

---

**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 September 30, 2018

or

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-31240

---



**NEWMONT MINING CORPORATION**

(Exact name of registrant as specified in its charter)

Delaware  
(State or Other Jurisdiction of  
Incorporation or Organization)

6363 South Fiddler's Green Circle  
Greenwood Village, Colorado  
(Address of Principal Executive Offices)

84-1611629  
(I.R.S. Employer  
Identification No.)

80111  
(Zip Code)

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

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

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

Large accelerated filer   
Non-accelerated filer

Accelerated filer   
Smaller reporting company   
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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 532,660,228 shares of common stock outstanding on October 18, 2018.

---

---

**TABLE OF CONTENTS**

	<u>Page</u>
<b><u>PART I – FINANCIAL INFORMATION</u></b>	
<b><u>THIRD QUARTER 2018 RESULTS AND HIGHLIGHTS</u></b>	1
<b><u>ITEM 1. FINANCIAL STATEMENTS</u></b>	3
<u>Condensed Consolidated Statements of Operations</u>	3
<u>Condensed Consolidated Statements of Comprehensive Income (Loss)</u>	4
<u>Condensed Consolidated Statements of Cash Flows</u>	5
<u>Condensed Consolidated Balance Sheets</u>	6
<u>Condensed Consolidated Statement of Changes in Equity</u>	7
<u>Notes to Condensed Consolidated Financial Statements</u>	8
<b><u>ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u></b>	54
<u>Overview</u>	54
<u>Consolidated Financial Results</u>	54
<u>Results of Consolidated Operations</u>	60
<u>Foreign Currency Exchange Rates</u>	67
<u>Liquidity and Capital Resources</u>	68
<u>Environmental</u>	70
<u>Accounting Developments</u>	70
<u>Non-GAAP Financial Measures</u>	70
<u>Safe Harbor Statement</u>	80
<b><u>ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u></b>	82
<b><u>ITEM 4. CONTROLS AND PROCEDURES</u></b>	84
<b><u>PART II – OTHER INFORMATION</u></b>	
<b><u>ITEM 1. LEGAL PROCEEDINGS</u></b>	85
<b><u>ITEM 1A. RISK FACTORS</u></b>	85
<b><u>ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS</u></b>	85
<b><u>ITEM 3. DEFAULTS UPON SENIOR SECURITIES</u></b>	85
<b><u>ITEM 4. MINE SAFETY DISCLOSURES</u></b>	85
<b><u>ITEM 5. OTHER INFORMATION</u></b>	86
<b><u>ITEM 6. EXHIBITS</u></b>	87
<b><u>SIGNATURES</u></b>	88

---

NEWMONT MINING CORPORATION

**THIRD QUARTER 2018 RESULTS AND HIGHLIGHTS**  
(unaudited, in millions, except per share, per ounce and per pound)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
<b>Financial Results:</b>				
Sales	\$ 1,726	\$ 1,879	\$ 5,205	\$ 5,444
Gold	\$ 1,656	\$ 1,799	\$ 4,976	\$ 5,217
Copper	\$ 70	\$ 80	\$ 229	\$ 227
Costs applicable to sales <sup>(1)</sup>	\$ 995	\$ 1,053	\$ 2,989	\$ 3,009
Gold	\$ 952	\$ 1,017	\$ 2,853	\$ 2,890
Copper	\$ 43	\$ 36	\$ 136	\$ 119
Net income (loss) from continuing operations	\$ (140)	\$ 206	\$ 309	\$ 453
Net income (loss)	\$ (124)	\$ 199	\$ 365	\$ 408
Net income (loss) from continuing operations attributable to Newmont stockholders	\$ (161)	\$ 213	\$ 283	\$ 473
Per common share, diluted:				
Net income (loss) from continuing operations attributable to Newmont stockholders	\$ (0.31)	\$ 0.39	\$ 0.53	\$ 0.88
Net income (loss) attributable to Newmont stockholders	\$ (0.27)	\$ 0.38	\$ 0.63	\$ 0.80
Adjusted net income (loss) <sup>(2)</sup>	\$ 175	\$ 184	\$ 504	\$ 568
Adjusted net income (loss) per share, diluted <sup>(2)</sup>	\$ 0.33	\$ 0.34	\$ 0.94	\$ 1.06
Earnings before interest, taxes and depreciation and amortization <sup>(2)</sup>	\$ 222	\$ 662	\$ 1,492	\$ 1,932
Adjusted earnings before interest, taxes and depreciation and amortization <sup>(2)</sup>	\$ 636	\$ 656	\$ 1,825	\$ 1,929
Net cash provided by (used in) operating activities of continuing operations			\$ 1,095	\$ 1,391
Free Cash Flow <sup>(2)</sup>			\$ 332	\$ 834
Cash dividends declared per common share	\$ 0.14	\$ 0.075	\$ 0.42	\$ 0.175
<b>Operating Results:</b>				
Consolidated gold ounces (thousands):				
Produced	1,394	1,441	3,922	4,208
Sold	1,378	1,411	3,914	4,178
Attributable gold ounces (thousands):				
Produced	1,286	1,339	3,657	3,925
Sold	1,270	1,313	3,648	3,892
Consolidated and attributable copper pounds (millions):				
Produced	26	27	83	87
Sold	28	26	82	84
Average realized price:				
Gold (per ounce)	\$ 1,201	\$ 1,276	\$ 1,271	\$ 1,249
Copper (per pound)	\$ 2.50	\$ 3.06	\$ 2.79	\$ 2.71
Consolidated costs applicable to sales: <sup>(1)(2)</sup>				
Gold (per ounce)	\$ 691	\$ 721	\$ 729	\$ 692
Copper (per pound)	\$ 1.54	\$ 1.38	\$ 1.66	\$ 1.42
All-in sustaining costs: <sup>(2)</sup>				
Gold (per ounce)	\$ 927	\$ 941	\$ 973	\$ 908
Copper (per pound)	\$ 1.87	\$ 1.65	\$ 2.00	\$ 1.70

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

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

### **Third Quarter 2018 Highlights**

- **Net income (loss):** Delivered *Net income (loss) from continuing operations attributable to Newmont stockholders* of \$(161) or \$(0.31) per diluted share, a decrease of \$374 from the prior-year quarter, primarily due to the impairment of exploration and long-lived assets in North America and lower metal prices, partially offset by lower income tax expense.
- **Adjusted net income (loss):** Delivered Adjusted net income (loss) of \$175 or \$0.33 per diluted share, a 3% decrease from the prior-year quarter (See “Non-GAAP Financial Measures” beginning on page 70).
- **Adjusted EBITDA:** Generated \$636 in Adjusted EBITDA, a 3% decrease from the prior-year quarter (See “Non-GAAP Financial Measures” beginning on page 70).
- **Cash Flow:** Reported *Net cash provided by (used in) operating activities of continuing operations* of \$1,095 for the nine months ended September 30, 2018, a 21% decrease from the prior year, and free cash flow of \$332 (See “Non-GAAP Financial Measures” beginning on page 70).
- **Portfolio improvements:** Completed the CC&V concentrates project in North America; commissioned the primary crusher at Merian in South America; advanced the Tanami Expansion 2 project to definitive feasibility study in Australia; formed a strategic partnership with Evrim Resources in the Cuale gold project in Mexico; expanded regional exploration activities with an investment in Orosur Mining and an opportunity to participate in Miranda Gold’s Lyra project in Colombia.
- **Attributable gold production:** Decreased 4.0% to 1.29 million ounces of gold, primarily due to lower mill throughput at Carlin, lower leach production at CC&V, and lower grades at Kalgoorlie. These impacts were partially offset by higher grades at Ahafo, Yanacocha and Tanami.
- **Financial strength:** Ended the quarter with \$3.1 billion cash on hand and net debt of \$1.1 billion; an industry-leading balance sheet with investment-grade credit profile; and a quarterly dividend declared of \$0.14 per share, an increase of 87% over the prior-year quarter.

### **Our global project pipeline**

Newmont’s capital-efficient project pipeline supports stable production with improving margins and mine life. Near-term development capital projects are presented below. Funding for Subika Underground, Ahafo Mill Expansion, Quecher Main and Tanami Power projects has been approved and these projects are in execution.

*Subika Underground, Africa.* This project leverages existing infrastructure and an optimized approach to develop Ahafo’s most promising underground resource. First production was achieved in June 2017 with commercial production expected in the fourth quarter of 2018. The project is expected to have an average annual gold production of between 150,000 and 200,000 ounces per year for the first five years beginning in 2019 with an initial mine life of approximately 11 years. Development capital costs (excluding capitalized interest) since approval were \$154, of which \$24 related to the third quarter of 2018.

