014 release of valuation allowance on some of the Company's tax credits related to the settlement of an income tax audit (ii) a larger impact in 2014 from percentage depletion, partially offset by (iii) a 2014 increase in the rate associated with mining taxes.

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A valuation allowance is provided for those deferred tax assets for which it is more likely than not that the related benefits will not be realized. In determining the amount of the valuation allowance, each quarter the Company considers future reversals of existing taxable temporary differences, estimated future taxable income, taxable income in prior carryback year(s), as well as feasible tax planning strategies in each jurisdiction to determine if the deferred tax assets are realizable. If it is determined that the Company will not realize all or a portion of its deferred tax assets, it will place or increase a valuation allowance. Conversely, if determined that it will ultimately be able to realize all or a portion of the related benefits for which a valuation allowance has been provided, all or a portion of the related valuation allowance will be reduced. There are a number of risk factors that could impact the Company's ability to realize the deferred tax assets. See Note 2, Summary of Significant Accounting Policies, Risks and Uncertainties.

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

At June 30, 2014, the Company's total unrecognized tax benefit was \$396 for uncertain income tax positions taken or expected to be taken on income tax returns. Of this, \$33 represents the amount of unrecognized tax benefits that, if recognized, would affect the Company's effective income tax rate.

As a result of the statute of limitations that expire in the next 12 months in various jurisdictions, and possible settlements of audit-related issues with taxing authorities in various jurisdictions with respect to which none of the issues are individually significant, the Company believes that it is reasonably possible that the total amount of its net unrecognized income tax benefits will decrease by approximately \$5 to \$10 in the next 12 months.

NOTE 9 DISCONTINUED OPERATIONS

Discontinued operations include Holloway Mining Company, which owned the Holt-McDermott property (Holt property) that was sold to St. Andrew Goldfields Ltd. (St. Andrew) in 2006. In 2009, the Superior Court issued a decision finding Newmont Canada Corporation (Newmont Canada) liable for a sliding scale royalty on production from the Holt property, which was upheld in 2011 by the Ontario Court of Appeal. During the second quarter of 2014, the Company recorded a charge of \$2, net of tax benefits of \$1, related to a decrease in discount rates offset by a decrease in gold price. During the first half of 2014, the Company recorded a charge from discontinued operations of \$19, net of tax benefit of \$9, related to an increase in gold price, an increase in expected future production and a decrease in discount rates. During the second quarter of 2013, the Company recorded a benefit of \$74, net of tax expense of \$34, related to a decline in the gold spot price and an increase in discount rates. During the first half of 2013, the Company recorded a benefit from discontinued operations of \$74, net of tax expense of \$34, related to a

decline in the gold spot price and an increase in discount rates.

Net operating cash used in discontinued operations of \$6 and \$11 in the first half of 2014 and 2013 respectively relates to payments on the Holt property royalty.

NOTE 10 NET INCOME (LOSS) ATTRIBUTABLE TO NONCONTROLLING INTERESTS

	Three Months Ended June 30, 2014		Six Months Ended June 30, 2013	
	2014	2013	2014	2013
Minera Yanacocha	\$ (20)	\$ 24	\$ (49)	\$ 81
Batu Hijau	(10)	(238)	(33)	(241)
TMAC	(6)	(2)	(7)	(14)
Other	1	2	2	2
	\$ (35)	\$ (214)	\$ (87)	\$ (172)

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

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Newmont has a 48.5% effective economic interest in PT Newmont Nusa Tenggara (PTNNT) with remaining interests held by an affiliate of Sumitomo Corporation of Japan and various Indonesian entities. PTNNT operates the Batu Hijau copper and gold mine in Indonesia. Based on ASC guidance for variable interest entities, Newmont consolidates PTNNT in its Condensed Consolidated Financial Statements.

Newmont's economic ownership interest in TMAC was reduced to 45.2% from 70.4% in April 2014 due to TMAC's private placement to raise funds. The remaining interests are held by TMAC management and various outside investors.

NOTE 11 INCOME PER COMMON SHARE

Basic income per common share is computed by dividing income available to Newmont common stockholders by the weighted average number of common shares outstanding during the period. Diluted income per common share is computed similarly except that weighted average common shares is increased to reflect all dilutive instruments.