*Ahafo Mill Expansion, Africa.* This project is designed to maximize resource value by improving production margins and accelerating stockpile processing. The project also supports profitable development of Ahafo’s highly prospective underground resources. The expansion is expected to have an average annual gold production of between 75,000 and 100,000 ounces per year for the first five years beginning in 2020. Development capital costs (excluding capitalized interest) since approval were \$102, of which \$19 related to the third quarter of 2018. A tragic construction accident occurred in April which resulted in six fatalities. Construction restarted in August following a four-month stop to put in place additional safety measures agreed upon with the government of Ghana. The delay will shift first gold production into the second half of 2019, while commercial production remains in the second half of 2019.

*Quecher Main, South America.* This project will add oxide production at Yanacocha, leverage existing infrastructure and enable potential future growth at Yanacocha. First production is expected in late 2018 with commercial production in the second half of 2019. Quecher Main extends the life of the Yanacocha operation to 2027 with average annual gold production of about 200,000 ounces per year (on a consolidated basis) between 2020 and 2025. Development capital costs (excluding capitalized interest) since approval were \$67, of which \$26 related to the third quarter of 2018.

*Tanami Power, Australia.* This project will lower power costs beginning in 2019, mitigate fuel supply risk and reduce carbon emissions. The project includes a 450 kilometer natural gas pipeline to be constructed connecting the Tanami site to the Amadeus Gas Pipeline, and construction and operation of two on-site power stations. The gas supply, gas transmission and power purchase agreements are for a ten year term with options to extend.

We manage our wider project portfolio to maintain flexibility to address the development risks associated with our projects including permitting, local community and government support, engineering and procurement availability, technical issues, escalating costs and other associated risks that could adversely impact the timing and costs of certain opportunities.

**PART I—FINANCIAL INFORMATION**

**ITEM 1. FINANCIAL STATEMENTS .**

**NEWMONT MINING CORPORATION**

**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(unaudited, in millions except per share)

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Sales (Note 4)	\$ 1,726	\$ 1,879	\$ 5,205	\$ 5,444
Costs and expenses:				
Costs applicable to sales <sup>(1)</sup>	995	1,053	2,989	3,009
Depreciation and amortization	299	328	879	938
Reclamation and remediation (Note 5)	31	26	96	98
Exploration	48	48	142	135
Advanced projects, research and development	37	41	107	99
General and administrative	59	58	181	171
Impairment of long-lived assets (Note 6)	366	—	366	3
Other expense, net (Note 7)	5	1	29	29
	<u>1,840</u>	<u>1,555</u>	<u>4,789</u>	<u>4,482</u>
Other income (expense):				
Other income, net (Note 8)	37	10	197	32
Interest expense, net of capitalized interest	(51)	(56)	(153)	(187)
	<u>(14)</u>	<u>(46)</u>	<u>44</u>	<u>(155)</u>
Income (loss) before income and mining tax and other items	(128)	278	460	807
Income and mining tax benefit (expense) (Note 9)	(3)	(73)	(126)	(350)
Equity income (loss) of affiliates	(9)	1	(25)	(4)
Net income (loss) from continuing operations	(140)	206	309	453
Net income (loss) from discontinued operations (Note 10)	16	(7)	56	(45)
Net income (loss)	(124)	199	365	408
Net loss (income) attributable to noncontrolling interests (Note 11)	(21)	7	(26)	20
Net income (loss) attributable to Newmont stockholders	<u>\$ (145)</u>	<u>\$ 206</u>	<u>\$ 339</u>	<u>\$ 428</u>
Net income (loss) attributable to Newmont stockholders:				
Continuing operations	\$ (161)	\$ 213	\$ 283	\$ 473
Discontinued operations	16	(7)	56	(45)
	<u>\$ (145)</u>	<u>\$ 206</u>	<u>\$ 339</u>	<u>\$ 428</u>
Net income (loss) per common share (Note 12):				
Basic:				
Continuing operations	\$ (0.31)	\$ 0.39	\$ 0.53	\$ 0.88
Discontinued operations	0.04	(0.01)	0.11	(0.08)
	<u>\$ (0.27)</u>	<u>\$ 0.38</u>	<u>\$ 0.64</u>	<u>\$ 0.80</u>
Diluted:				
Continuing operations	\$ (0.31)	\$ 0.39	\$ 0.53	\$ 0.88
Discontinued operations	0.04	(0.01)	0.10	(0.08)
	<u>\$ (0.27)</u>	<u>\$ 0.38</u>	<u>\$ 0.63</u>	<u>\$ 0.80</u>
Cash dividends declared per common share	\$ 0.14	\$ 0.075	\$ 0.42	\$ 0.175

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

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

## NEWMONT MINING CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)  
(unaudited, in millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Net income (loss)	\$ (124)	\$ 199	\$ 365	\$ 408
Other comprehensive income (loss):				
Change in marketable securities, net of tax of \$-, \$-, \$- and \$-, respectively	—	5	1	(6)
Foreign currency translation adjustments	4	8	—	12
Change in pension and other post-retirement benefits, net of tax of \$(1), \$(2), \$(4) and \$(7), respectively	5	4	14	13
Change in fair value of cash flow hedge instruments, net of tax of \$(1), \$(4), \$(4) and \$(11), respectively	3	9	12	23
Other comprehensive income (loss)	12	26	27	42
Comprehensive income (loss)	\$ (112)	\$ 225	\$ 392	\$ 450
Comprehensive income (loss) attributable to:				
Newmont stockholders	\$ (133)	\$ 232	\$ 366	\$ 470
Noncontrolling interests	21	(7)	26	(20)
	\$ (112)	\$ 225	\$ 392	\$ 450

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

**NEWMONT MINING CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(unaudited, in millions)**

	<b>Nine Months Ended September 30,</b>	
	<b>2018</b>	<b>2017</b>
<b>Operating activities:</b>		
Net income (loss)	\$ 365	\$ 408
<b>Adjustments:</b>		
Depreciation and amortization	879	938
Stock-based compensation (Note 14)	57	53
Reclamation and remediation	85	92
Loss (income) from discontinued operations (Note 10)	(56)	45
Deferred income taxes	(100)	97
Impairment of long-lived assets (Note 6)	366	3
Gain on asset and investment sales, net	(100)	(21)
Write-downs of inventory and stockpiles and ore on leach pads	220	158
Other operating adjustments	46	71
Net change in operating assets and liabilities (Note 24)	(667)	(453)
Net cash provided by (used in) operating activities of continuing operations	1,095	1,391
Net cash provided by (used in) operating activities of discontinued operations <sup>(1)</sup>	(8)	(12)
Net cash provided by (used in) operating activities	1,087	1,379
<b>Investing activities:</b>		
Additions to property, plant and mine development	(763)	(557)
Acquisitions, net	(138)	—
Proceeds from sales of other assets	23	5
Purchases of investments	(17)	(113)
Proceeds from sales of investments	16	34
Other	(5)	13
Net cash provided by (used in) investing activities	(884)	(618)
<b>Financing activities:</b>		
Dividends paid to common stockholders	(226)	(94)
Distributions to noncontrolling interests	(107)	(119)
Repurchase of common stock	(96)	—
Funding from noncontrolling interests	77	70
Proceeds from sale of noncontrolling interests	48	—
Payments for withholding of employee taxes related to stock-based compensation	(39)	(13)
Repayment of debt	(3)	(383)
Other	—	(3)
Net cash provided by (used in) financing activities	(346)	(542)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(4)	3
Net change in cash, cash equivalents and restricted cash	(147)	222
Cash, cash equivalents and restricted cash at beginning of period	3,298	2,782
Cash, cash equivalents and restricted cash at end of period	\$ 3,151	\$ 3,004
<b>Reconciliation of cash, cash equivalents and restricted cash:</b>		
Cash and cash equivalents	\$ 3,068	\$ 2,969
Restricted cash included in Other current assets	1	—
Restricted cash included in Other noncurrent assets	82	35
Total cash, cash equivalents and restricted cash	\$ 3,151	\$ 3,004

(1) Net cash provided by (used in) operating activities of discontinued operations includes \$(8) and \$(9) related to the Holt royalty obligation and \$- and \$(3) related to closing costs for the sale of Batu Hijau, all of which were paid out of Cash and cash equivalents held for use for the nine months ended September 30, 2018 and 2017, respectively. For additional information regarding the Company's discontinued operations, see Note 10.

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

**NEWMONT MINING CORPORATION**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(unaudited, in millions)

	At September 30, 2018	At December 31, 2017
<b>ASSETS</b>		
Cash and cash equivalents	\$ 3,068	\$ 3,259
Trade receivables (Note 4)	176	124
Other accounts receivables	96	113
Investments (Note 17)	58	62
Inventories (Note 18)	713	679
Stockpiles and ore on leach pads (Note 19)	668	676
Other current assets	156	153
Current assets	4,935	5,066
Property, plant and mine development, net	12,209	12,338
Investments (Note 17)	331	280
Stockpiles and ore on leach pads (Note 19)	1,878	1,848
Deferred income tax assets	600	549
Other non-current assets	606	565
Total assets	\$ 20,559	\$ 20,646
<b>LIABILITIES</b>		
Accounts payable	\$ 293	\$ 375
Employee-related benefits	275	309
Income and mining taxes payable	43	248
Lease and other financing obligations (Note 21)	20	4
Other current liabilities (Note 22)	420	462
Current liabilities	1,051	1,398
Debt (Note 20)	4,043	4,040
Reclamation and remediation liabilities (Note 5)	2,385	2,345
Deferred income tax liabilities	614	595
Employee-related benefits	368	386
Lease and other financing obligations (Note 21)	127	21
Other non-current liabilities (Note 22)	348	342
Total liabilities	8,936	9,127
Contingently redeemable noncontrolling interest (Note 11)	49	—
<b>EQUITY</b>		
Common stock	855	855
Treasury stock	(69)	(30)
Additional paid-in capital	9,600	9,592
Accumulated other comprehensive income (loss) (Note 23)	(150)	(292)
Retained earnings	361	410
Newmont stockholders' equity	10,597	10,535
Noncontrolling interests	977	984
Total equity	11,574	11,519
Total liabilities and equity	\$ 20,559	\$ 20,646

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.



NEWMONT MINING CORPORATION

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
(unaudited, in millions)

	Common Stock		Treasury Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Noncontrolling Interests	Total Equity	Contingently Redeemable Noncontrolling Interest
	Shares	Amount	Shares	Amount						
Balance at December 31, 2017	534	\$ 855	(1)	\$ (30)	\$ 9,592	\$ (292)	\$ 410	\$ 984	\$ 11,519	\$ —
Cumulative-effect adjustment of adopting ASU No. 2016-01	—	—	—	—	—	115	(115)	—	—	—
Net income (loss)	—	—	—	—	—	—	339	25	364	1
Other comprehensive income (loss)	—	—	—	—	—	27	—	—	27	—
Sale of noncontrolling interest	—	—	—	—	—	—	—	—	—	48
Dividends declared	—	—	—	—	—	—	(226)	—	(226)	—
Distributions declared to noncontrolling interests	—	—	—	—	—	—	—	(107)	(107)	—
Cash calls requested from noncontrolling interests <sup>(1)</sup>	—	—	—	—	—	—	—	75	75	—
Repurchase and retirement of common stock	(3)	(5)	—	—	(44)	—	(47)	—	(96)	—
Withholding of employee taxes related to stock-based compensation	—	—	(1)	(39)	—	—	—	—	(39)	—
Stock-based awards and related share issuances	4	5	—	—	52	—	—	—	57	—
Balance at September 30, 2018	535	\$ 855	(2)	\$ (69)	\$ 9,600	\$ (150)	\$ 361	\$ 977	\$ 11,574	\$ 49

(1) Cash calls requested from noncontrolling interests of \$75 for the nine months ended September 30, 2018 represent cash calls requested from Staatsolie for the Merian mine. Staatsolie paid an additional \$2 related to prior periods during the three months ended September 30, 2018.

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

**NEWMONT MINING CORPORATION**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)**

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

**NOTE 1 BASIS OF PRESENTATION**

The interim Condensed Consolidated Financial Statements (“interim statements”) of Newmont Mining Corporation and its subsidiaries (collectively, “Newmont” or the “Company”) are unaudited. In the opinion of management, all adjustments (including normal recurring adjustments) and disclosures necessary for a fair presentation of these interim statements have been included. The results reported in these interim statements are not necessarily indicative of the results that may be reported for the entire year. These interim statements should be read in conjunction with Newmont’s Consolidated Financial Statements for the year ended December 31, 2017 filed on February 22, 2018 on Form 10-K and revisions filed April 26, 2018 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 (“U.S.”) generally accepted accounting principles (“GAAP”) have been condensed or omitted. References to “A\$” refers to Australian currency and “C\$” refers to Canadian currency.

In July 2018, Newmont purchased a 50% interest in the Galore Creek Partnership (“Galore Creek”) from NovaGold Resources Inc. (“NovaGold”) for \$100 in cash consideration paid on the transaction date; a deferred payment of \$75, payable upon the earlier of three years or the completion of a prefeasibility study; a deferred payment of \$25, payable upon the earlier of five years or the completion of a feasibility study; and a contingent payment of \$75, payable upon the earlier of initiation or approval to construct a mine, mill and all related infrastructure for the Galore Creek project.

The Company accounted for the purchase of Galore Creek as an asset acquisition, as the identifiable assets are primarily concentrated in a single mineral interest. The value of the consideration paid and payable of \$189 was allocated to the acquired assets and assumed liabilities based on their estimated fair values on the acquisition date. At the acquisition date, the Company recorded mineral interests of \$192, other noncurrent assets of \$2, other current liabilities of \$2 and noncurrent reclamation and remediation liabilities of \$3 within the North America segment. Upon becoming probable of payment, the contingent payment of \$75 will be accrued and allocated to the mineral interest. Refer to Note 26 for further details regarding the contingent payment. The Company includes its pro-rata share of operations for Galore Creek in the Consolidated Financial Statements.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Risks and Uncertainties**

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

In addition to changes in commodity prices, other factors such as changes in mine plans, increases in costs, geotechnical failures, and changes in social, environmental or regulatory requirements can adversely affect the Company’s ability to recover its investment in certain assets and result in impairment charges. As discussed in Note 6, the Company recorded impairment charges of \$331 related to exploration properties in North America as a result of changes in exploration plans for the properties and \$35 related to its Emigrant operation as a result of mine plan changes.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the accounting for and recognition and disclosure of assets, liabilities, equity, revenues and expenses. The Company must make these estimates and assumptions because certain information used is dependent on future events, cannot be calculated with a

**NEWMONT MINING CORPORATION**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited )**

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

high degree of precision from data available or simply cannot be readily calculated based on generally accepted methodologies. Actual results could differ from these estimates.

**Contingently Redeemable Noncontrolling Interest**

Certain noncontrolling interests in consolidated entities meet the definition of redeemable financial instruments if the ability to redeem the interest is outside of the control of the consolidating entity. In such cases, these financial instruments are required to be classified outside of permanent equity (referred to as temporary equity).

**Revenue Recognition**

The Company adopted ASC 606, Revenue from contracts with customers, on January 1, 2018. Changes to the accounting policy as a result of adoption are discussed below.

Newmont generates revenue by selling gold and copper produced from its mining operations. Refer to Note 3 for further information regarding the Company's operating segments.

The majority of the Company's *Sales* come from the sale of refined gold; however, the end product at the Company's gold operations is generally doré bars. Doré is an alloy consisting primarily of gold but also containing silver and other metals. Doré is sent to refiners to produce bullion that meets the required market standard of 99.95% gold. Under the terms of the Company's refining agreements, the doré bars are refined for a fee, and the Company's share of the refined gold and the separately-recovered silver is credited to its bullion account. Gold from doré bars credited to its bullion account is typically sold to banks or refiners.

A portion of gold sold from Boddington and Kalgoorlie in Australia, Phoenix in Nevada and CC&V in Colorado is sold in the form of concentrate which includes copper and silver. The Company's *Sales* also come from the sale of copper. Copper sales are generally in the form of concentrate, which is sold to smelters for further treatment and refining, and cathode. Copper sold from Boddington in Australia is sold in concentrate form and copper sold from Phoenix in Nevada is sold in either concentrate or cathode form.

Generally, if a metal expected to be mined represents more than 10 to 20% of the life of mine sales value of all the metal expected to be mined, co-product accounting should apply. When the Company applies co-product accounting at an operation, revenue is recognized for each co-product metal sold, and shared costs applicable to sales are allocated based on the relative sales values of the co-product metals produced. Generally, if metal expected to be mined is less than the 10 to 20% of the life of mine sales value, by-product accounting should apply. Revenues from by-product sales, which are immaterial, are credited to *Costs applicable to sales* as a by-product credit. Copper is produced as a co-product at Phoenix and Boddington. Copper and silver is produced as a by-product at certain of the Company's other operations.

***Gold Sales from Doré Production***

The Company recognizes revenue for gold from doré production when it satisfies the performance obligation of transferring gold inventory to the customer, which generally occurs upon transfer of gold bullion credits as this is the point at which the customer obtains the ability to direct the use and obtain substantially all of the remaining benefits of ownership of the asset.

The Company generally recognizes the sale of gold bullion credits at the prevailing market price when gold bullion credits are delivered to the customer. The transaction price is determined based on the agreed upon market price and the number of ounces delivered. Payment is due upon delivery of gold bullion credits to the customer's account.

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

***Gold and Copper Sales from Concentrate Production***

The Company recognizes revenue for gold and copper from concentrate production, net of treatment and refining charges, when it satisfies the performance obligation of transferring control of the concentrate to the customer. This generally occurs as material passes over the vessel's rail at the port of loading based on the date from the bill of lading, as the customer has the ability to direct the use of and obtain substantially all of the remaining benefits from the material and the customer has the risk of loss. Newmont has elected to account for shipping and handling costs for concentrate contracts as fulfillment activities and not as promised goods or services; therefore these activities are not considered separate performance obligations.