	Three Months Ended June 30		Six Months Ended June 30,	
	2014	2013	2014	2013
Net income (loss) attributable to Newmont stockholders				
Continuing operations	\$ 182	\$ (2,133)	\$ 299	\$ (1,819)
Discontinued operations	(2)	74	(19)	74
	\$ 180	\$ (2,059)	\$ 280	\$ (1,745)
Weighted average common shares (millions):				
Basic	499	497	498	497
Effect of employee stock-based awards			1	
Diluted	499	497	499	497
Income (loss) per common share				
Basic:				
Continuing operations	\$ 0.37	\$ (4.29)	\$ 0.60	\$ (3.66)
Discontinued operations	(0.01)	0.15	(0.04)	0.15
	\$ 0.36	\$ (4.14)	\$ 0.56	\$ (3.51)

Diluted:

Continuing operations	\$ 0.37	\$ (4.29)	\$ 0.60	\$ (3.66)
Discontinued operations	(0.01)	0.15	(0.04)	0.15
	\$ 0.36	\$ (4.14)	\$ 0.56	\$ (3.51)

Options to purchase 3 and 4 million shares of common stock at average exercise prices of \$48 and \$48 were outstanding at June 30, 2014 and 2013, respectively, but were not included in the computation of diluted weighted average common shares because their exercise prices exceeded the average price of the Company's common stock for the respective periods presented.

Other outstanding options to purchase 1 million shares of common stock were not included in the computation of diluted weighted average common shares in the second quarter and first half of 2013 because their effect would have been anti-dilutive.

Newmont is required to settle the principal amount of its 2014 and 2017 Convertible Senior Notes in cash and may elect to settle the remaining conversion premium (average share price in excess of the conversion price), if any, in cash, shares or a combination thereof. The effect of contingently convertible instruments on diluted earnings per share is calculated under the net share settlement method in accordance with ASC guidance. The conversion price exceeded the Company's share price for the periods presented, therefore no additional shares were included in the computation of diluted weighted average common shares.

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NOTE 12 EMPLOYEE PENSION AND OTHER BENEFIT PLANS

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Pension benefit costs, net				
Service cost	\$ 7	\$ 9	\$ 13	\$ 18
Interest cost	10	10	20	20
Expected return on plan assets	(13)	(13)	(26)	(25)
Amortization	4	10	7	18
Settlements	3		3	
	\$ 11	\$ 16	\$ 17	\$ 31

	Three		Six	
	Months Ended June 30,		Months Ended June 30,	
	2014	2013	2014	2013
Other benefit costs, net				
Service cost	\$	\$ 1	\$ 1	\$ 2
Interest cost	1	2	3	3
	\$ 1	\$ 3	\$ 4	\$ 5

NOTE 13 STOCK BASED COMPENSATION

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Stock options	\$ 1	\$ 2	\$ 2	\$ 5
Restricted stock units	8	7	15	16
Performance leveraged stock units	2	2	5	4
Strategic performance units	2	3	5	3
	\$ 13	\$ 14	\$ 27	\$ 28

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NOTE 14 FAIR VALUE ACCOUNTING

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

	Fair Value at June 30, 2014			
	Total	Level 1	Level 2	Level 3
Assets:				
Cash equivalents	\$ 861	\$ 861	\$	\$
Marketable equity securities:				
Extractive industries	244	244		
Other	16	16		
Marketable debt securities:				
Asset backed commercial paper	24			24
Auction rate securities	6			6
Trade receivable from provisional copper and gold concentrate sales, net	111	111		
Derivative instruments, net:				
Diesel forward contracts	4		4	
	\$ 1,266	\$ 1,232	\$ 4	\$ 30
Liabilities:				
Derivative instruments, net:				
Foreign exchange forward contracts	\$ 30	\$	\$ 30	\$
Boddington contingent consideration	10			10
Holt property royalty	155			155
	\$ 195	\$	\$ 30	\$ 165

The fair values of the derivative instruments in the table above are presented on a net basis. The gross amounts related to the fair value of the derivatives instruments above are included in the *Derivatives Instruments* Note (see Note 15). All other Fair Value disclosures in the above table are presented on a gross basis.

The following table sets forth a summary of the quantitative and qualitative information related to the unobservable inputs used in the calculation of the Company's Level 3 financial assets and liabilities at June 30, 2014:

Description	At June 30, 2014	Valuation technique	Unobservable input	Range/Weighted average
Auction Rate Securities	\$ 6	Discounted cash flow	Weighted average recoverability rate	80 %
Asset Backed Commercial Paper	24	Discounted cash flow	Recoverability rate	90 %
Boddington Contingent Consideration	10	Monte Carlo	Discount rate	5 %
			Long Term Gold price	\$ 1,300
			Long Term Copper price	\$ 3.00
Holt property royalty	155	Monte Carlo	Weighted average discount rate	4 %
			Long Term Gold price	\$ 1,300