The Company generally sells gold and copper concentrate based on the future monthly average market price for a future month, dependent on the relevant contract, following the month in which the delivery to the customer takes place. The amount of revenue recognized for concentrates is initially recorded on a provisional basis based on the forward prices for the estimated month of settlement and the Company's estimated metal quantities based on assay data. 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 price at the time of sale. The embedded derivative, which does not qualify for hedge accounting, is marked to market through *Sales* each period prior to final settlement. The Company also adjusts estimated metal quantities used in computing provisional sales using new information and assay data from the smelter as it is received (if any).

A provisional payment is generally due upon delivery of the concentrate to the customer. Final payment is due upon final settlement of price and quantity with the customer.

The principal risks associated with recognition of sales on a provisional basis include metal price fluctuations and updated quantities between the date the sale is recorded and the date of final settlement. If a significant decline in metal prices occurs, or assay data results in a significant change in quantity 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 provisional payment received on the sale.

***Copper Sales from Cathode Production***

The Company recognizes revenue for copper from cathode production when it transfers control of copper cathode to the customer, which occurs when the material is picked up by the carrier. The Company generally sells copper cathode based on the weekly average market price for the week following production. The transaction price is determined based on this agreed upon price and the number of pounds delivered. Payment is due upon final settlement of price and quantity with the customer.

**Recently Adopted Accounting Pronouncements**

***Revenue Recognition***

In May 2014, Accounting Standards Update ("ASU") No. 2014-09 was issued related to revenue from contracts with customers. This ASU was further amended in August 2015, March 2016, April 2016, May 2016, December 2016 and September 2017 by ASU No. 2015-14, No. 2016-08, No. 2016-10, No. 2016-12, No. 2016-20 and No. 2017-13, respectively. The new standard provides a five-step approach to be applied to all contracts with customers and also requires expanded disclosures about revenue recognition.

The company retrospectively adopted this standard as of January 1, 2018. As there were no contracts outstanding as of December 31, 2017, there was no cumulative effect adjustment required to be recognized at January 1, 2018. The comparative information has not been adjusted and continues to be reported under the accounting standards in effect for those periods.

The adoption of this standard primarily impacts the timing of revenue recognition on certain concentrate contracts based on the Company's determination of when control is transferred. Revenue related to concentrate shipments is now generally recognized upon

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

completion of loading the material for shipment to the customer and satisfaction of the Company's significant performance obligation. Prior to the adoption of this standard, revenue was recognized for these contracts when the price was determinable, the concentrate had been loaded on a vessel or received by the customer, risk and title had been transferred and collection of the sales price was reasonably assured.

***Investments***

In January 2016, ASU No. 2016-01 was issued related to financial instruments. This ASU was further amended in February 2018 by ASU No. 2018-03. The new guidance requires entities to measure equity investments that do not result in consolidation and are not accounted for under the equity method at fair value and recognize any changes in fair value in net income. This new guidance also updates certain disclosure requirements for these investments. This update is effective in fiscal years, including interim periods, beginning after December 15, 2017, and upon adoption, an entity should apply the amendments with the cumulative effect of initially applying the guidance recognized at January 1, 2018. The Company adopted this standard as of January 1, 2018. Upon adoption, the Company reclassified \$115 of unrealized holding gains and losses and deferred income taxes related to investments in marketable equity securities from *Accumulated other comprehensive income (loss)* to *Retained earnings* in the Consolidated Balance Sheets.

***Statement of Cash Flows***

In August 2016, ASU No. 2016-15 was issued related to the statement of cash flows. This new guidance addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice in how certain cash receipts and cash payments are presented and classified in the statement of cash flows. This update is effective in fiscal years, including interim periods, beginning after December 15, 2017. The Company adopted the guidance as of January 1, 2018. Upon adoption, the Company reclassified \$196 from *Repayment of debt*, previously reported as a cash outflow from financing activities, to operating activities on the Consolidated Statements of Cash Flows related to accreted interest from the debt discount on the 2017 convertible notes repaid in July 2017. Additionally, the Company reclassified \$9 for the nine months ended September 30, 2017 of *Acquisitions, net* previously reported as a cash outflow from investing activities, to operating activities on the Consolidated Statements of Cash Flows related to contingent consideration payments.

***Intra-Entity Transfers***

In October 2016, ASU No. 2016-16 was issued related to the intra-entity transfers of assets other than inventory. This new guidance requires entities to recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs. This update is effective in fiscal years, including interim periods, beginning after December 15, 2017. The Company adopted this guidance as of January 1, 2018, and determined it had no impact on the Consolidated Financial Statements or disclosures.

***Restricted Cash***

In November 2016, ASU No. 2016-18 was issued related to the inclusion of restricted cash in the statement of cash flows. This new guidance requires that a statement of cash flows present the change during the period in the total of cash, cash equivalents and amounts generally described as restricted cash or restricted cash equivalents. This update is effective in fiscal years, including interim periods, beginning after December 15, 2017, and early adoption is permitted. The Company retrospectively adopted this guidance as of December 31, 2017. Upon adoption, the Company included a reconciliation of *Cash and cash equivalents* and restricted cash reported within the Consolidated Balance Sheets to the total shown in the Consolidated Statements of Cash Flows. Additionally, the Company reclassified \$10 for the nine months ended September 30, 2017 from *Net cash provided by (used in) financing activities of continuing operations* related to restricted movement to the *Net change in cash, cash equivalents and restricted cash*.

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

***Employee Benefits***

In March 2017, ASU No. 2017-07 was issued related to the presentation of net periodic pension and postretirement cost. The new guidance requires the service cost component of net benefit costs to be classified similar to other compensation costs arising from services rendered by employees. Other components of net benefit costs are required to be classified separately from the service cost and outside income from operations. The Company adopted this guidance as of January 1, 2018. The adoption of this guidance resulted in the recognition of other components of net benefit costs within *Other income, net* rather than *Costs applicable to sales* or *General and administrative* and is no longer included in costs that benefit the inventory or production process. Adoption of this guidance did not have a material impact on the Consolidated Financial Statements or disclosures.

***Hedging***

In August 2017, ASU No. 2017-12 was issued related to hedge accounting. The new guidance expands the ability to hedge nonfinancial risk components, eliminates the current requirement to separately measure and report hedge ineffectiveness, and requires the entire change in fair value of a hedging instrument to be presented in the same income statement line as the hedged item, when reclassified from *Accumulated other comprehensive income (loss)*. The guidance also eases certain hedge effectiveness documentation and assessment requirements. This update is effective in fiscal years, including interim periods, beginning after December 15, 2018, and early adoption is permitted. The Company adopted this guidance as of January 1, 2018, and there was no material impact on the Consolidated Financial Statements or disclosures as a result of adoption.

**Recently Issued Accounting Pronouncements**

***Leases***

In February 2016, ASU No. 2016-02 was issued related to leases, which was further amended in September 2017 by ASU No. 2017-13, in January 2018 by ASU No. 2018-01 and in July 2018 by ASU No. 2018-10 and ASU No. 2018-11. The new guidance modifies the classification criteria and requires lessees to recognize right-of-use assets and lease liabilities arising from most leases on the balance sheet with additional disclosures about leasing arrangements. This update is effective in fiscal years, including interim periods, beginning after December 15, 2018, and early adoption is permitted. The Company anticipates adopting the new guidance as of January 1, 2019.

The Company is still completing its assessment of the new guidance and the impact it will have on the Consolidated Financial Statements and disclosures, and expects to complete its analysis in 2018. To date, the Company has formed a cross-functional implementation team; performed a completeness assessment over the lease population; established new policies, procedures and internal controls related to the new standard; and reviewed existing contracts that are expected to be outstanding as of the adoption date. Additionally, management continues to evaluate the various practical expedients and policy elections that will be adopted and has elected to review existing contracts to evaluate lease classification for contracts containing leases and to not recast the comparative periods presented when transitioning to the new guidance on January 1, 2019.

Management will continue to perform procedures to assess impacts through the adoption date; however, based on the procedures performed, management has identified certain service contracts that contain embedded leases under the revised guidance. In addition to existing capital leases and other financing obligations, the Company expects that the adoption of the new standard will result in the recognition of additional right-of-use assets and lease liabilities related to operating leases of between \$25 to \$50 and \$30 to \$55, respectively, and finance leases of between \$45 to \$80 and \$55 to \$90, respectively. The Company does not expect there will be a material impact to the Consolidated Statements of Operations or the Consolidated Statements of Cash Flows. The Company is in the process of assessing the required disclosures of the new standard, and expects to provide additional qualitative and quantitative disclosures related to leasing arrangements upon adoption.