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The following table sets forth a summary of changes in the fair value of the Company's Level 3 financial assets and liabilities at June 30, 2014:

	Asset Backed			Boddington		
	Auction Rate	Commercial	Total Assets	Contingent	Holt Property	Total
	Securities	Paper		Royalty	Royalty	Liabilities
Balance at beginning of period	\$ 5	\$ 25	\$ 30	\$ 10	\$ 134	\$ 144
Settlements					(6)	(6)
Revaluation	1	(1)			27	27
Balance at end of period	\$ 6	\$ 24	\$ 30	\$ 10	\$ 155	\$ 165

At June 30, 2014, assets and liabilities classified within Level 3 of the fair value hierarchy represent 2% and 85%, respectively, of total assets and liabilities measured at fair value.

NOTE 15 DERIVATIVE INSTRUMENTS

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

Cash Flow Hedges

The foreign currency and diesel contracts are designated as cash flow hedges, and as such, the effective portion of unrealized changes in market value have been recorded in *Accumulated other comprehensive income (loss)* and are reclassified to income during the period in which the hedged transaction affects earnings. Gains and losses from hedge ineffectiveness are recognized in current earnings.

Foreign Currency Contracts

Newmont had the following foreign currency derivative contracts outstanding at June 30, 2014:

	Expected Maturity Date				
	2014	2015	2016	2017	2018

						Total/ Average
A\$ Operating Fixed Forward Contracts:						
A\$ notional (millions)	153	270	158	105	6	692
Average rate (\$/A\$)	0.99	0.98	0.95	0.93	0.92	0.97
Expected hedge ratio	19%	18%	11%	7%	4%	
NZ\$ Operating Fixed Forward Contracts:						
NZ\$ notional (millions)	32	47	7			86
Average rate (\$/NZ\$)	0.80	0.80	0.81			0.80
Expected hedge ratio	62%	38%	14%			

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Diesel Fixed Forward Contracts

Newmont had the following diesel derivative contracts outstanding at June 30, 2014:

	Expected Maturity Date				Total/ Average
	2014	2015	2016	2017	
Diesel Fixed Forward Contracts:					
Diesel gallons (millions)	12	18	10	2	42
Average rate (\$/gallon)	2.85	2.78	2.69	2.67	2.77
Expected Nevada hedge ratio	60%	46%	26%	8%	

Derivative Instrument Fair Values

Newmont had the following derivative instruments designated as hedges at June 30, 2014 and December 31, 2013:

	Fair Value At June 30, 2014			
	Other Current Assets	Other Long- Term Assets	Other Current Liabilities	Other Long- Term Liabilities
Foreign currency exchange contracts:				
A\$ operating fixed forwards	\$	\$	\$ 16	\$ 19
NZ\$ operating fixed forwards	4	1		
Diesel fixed forwards	2	2		
Total derivative instruments (Notes 19 and 21)	\$ 6	\$ 3	\$ 16	\$ 19

	Fair Value At December 31, 2013			
	Other Current Assets	Other Long- Term Assets	Other Current Liabilities	Other Long- Term Liabilities
Foreign currency exchange contracts:				

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A\$ operating fixed forwards	\$	\$	\$	36	\$	60	
NZ\$ operating fixed forwards	1						
Diesel fixed forwards	3		1				
Total derivative instruments (Notes 19 and 21)	\$4	\$	1	\$	36	\$	60

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

	Foreign Currency Exchange Contracts		Diesel Forward Contracts		Forward Starting Swap Contracts	
	2014	2013	2014	2013	2014	2013
For the three months ended June 30,						
Cash flow hedging relationships:						
Gain (loss) recognized in other comprehensive income (loss) (effective portion)	\$ 18	\$ (386)	\$ 3	\$ (6)	\$	\$
Gain (loss) reclassified from Accumulated other comprehensive income into income (loss) (effective portion) (1)	22	22	1	(4)	(4)	(6)
Gain (loss) reclassified from Accumulated other comprehensive loss into income (ineffective portion) ⁽²⁾				(3)		
For the six months ended June 30,						
Cash flow hedging relationships:						
Gain (loss) recognized in other comprehensive income (loss) (effective portion)	\$ 52	\$ (368)	\$ 1	\$ (4)	\$	\$
Gain (loss) reclassified from Accumulated other comprehensive income into income (loss) (effective portion) (1)	27	60	1		(9)	(9)

(1) The gain (loss) recognized for the effective portion of cash flow hedges is included in *Cost Applicable to Sales, Write-downs and Interest expense, net*.