**NEWMONT MINING CORPORATION**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)**

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

***Other Comprehensive Income Reclassifications Related to Tax Reform***

In February 2018, ASU No. 2018-02 was issued allowing companies the option to reclassify to retained earnings the tax effects related to items in *Accumulated other comprehensive income (loss)* as a result of the Tax Cuts and Jobs Act (the “Act”) that was enacted on December 22, 2017. This update is effective in fiscal years, including interim periods, beginning after December 15, 2018, and early adoption is permitted. This guidance should be applied either in the period of adoption or retrospectively to each period in which the effects of the change in the U.S. federal income tax rate in the Act is recognized. The Company is still completing its assessment of the impacts but expects to reclassify amounts out of *Accumulated other comprehensive income* on the balance sheet. The Company anticipates adopting the new guidance as of December 31, 2018.

***Fair Value Disclosure Requirements***

In August 2018, A SU No. 2018-13 was issued to modify and enhance the disclosure requirements for fair value measurements. This update is effective in fiscal years, including interim periods, beginning after December 15, 2019, and early adoption is permitted. The Company is still completing its assessment of the impacts and anticipated adoption date of this guidance.

***Defined Benefit Plan Disclosure Requirements***

In August 2018, ASU No. 2018-14 was issued to modify and enhance the required disclosures for defined benefit plans. This update is effective in fiscal years, including interim periods, ending after December 15, 2020, and early adoption is permitted. The Company is still completing its assessment of the impacts and anticipated adoption date of this guidance.

***Capitalization of Certain Cloud Computing Implementation Costs***

In August 2018, ASU No. 2018-15 was issued which allows for the capitalization for certain implementation costs incurred in a cloud computing arrangement that is considered a service contract. This update is effective in fiscal years, including interim periods, beginning after December 15, 2019, and early adoption is permitted. The Company is still completing its assessment of the impacts and anticipated adoption date of this guidance.

**NOTE 3 SEGMENT INFORMATION**

The Company has organized its operations into four geographic regions. The geographic regions include North America, South America, Australia and Africa and represent the Company’s operating segments. The results of these operating segments are reviewed by the Company’s chief operating decision maker to make decisions about resources to be allocated to the segments and assess their performance. As a result, these operating segments represent the Company’s reportable segments. Notwithstanding this structure, the Company internally reports information on a mine-by-mine basis for each mining operation and has chosen to disclose this information on the following tables. *Income (loss) before income and mining tax and other items* from reportable segments does not reflect general corporate expenses, interest (except project-specific interest) or income and mining taxes. Intercompany revenue and expense amounts have been eliminated within each segment in order to report on the basis that management uses internally for evaluating segment performance. Newmont’s business activities that are not considered operating segments are included in Corporate and Other. Although they are not required to be included in this footnote, they are provided for reconciliation purposes.

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

Unless otherwise noted, the Company presents only the reportable segments of its continuing operations in the tables below. The financial information relating to the Company's segments is as follows:

	<u>Sales</u>	<u>Costs Applicable to Sales</u>	<u>Depreciation and Amortization</u>	<u>Advanced Projects, Research and Development and Exploration</u>	<u>Income (Loss) before Income and Mining Tax and Other Items</u>	<u>Capital Expenditures <sup>(1)</sup></u>
<b>Three Months Ended September 30, 2018</b>						
Carlin	\$ 281	\$ 205	\$ 59	\$ 8	\$ (30)	\$ 46
Phoenix:						
Gold	44	39	9			
Copper	14	10	3			
Total Phoenix	58	49	12	1	(7)	9
Twin Creeks	111	57	14	4	(263)	17
Long Canyon	51	21	20	7	4	4
CC&V	99	68	22	4	6	6
Other North America	—	—	—	6	(36)	4
North America	600	400	127	30	(326)	86
Yanacocha	189	116	30	10	23	41
Merian	157	67	22	2	62	13
Other South America	—	—	3	9	(16)	—
South America	346	183	55	21	69	54
Boddington:						
Gold	229	146	27			
Copper	56	33	6			
Total Boddington	285	179	33	—	73	14
Tanami	148	71	19	2	53	21
Kalgoorlie	92	56	6	2	53	4
Other Australia	—	—	1	4	8	2
Australia	525	306	59	8	187	41
Ahafo	125	62	23	4	34	70
Akyem	130	44	32	4	48	11
Other Africa	—	—	—	1	(3)	—
Africa	255	106	55	9	79	81
Corporate and Other	—	—	3	17	(137)	3
Consolidated	<u>\$ 1,726</u>	<u>\$ 995</u>	<u>\$ 299</u>	<u>\$ 85</u>	<u>\$ (128)</u>	<u>\$ 265</u>

(1) Includes a decrease in accrued capital expenditures of \$9; consolidated capital expenditures on a cash basis were \$274.



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

	<u>Sales</u>	<u>Costs Applicable to Sales</u>	<u>Depreciation and Amortization</u>	<u>Advanced Projects, Research and Development and Exploration</u>	<u>Income (Loss) before Income and Mining Tax and Other Items</u>	<u>Capital Expenditures <sup>(1)</sup></u>
<b>Three Months Ended September 30, 2017</b>						
Carlin	\$ 330	\$ 216	\$ 60	\$ 6	\$ 46	\$ 32
Phoenix:						
Gold	68	48	13			
Copper	21	11	3			
Total Phoenix	89	59	16	1	8	4
Twin Creeks	103	59	16	3	25	16
Long Canyon	70	17	24	6	22	1
CC&V	140	75	35	2	29	9
Other North America	—	—	—	10	(10)	1
North America	732	426	151	28	120	63
Yanacocha	176	150	38	11	(37)	12
Merian	162	62	22	3	75	29
Other South America	—	—	3	12	(18)	—
South America	338	212	63	26	20	41
Boddington:						
Gold	236	130	27			
Copper	59	25	5			
Total Boddington	295	155	32	1	105	17
Tanami	148	72	17	7	50	25
Kalgoorlie	121	64	5	3	47	5
Other Australia	—	—	2	2	(10)	—
Australia	564	291	56	13	192	47
Ahafo	100	57	14	6	21	51
Akyem	145	67	40	3	35	5
Other Africa	—	—	—	—	(3)	—
Africa	245	124	54	9	53	56
Corporate and Other	—	—	4	13	(107)	1
Consolidated	<u>\$ 1,879</u>	<u>\$ 1,053</u>	<u>\$ 328</u>	<u>\$ 89</u>	<u>\$ 278</u>	<u>\$ 208</u>

(1) Includes an increase in accrued capital expenditures of \$14; consolidated capital expenditures on a cash basis were \$194.

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

	<u>Sales</u>	<u>Costs Applicable to Sales</u>	<u>Depreciation and Amortization</u>	<u>Advanced Projects, Research and Development and Exploration</u>	<u>Income (Loss) before Income and Mining Tax and Other Items</u>	<u>Capital Expenditures <sup>(1)</sup></u>
<b>Nine Months Ended September 30, 2018</b>						
Carlin	\$ 829	\$ 582	\$ 154	\$ 23	\$ 25	\$ 118
Phoenix:						
Gold	207	145	34			
Copper	61	40	11			
Total Phoenix	268	185	45	3	29	27
Twin Creeks	335	187	45	9	(199)	57
Long Canyon	166	55	58	19	34	9
CC&V	270	149	51	7	57	24
Other North America	—	—	1	19	(51)	8
North America	1,868	1,158	354	80	(105)	243
Yanacocha	479	322	82	32	(8)	81
Merian	455	195	64	11	182	62
Other South America	—	—	10	24	(45)	1
South America	934	517	156	67	129	144
Boddington:						
Gold	659	404	74			
Copper	168	96	18			
Total Boddington	827	500	92	—	239	40
Tanami	449	221	54	12	163	68
Kalgoorlie	331	178	18	8	154	17
Other Australia	—	—	4	8	4	3
Australia	1,607	899	168	28	560	128
Ahafo	395	242	78	12	56	196
Akyem	401	173	115	11	93	32
Other Africa	—	—	—	3	(8)	—
Africa	796	415	193	26	141	228
Corporate and Other	—	—	8	48	(265)	9
Consolidated	<u>\$ 5,205</u>	<u>\$ 2,989</u>	<u>\$ 879</u>	<u>\$ 249</u>	<u>\$ 460</u>	<u>\$ 752</u>

(1) Includes a decrease in accrued capital expenditures of \$11; consolidated capital expenditures on a cash basis were \$763.

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

	<u>Sales</u>	<u>Costs Applicable to Sales</u>	<u>Depreciation and Amortization</u>	<u>Advanced Projects, Research and Development and Exploration</u>	<u>Income (Loss) before Income and Mining Tax and Other Items</u>	<u>Capital Expenditures <sup>(1)</sup></u>
<b>Nine Months Ended September 30, 2017</b>						
Carlin	\$ 873	\$ 594	\$ 159	\$ 14	\$ 100	\$ 128
Phoenix:						
Gold	189	138	36			
Copper	71	45	12			
Total Phoenix	260	183	48	5	15	14
Twin Creeks	361	170	47	7	132	33
Long Canyon	166	42	55	16	52	8
CC&V	462	224	100	9	128	17
Other North America	—	—	1	17	(20)	4
North America	2,122	1,213	410	68	407	204
Yanacocha	504	403	108	23	(87)	32
Merian	445	174	69	11	189	67
Other South America	—	—	10	31	(53)	—
South America	949	577	187	65	49	99
Boddington:						
Gold	726	399	84			
Copper	156	74	15			
Total Boddington	882	473	99	2	285	46
Tanami	363	180	48	16	125	77
Kalgoorlie	338	171	14	6	142	13
Other Australia	—	—	5	5	(30)	3
Australia	1,583	824	166	29	522	139
Ahafo	326	193	52	22	55	104
Akyem	464	202	114	9	135	17
Other Africa	—	—	—	2	(8)	—
Africa	790	395	166	33	182	121
Corporate and Other	—	—	9	39	(353)	5
Consolidated	<u>\$ 5,444</u>	<u>\$ 3,009</u>	<u>\$ 938</u>	<u>\$ 234</u>	<u>\$ 807</u>	<u>\$ 568</u>

(1) Includes an increase in accrued capital expenditures of \$ 11 ; consolidated capital expenditures on a cash basis were \$557.

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

**NOTE 4 SALES**

The following table presents the Company's *Sales* by mining operation, product and inventory type:

	<b>Gold Sales from Doré Production</b>	<b>Gold Sales from Concentrate Production</b>	<b>Copper Sales from Concentrate Production</b>	<b>Copper Sales from Cathode Production</b>	<b>Total Sales</b>
<b>Three Months Ended September 30, 2018</b>					
Carlin	\$ 281	\$ —	\$ —	\$ —	\$ 281
Phoenix	21	23	4	10	58
Twin Creeks	111	—	—	—	111
Long Canyon	51	—	—	—	51
CC&V	99	—	—	—	99
North America	563	23	4	10	600
Yanacocha	189	—	—	—	189
Merian	157	—	—	—	157
South America	346	—	—	—	346
Boddington	59	170	56	—	285
Tanami	148	—	—	—	148
Kalgoorlie	92	—	—	—	92
Australia	299	170	56	—	525
Ahafo	125	—	—	—	125
Akyem	130	—	—	—	130
Africa	255	—	—	—	255
Consolidated	\$ 1,463	\$ 193	\$ 60	\$ 10	\$ 1,726

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

	<u>Gold Sales from Doré Production</u>	<u>Gold Sales from Concentrate Production</u>	<u>Copper Sales from Concentrate Production</u>	<u>Copper Sales from Cathode Production</u>	<u>Total Sales</u>
<b>Three Months Ended September 30, 2017</b>					
Carlin	\$ 330	\$ —	\$ —	\$ —	\$ 330
Phoenix	33	35	9	12	89
Twin Creeks	103	—	—	—	103
Long Canyon	70	—	—	—	70
CC&V	140	—	—	—	140
North America	<u>676</u>	<u>35</u>	<u>9</u>	<u>12</u>	<u>732</u>
Yanacocha	176	—	—	—	176
Merian	162	—	—	—	162
South America	<u>338</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>338</u>
Boddington	58	178	59	—	295
Tanami	148	—	—	—	148
Kalgoorlie	114	7	—	—	121
Australia	<u>320</u>	<u>185</u>	<u>59</u>	<u>—</u>	<u>564</u>
Ahafo	100	—	—	—	100
Akyem	145	—	—	—	145
Africa	<u>245</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>245</u>
Consolidated	<u>\$ 1,579</u>	<u>\$ 220</u>	<u>\$ 68</u>	<u>\$ 12</u>	<u>\$ 1,879</u>
	<u>Gold Sales from Doré Production</u>	<u>Gold Sales from Concentrate Production</u>	<u>Copper Sales from Concentrate Production</u>	<u>Copper Sales from Cathode Production</u>	<u>Total Sales</u>
<b>Nine Months Ended September 30, 2018</b>					
Carlin	\$ 829	\$ —	\$ —	\$ —	\$ 829
Phoenix	92	115	25	36	268
Twin Creeks	335	—	—	—	335
Long Canyon	166	—	—	—	166
CC&V	270	—	—	—	270
North America	<u>1,692</u>	<u>115</u>	<u>25</u>	<u>36</u>	<u>1,868</u>
Yanacocha	479	—	—	—	479
Merian	455	—	—	—	455
South America	<u>934</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>934</u>
Boddington	182	477	168	—	827
Tanami	449	—	—	—	449
Kalgoorlie	331	—	—	—	331
Australia	<u>962</u>	<u>477</u>	<u>168</u>	<u>—</u>	<u>1,607</u>
Ahafo	395	—	—	—	395
Akyem	401	—	—	—	401
Africa	<u>796</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>796</u>
Consolidated	<u>\$ 4,384</u>	<u>\$ 592</u>	<u>\$ 193</u>	<u>\$ 36</u>	<u>\$ 5,205</u>

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

	<u>Gold Sales from Doré Production</u>	<u>Gold Sales from Concentrate Production</u>	<u>Copper Sales from Concentrate Production</u>	<u>Copper Sales from Cathode Production</u>	<u>Total Sales</u>
<b>Nine Months Ended September 30, 2017</b>					
Carlin	\$ 873	\$ —	\$ —	\$ —	\$ 873
Phoenix	87	102	36	35	260
Twin Creeks	361	—	—	—	361
Long Canyon	166	—	—	—	166
CC&V	451	11	—	—	462
North America	<u>1,938</u>	<u>113</u>	<u>36</u>	<u>35</u>	<u>2,122</u>
Yanacocha	504	—	—	—	504
Merian	445	—	—	—	445
South America	<u>949</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>949</u>
Boddington	181	545	156	—	882
Tanami	363	—	—	—	363
Kalgoorlie	331	7	—	—	338
Australia	<u>875</u>	<u>552</u>	<u>156</u>	<u>—</u>	<u>1,583</u>
Ahafo	326	—	—	—	326
Akyem	464	—	—	—	464
Africa	<u>790</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>790</u>
Consolidated	<u>\$ 4,552</u>	<u>\$ 665</u>	<u>\$ 192</u>	<u>\$ 35</u>	<u>\$ 5,444</u>

The following table details the receivables included within *Trade receivables* :

	<u>At September 30, 2018</u>	<u>At December 31, 2017</u>
Receivables from Sales:		
Gold sales from doré	\$ 59	\$ —
Gold and copper sales from concentrate production	117	117
Copper sales from cathode production	—	7
Total receivables from Sales	<u>\$ 176</u>	<u>\$ 124</u>

The impact to *Sales* from revenue initially recognized in previous periods due to the changes in the final pricing and changes in quantities resulting from assays is an increase of \$- and \$1, respectively, for the three months ended September 30, 2018 and an increase (decrease) of \$6 and \$(4), respectively, for the three months ended September 30, 2017.

The impact to *Sales* from revenue initially recognized in previous periods due to the changes in the final pricing and changes in quantities resulting from assays is a decrease of \$(5) and \$(2), respectively, for the nine months ended September 30, 2018 and an increase (decrease) of \$17 and \$(2), respectively, for the nine months ended September 30, 2017.

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

The following tables summarize the impacts of adopting this standard on the Company's Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2018:

<b>Condensed Consolidated Statement of Operations</b>	<b>Three Months Ended September 30, 2018</b>		
	<b>As Reported</b>	<b>Effect of Change</b>	<b>Balance without Adoption of ASC 606</b>
Sales	\$ 1,726	\$ (2)	\$ 1,724
Costs applicable to sales	\$ 995	\$ (2)	\$ 993
Depreciation and amortization	\$ 299	\$ —	\$ 299
Income (loss) before income and mining tax and other items	\$ (128)	\$ —	\$ (128)
Income and mining tax benefit (expense)	\$ (3)	\$ —	\$ (3)
Net income (loss)	\$ (124)	\$ —	\$ (124)
Net income (loss) attributable to Newmont stockholders:			
Continuing operations	\$ (161)	\$ —	\$ (161)
Discontinued operations	16	—	16
	\$ (145)	\$ —	\$ (145)
Net income (loss) per common share			
Basic:			
Continuing operations	\$ (0.31)	\$ —	\$ (0.31)
Discontinued operations	0.04	—	0.04
	\$ (0.27)	\$ —	\$ (0.27)
Diluted:			
Continuing operations	\$ (0.31)	\$ —	\$ (0.31)
Discontinued operations	0.04	—	0.04
	\$ (0.27)	\$ —	\$ (0.27)