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

Based on fair values at June 30, 2014 the amount to be reclassified from *Accumulated other comprehensive income (loss)*, net of tax to income for derivative instruments during the next 12 months is a gain of approximately \$3.

Provisional Copper and Gold Sales

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

London Metal Exchange (LME) copper prices averaged \$3.08 per pound during the three months ended June 30, 2014, compared with the Company's recorded average provisional price of \$3.12 per pound before mark-to-market adjustments and treatment and refining charges. LME copper prices averaged \$3.14 per pound during the six months ended June 30, 2014, compared with the Company's recorded average provisional price of \$3.13 per pound before mark-to-market adjustments and treatment and refining charges. During the three and six months ended June 30, 2014, changes in copper prices resulted in a provisional pricing mark-to-market gain of \$6 (\$0.14 per pound) and loss of \$11 (\$0.13 per pound), respectively. At June 30, 2014, Newmont had copper sales of 48 million pounds priced at an average of \$3.15 per pound, subject to final pricing over the next several months.

The average London P.M. fix for gold was \$1,288 per ounce during the three months ended June 30, 2014, compared with the Company's recorded average provisional price of \$1,287 per ounce before mark-to-market adjustments and treatment and refining charges. The average London P.M. fix for gold was \$1,291 per ounce during the six months ended June 30, 2014, compared to the Company's recorded average provisional price of \$1,290 per ounce before mark-to-market adjustments and treatment and refining charges. During the three months ended June 30, 2014 there was minimal fluctuation in the gold price, resulting in a provisional pricing mark-to-market close to nil. During the six months ended June 30, 2014, changes in gold prices resulted in a gain of \$5 (\$2 per ounce). At June 30, 2014, Newmont had gold sales of 54,000 ounces priced at an average of \$1,311 per ounce, subject to final pricing over the next several months.

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NOTE 16 INVESTMENTS

	At June 30, 2014			
	Cost/Equity Basis	Unrealized Gain	Loss	Fair/Equity Basis
Current:				
Marketable Equity Securities:				
Gabriel Resources Ltd.	\$ 37	\$ 8	\$	\$ 45
Other	29	13	(3)	39
	\$ 66	\$ 21	\$ (3)	\$ 84
Long-term:				
Marketable Debt Securities:				
Asset backed commercial paper	\$ 23	\$ 1	\$	\$ 24
Auction rate securities	8		(2)	6
	31	1	(2)	30
Marketable Equity Securities:				
Regis Resources Ltd.	165		(15)	150
Other	21	6	(1)	26
	186	6	(16)	176
Other investments, at cost	20			20
Investment in Affiliates:				
Euronimba Ltd.	2			2
Minera La Zanja S.R.L.	104			104
Novo Resources Corp.	15			15
	\$ 358	\$ 7	\$ (18)	\$ 347

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	At December 31, 2013			
	Cost/Equity Basis	Unrealized Gain	Loss	Fair/Equity Basis
Current:				
Marketable Equity Securities:				
Gabriel Resources Ltd.	\$ 37	\$	\$	\$ 37
Paladin Energy Ltd.	21	1		22
Other	19	4	(4)	19
	\$ 77	\$ 5	\$ (4)	\$ 78
Long-term:				
Marketable Debt Securities:				
Asset backed commercial paper	\$ 23	\$ 2	\$	\$ 25
Auction rate securities	8		(3)	5
	31	2	(3)	30
Marketable Equity Securities:				
Regis Resources Ltd.	165	88		253
Other	30	5		35
	195	93		288
Other investments, at cost	13			13
Investment in Affiliates:				
Minera La Zanja S.R.L.	92			92
Novo Resources Corp.	16			16
	\$ 347	\$ 95	\$ (3)	\$ 439

In March 2014, the Company sold its investment in Paladin Energy Ltd. for \$25, resulting in a pre-tax gain of \$4 recorded in *Other income, net*. In June 2014, the Company completed the sale of its investment in Leyshon Energy Ltd. for \$1, resulting in a pre-tax gain of \$1 recorded in *Other income, net*.

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	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
At June 30, 2014						
Marketable equity securities	\$ 158	\$ 19	\$	\$	\$ 158	\$ 19
Auction rate securities			6	2	6	2
	\$ 158	\$ 19	\$ 6	\$ 2	\$ 164	\$ 21

	Less than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
At December 31, 2013						
Marketable equity securities	\$ 54	\$ 4	\$	\$	\$ 54	\$ 4
Auction rate securities			5	3	5	3
	\$ 54	\$ 4	\$ 5	\$ 3	\$ 59	\$ 7

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NEWMONT MINING CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

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

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

NOTE 17 INVENTORIES

	At June 30, 2014	At December 31, 2013
In-process	\$ 115	\$ 97
Concentrate	239	108
Precious metals	22	26
Materials, supplies and other	487	486
	\$ 863	\$ 717

The Company recorded write-downs of \$1 and \$2, classified as components of *Costs applicable to sales* and *Depreciation and amortization*, respectively, for the first half of 2014, to reduce the carrying value of Yanacocha's inventories to net realizable value.