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

<b>Condensed Consolidated Statement of Operations</b>	<b>Nine Months Ended September 30, 2018</b>		
	<b>As Reported</b>	<b>Effect of Change</b>	<b>Balance without Adoption of ASC 606</b>
Sales	\$ 5,205	\$ (18)	\$ 5,187
Costs applicable to sales	\$ 2,989	\$ (10)	\$ 2,979
Depreciation and amortization	\$ 879	\$ (2)	\$ 877
Income (loss) before income and mining tax and other items	\$ 460	\$ (6)	\$ 454
Income and mining tax benefit (expense)	\$ (126)	\$ 2	\$ (124)
Net income (loss)	\$ 365	\$ (4)	\$ 361
Net income (loss) attributable to Newmont stockholders:			
Continuing operations	\$ 283	\$ (4)	\$ 279
Discontinued operations	56	—	56
	<u>\$ 339</u>	<u>\$ (4)</u>	<u>\$ 335</u>
Net income (loss) per common share			
Basic:			
Continuing operations	\$ 0.53	\$ (0.01)	\$ 0.52
Discontinued operations	0.11	—	0.11
	<u>\$ 0.64</u>	<u>\$ (0.01)</u>	<u>\$ 0.63</u>
Diluted:			
Continuing operations	\$ 0.53	\$ (0.01)	\$ 0.52
Discontinued operations	0.10	—	0.10
	<u>\$ 0.63</u>	<u>\$ (0.01)</u>	<u>\$ 0.62</u>

<b>Condensed Consolidated Statement of Cash Flows</b>	<b>Nine Months Ended September 30, 2018</b>		
	<b>As Reported</b>	<b>Effect of Change</b>	<b>Balance without Adoption of ASC 606</b>
Operating activities:			
Net income (loss)	\$ 365	\$ (4)	\$ 361
Adjustments:			
Depreciation and amortization	\$ 879	\$ (2)	\$ 877
Net change in operating assets and liabilities	\$ (667)	\$ 6	\$ (661)
Net cash provided by (used in) operating activities of continuing operations	\$ 1,095	\$ —	\$ 1,095



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

<b>Condensed Consolidated Balance Sheet</b>	At September 30, 2018		
	As Reported	Effect of Change	Balance without Adoption of ASC 606
Trade receivables	\$ 176	\$ (18)	\$ 158
Inventories	\$ 713	\$ 12	\$ 725
Total assets	\$ 20,559	\$ (6)	\$ 20,553
Income and mining taxes payable	\$ 43	\$ (2)	\$ 41
Total liabilities	\$ 8,936	\$ (2)	\$ 8,934
Retained earnings	\$ 361	\$ (4)	\$ 357
Newmont stockholders' equity	\$ 10,597	\$ (4)	\$ 10,593
Total equity	\$ 11,574	\$ (4)	\$ 11,570
Total liabilities and equity	\$ 20,559	\$ (6)	\$ 20,553

**NOTE 5 RECLAMATION AND REMEDIATION**

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Reclamation adjustments	\$ —	\$ —	\$ —	\$ 15
Reclamation accretion	26	22	75	70
Total reclamation expense	26	22	75	85
Remediation adjustments	3	2	17	9
Remediation accretion	2	2	4	4
Total remediation expense	5	4	21	13
	\$ 31	\$ 26	\$ 96	\$ 98

*Reclamation and remediation adjustments*. In June 2018, the Company updated assumptions at a historic mine site for future water management costs of \$8. In June 2017, the Company updated reclamation liability assumptions at Minera Yanacocha S.R.L. ("Yanacocha") regarding water treatment costs on non-operating leach pads of \$15.

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

The following are reconciliations of *Reclamation and remediation liabilities* :

	2018	2017
Reclamation balance at January 1,	\$ 2,144	\$ 1,913
Additions, changes in estimates and other	6	16
Payments, net	(22)	(20)
Accretion expense	75	70
Reclamation balance at September 30,	<u>\$ 2,203</u>	<u>\$ 1,979</u>
	2018	2017
Remediation balance at January 1,	\$ 304	\$ 312
Additions, changes in estimates and other	6	3
Payments, net	(29)	(33)
Accretion expense	4	4
Remediation balance at September 30,	<u>\$ 285</u>	<u>\$ 286</u>

The current portion of reclamation liabilities was \$59 and \$60 at September 30, 2018 and December 31, 2017, respectively, and was included in *Other current liabilities*. The current portion of remediation liabilities was \$44 and \$43 at September 30, 2018 and December 31, 2017, respectively, and was included in *Other current liabilities*.

At September 30, 2018 and December 31, 2017, \$2,203 and \$2,144, respectively, were accrued for reclamation obligations relating to operating properties.

The Company is also involved in several matters concerning environmental remediation obligations associated with former, primarily historic, mining activities. Generally, these matters concern developing and implementing remediation plans at the various sites involved. At September 30, 2018 and December 31, 2017, \$285 and \$304, respectively, were accrued for such environmental remediation obligations. 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 44% greater or 0% lower than the amount accrued at September 30, 2018. These amounts are included in *Other current liabilities* and *Reclamation and remediation liabilities*. The amounts accrued are reviewed periodically based upon facts and circumstances available at the time. Changes in estimates are recorded in *Reclamation and remediation* in the period estimates are revised.

Non-current restricted cash held for purposes of settling reclamation and remediation obligations was \$34 and \$38 at September 30, 2018 and December 31, 2017, respectively. Of the amounts at September 30, 2018, \$25 was related to the Ahafo and Akyem mines in Ghana, Africa, \$8 was related to the Con mine in Yellowknife, Northwest Territory, Canada, and \$1 was related to the San Jose Reservoir in Yanacocha, Peru. Of the amount at December 31, 2017, \$25 was related to the Ahafo and Akyem mines, \$6 was related to the Con mine, \$6 was related to the San Jose Reservoir, and \$1 was related to the Midnight mine in Washington state.

Included in *Other non-current assets* at September 30, 2018 and December 31, 2017, was \$58 and \$64, respectively, of non-current restricted investments, which are legally pledged for purposes of settling reclamation and remediation obligations related to the San Jose Reservoir in Yanacocha, Midnight mine site and for various locations in North America.

Refer to Note 26 for further discussion of reclamation and remediation matters.

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

**NOTE 6 IMPAIRMENT OF LONG-LIVED ASSETS**

	<u>Three Months Ended</u> <u>September 30,</u>		<u>Nine Months Ended</u> <u>September 30,</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
North America	\$ 366	\$ —	\$ 366	\$ —
South America	—	—	—	2
Australia	—	—	—	1
	<u>\$ 366</u>	<u>\$ —</u>	<u>\$ 366</u>	<u>\$ 3</u>

*Impairment of long-lived assets* totaled \$366 for the three and nine months ended September 30, 2018. The 2018 impairments were primarily related to certain exploration properties of \$331 and Emigrant, within the Carlin complex, of \$35, both reported in the North America segment. The Company determined that an impairment indicator existed at certain North American exploration properties, due to the Company's decision to focus on advancing other projects, and at Emigrant, due to a change in the mine plan that resulted in a significant decrease in mine life. In addition to the impairment of long-lived assets at Emigrant, the Company also recorded an adjustment to the carrying value of the ore on leach pads resulting from the change in mine plan, impacting *Costs applicable to sales* and *Depreciation and amortization* by \$22 and \$7, respectively.

As a result of the impairment indicators, recoverability tests were performed and the Company concluded the *Property, plant and mine development, net* at certain North American exploration properties and Emigrant was impaired. The Company measured the impairment at the North American exploration properties using the market approach. The Company measured the impairment at Emigrant by comparing the total fair value of existing operations using the income approach. Refer to Note 15, Fair Value Accounting, for detail of the assumptions used in the determination of the fair value of the long-lived assets tested for impairment.

The 2017 impairments were primarily related to non-cash write-downs of obsolete assets at Yanacocha and Australia.

**NOTE 7 OTHER EXPENSE, NET**

	<u>Three Months Ended</u> <u>September 30,</u>		<u>Nine Months Ended</u> <u>September 30,</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Restructuring and other	\$ 1	\$ 2	\$ 16	\$ 10
Acquisition cost adjustments	—	(3)	—	2
Other	4	2	13	17
	<u>\$ 5</u>	<u>\$ 1</u>	<u>\$ 29</u>	<u>\$ 29</u>

*Restructuring and other* . Restructuring and other represents certain costs associated with severance, legal and other settlements for all periods presented.

*Acquisition cost adjustments* . Acquisition cost adjustments represent net adjustments during 2017 to the contingent consideration and related liabilities associated with the acquisition of the final 33.33% interest in Boddington in June 2009.

**NEWMONT MINING CORPORATION**
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)**

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

**NOTE 8 OTHER INCOME, NET**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Gain (loss) on asset and investment sales, net	\$ 1	\$ 5	\$ 100	\$ 21
Interest	15	9	39	19
Foreign currency exchange, net	16	(9)	37	(30)
Insurance proceeds	25	—	25	13
Change in fair value of marketable equity securities	(26)	—	(21)	—
Other	6	5	17	9
	<u>\$ 37</u>	<u>\$ 10</u>	<u>\$ 197</u>	<u>\$ 32</u>

*Gain (loss) on asset and investment sales, net.* In June 2018, the Company exchanged certain royalty interests carried at cost for cash consideration, an equity ownership in Maverix Metals Inc. ("Maverix") and warrants in Maverix, resulting in a pre-tax gain of \$100. For additional information regarding this transaction, see Note 17.