NOTE 18 STOCKPILES AND ORE ON LEACH PADS

	At June 30, 2014	At December 31, 2013
Current:		
Stockpiles	\$ 528	\$ 580
Ore on leach pads	247	225
	\$ 775	\$ 805
Long-term:		
Stockpiles	\$ 2,564	\$ 2,434
Ore on leach pads	209	246
	\$ 2,773	\$ 2,680

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NEWMONT MINING CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

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

	At June 30, 2014	At December 31, 2013
Stockpiles and ore on leach pads:		
Carlin	\$ 412	\$ 439
Phoenix	115	109
Twin Creeks	309	327
La Herradura	92	57
Yanacocha	368	504
Boddington	329	304
Tanami	8	12
Jundee	7	7
Waihi	3	2
Kalgoorlie	113	107
Batu Hijau	1,379	1,290
Ahafo	335	292
Akyem	78	35
	\$ 3,548	\$ 3,485

The Company recorded write-downs of \$182 and \$62, classified as components of *Costs applicable to sales* and *Depreciation and amortization*, respectively, for the first half of 2014 to reduce the carrying value of stockpiles and ore on leach pads to net realizable value. Adjustments to net realizable value are a result of current and prior stripping and the associated historical and estimated future processing costs in relation to the Company's long term price assumptions. Of the write-downs in 2014, \$65 are related to Carlin, \$5 to Twin Creeks, \$87 to Yanacocha, \$50 to Boddington and \$37 to Batu Hijau.

NOTE 19 OTHER ASSETS

	At June 30, 2014	At December 31, 2013
Other current assets:		
Refinery metal inventory and receivable	\$ 802	\$ 679
Prepaid assets	305	157
Other refinery metal receivables	97	130
Derivative instruments	6	4
Other	36	36
	\$ 1,246	\$ 1,006

Other long-term assets:			
Income tax receivable	\$	249	\$ 229
Goodwill		132	132
Intangible assets		114	98
Prepaid royalties		103	103
Restricted cash		99	95
Debt issuance costs		62	62
Prepaid maintenance costs		40	31
Derivative instruments		3	1
Other		46	93
	\$	848	\$ 844

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

NOTE 20 DEBT

Scheduled minimum debt repayments are \$51 for the remainder of 2014, \$168 in 2015, \$221 in 2016, \$771 in 2017, \$1 in 2018 and \$5,680 thereafter.

Term Loan and Revolver Extension

On March 31, 2014, the Company entered into a \$575 uncollateralized term loan facility with a syndicate of banks. The term loan allows for a single drawing any business day on or prior to July 15, 2014 (the Funding Date) and will mature five years after the Funding Date. Borrowings under the facility will bear interest at LIBOR plus a margin ranging from 0.875% to 1.65%. Fees and other debt issuance costs related to the facility will be capitalized and amortized over the term of the debt. There are no borrowings outstanding under the facility at June 30, 2014.

On July 11, 2014, the Company borrowed \$575 under the new term loan facility. The loan will mature July 11, 2019. Proceeds were used to retire the \$575 convertible debt due on July 15, 2014. As such, the convertible debt has been reclassified to long-term on the balance sheet at June 30, 2014.

On March 31, 2014, the Company's Corporate Revolving Credit Facility was amended to extend the facility two years to 2019. The available capacity under the Corporate Revolving Credit Facility remains at \$3,000. There are no borrowings outstanding under the facility at June 30, 2014.

NOTE 21 OTHER LIABILITIES

	At June 30, 2014	At December 31, 2013
Other current liabilities:		
Refinery metal payable	\$ 802	\$ 679
Deferred income tax	142	74
Accrued operating costs	135	157
Reclamation and remediation liabilities	91	98
Interest	75	74
Accrued capital expenditures	47	72
Royalties	32	58
Derivative instruments	16	36
Holt property royalty	14	15
Taxes other than income and mining	11	6
Other	56	44

	\$	1,421	\$	1,313
Other long-term liabilities:				
Holt property royalty	\$	141	\$	119
Income and mining taxes		105		70
Power supply agreements		41		39
Derivative instruments				