In June 2017, the Company exchanged its interest in the Fort á la Corne joint venture for equity ownership in Shore Gold Inc., resulting in a pre-tax gain of \$15.

*Foreign currency exchange, net.* Although the majority of the Company's balances are denominated in U.S. dollars, foreign currency exchange gains (losses) are recognized on balances to be satisfied in local currencies. These balances primarily relate to the timing of payments for employee-related benefits and other liabilities in Australia, Peru and Suriname.

*Insurance proceeds.* In September 2018, the Company recorded business interruption insurance proceeds of \$25 associated with the East wall slips at Kalgoorlie in the first half of 2018. In June 2017, the Company recorded business interruption insurance proceeds of \$13 associated with the heavy rainfall at Tanami during the first quarter of 2017.

**NOTE 9 INCOME AND MINING TAXES**

A reconciliation of the U.S. federal statutory tax rate to the Company's effective income tax rate follows:

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2018		2017		2018		2017	
Income (loss) before income and mining tax and other items	\$ (128)		\$ 278		\$ 460		\$ 807	
U.S. Federal statutory tax rate	21 %	\$ (27)	35 %	\$ 97	21 %	\$ 97	35 %	\$ 282
Reconciling items:								
Percentage depletion	16	(21)	3	10	(10)	(46)	(8)	(64)
Change in valuation allowance on deferred tax assets	(10)	13	(14)	(39)	4	16	12	100
Adjustment to provisional expense related to the Tax Cuts and Job Act	—	—	—	—	(10)	(45)	—	—
Mining and other taxes	(13)	17	—	(1)	10	47	4	34
Foreign rate differential	(29)	37	—	—	18	83	—	—
U.S. tax effect of noncontrolling interest attributable to non-U.S. investees	8	(11)	1	5	(5)	(23)	1	5
Effect of foreign earnings, net of credits	5	(6)	—	(1)	(2)	(9)	—	(1)
Other	—	1	1	2	1	6	(1)	(6)
Income and mining tax expense	<u>(2)%</u>	<u>\$ 3</u>	<u>26 %</u>	<u>\$ 73</u>	<u>27 %</u>	<u>\$ 126</u>	<u>43 %</u>	<u>\$ 350</u>

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

The Company expects to record additional updates to the provisional amounts for the impacts of US tax reform during the fourth quarter of 2018 following completion of the 2017 income tax returns and within the 12 month time frame provided under the SEC’s Staff Accounting Bulletin 118 . There are no new estimates associated with US tax reform in the income tax expense for the three months ended September 30, 2018.

**NOTE 10 NET INCOME (LOSS) FROM DISCONTINUED OPERATIONS**

The details of *Net income (loss) from discontinued operations* are set forth below:

	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Holt royalty obligation	\$ 19	\$ (7)	\$ 55	\$ (45)
Batu Hijau contingent consideration <sup>(1)</sup>	(3)	—	1	—
Net income (loss) from discontinued operations	<u>\$ 16</u>	<u>\$ (7)</u>	<u>\$ 56</u>	<u>\$ (45)</u>

(1) See Note 16 for details on the Batu Hijau contingent consideration.

**The Holt Royalty Obligation**

At September 30, 2018 and December 31, 2017, the estimated fair value of the Holt royalty obligation was \$165 and \$243, respectively. Changes to the estimated fair value resulting from periodic revaluations are recorded to *Net income (loss) from discontinued operations* , net of tax. During the three and nine months ended September 30, 2018, the Company recorded a gain (loss) of \$19 and \$55, net of a tax benefit (expense) of \$(6) and \$(15), respectively, related to the Holt royalty obligation. During the three and nine months ended September 30, 2017, the Company recorded a gain (loss) of \$(7) and \$(45), net of tax benefit (expense) of \$4 and \$25, respectively, related to the Holt royalty obligation.

During the nine months ended September 30, 2018 and 2017, the Company paid \$8 and \$9, respectively, related to the Holt royalty obligation. Refer to Note 15 for additional information on the Holt royalty obligation.

**NOTE 11 NET INCOME (LOSS) ATTRIBUTABLE TO NONCONTROLLING INTERESTS**

	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Merian	\$ 14	\$ 17	\$ 42	\$ 43
Yanacocha	7	(24)	(16)	(62)
Other	—	—	—	(1)
	<u>\$ 21</u>	<u>\$ (7)</u>	<u>\$ 26</u>	<u>\$ (20)</u>

Newmont has a 75.0% economic interest in Suriname Gold Project C.V. (“Merian”), with the remaining interests held by Staatsolie Maatschappij Suriname N.V. (“Staatsolie”), a company wholly owned by the Republic of Suriname. Newmont consolidates Merian, through its wholly-owned subsidiary, Newmont Suriname LLC., in its Condensed Consolidated Financial Statements as the primary beneficiary in the variable interest entity.

In December 2017, Yanacocha repurchased a 5% ownership interest from International Finance Corporation, which resulted in Newmont’s ownership in Yanacocha increasing from 51.35% to 54.05%, with the remaining interests held by Buenaventura (which increased from 43.65% to 45.95%). In June 2018, Yanacocha sold a 5% ownership interest to Summit Global Management II VB, a subsidiary of Sumitomo Corporation (“Sumitomo”), in exchange for \$48 in cash, which resulted in Newmont’s and Buenaventura’s ownership returning to 51.35% and 43.65%, respectively.

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

Under the terms of the transaction, Sumitomo has the option to require Yanacocha to repurchase the interest for \$48 if the Yanacocha Sulfides project does not adequately progress by June 2022 or if the project is approved with an incremental rate of return below a contractually agreed upon rate. Consequently, Sumitomo's interest has been classified outside of permanent equity as *Contingently redeemable noncontrolling interest* on the Condensed Consolidated Balance Sheets. Under the terms of the sales agreement, the cash paid by Sumitomo at closing has been placed in escrow for repayment in the event the option is exercised. As a result of this transaction, the Company concluded that Newmont will continue to consolidate Yanacocha in its Condensed Consolidated Financial Statements under the voting interest model.

The following summarizes the assets and liabilities of Merian, (including noncontrolling interests):

	<u>At September 30, 2018</u>	<u>At December 31, 2017</u>
<b>Current assets:</b>		
Cash and cash equivalents	\$ 71	\$ 27
Trade receivables	29	—
Inventories	83	79
Stockpiles and ore on leach pads	32	21
Other current assets <sup>(1)</sup>	2	6
	<u>217</u>	<u>133</u>
<b>Non-current assets:</b>		
Property, plant and mine development, net	768	769
Other non-current assets <sup>(2)</sup>	3	8
<b>Total assets</b>	<b>\$ 988</b>	<b>\$ 910</b>
<b>Current liabilities:</b>		
Accounts payable	\$ 24	\$ 22
Other current liabilities <sup>(3)</sup>	27	28
	<u>51</u>	<u>50</u>
<b>Non-current liabilities:</b>		
Reclamation and remediation liabilities	18	18
Other non-current liabilities <sup>(4)</sup>	1	1
<b>Total liabilities</b>	<b>\$ 70</b>	<b>\$ 69</b>

(1) Other current assets include other accounts receivables, prepaid assets and other current assets.

(2) Other non-current assets include intangibles, stockpiles and ore on leach pads.

(3) Other current liabilities include employee-related benefits and other current liabilities.

(4) Other non-current liabilities include employee-related benefits.

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

**NOTE 12 NET INCOME (LOSS) PER COMMON SHARE**

Basic net income (loss) per common share is computed by dividing income available to Newmont common stockholders by the weighted average number of common shares outstanding during the period. Diluted net income (loss) per common share is computed similarly, except that weighted average common shares is increased to reflect all dilutive instruments, including employee stock awards and convertible debt instruments. The dilutive effects of Newmont's dilutive securities are calculated using the treasury stock method and only those instruments that result in a reduction in net income per share are included in the calculation.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Net income (loss) attributable to Newmont stockholders:				
Continuing operations	\$ (161)	\$ 213	\$ 283	\$ 473
Discontinued operations	16	(7)	56	(45)
	<u>\$ (145)</u>	<u>\$ 206</u>	<u>\$ 339</u>	<u>\$ 428</u>
Weighted average common shares (millions):				
Basic	533	533	533	533
Effect of employee stock-based awards	2	3	2	1
Diluted	<u>535</u>	<u>536</u>	<u>535</u>	<u>534</u>
Net income (loss) per common share attributable to Newmont stockholders:				
Basic:				
Continuing operations	\$ (0.31)	\$ 0.39	\$ 0.53	\$ 0.88
Discontinued operations	0.04	(0.01)	0.11	(0.08)
	<u>\$ (0.27)</u>	<u>\$ 0.38</u>	<u>\$ 0.64</u>	<u>\$ 0.80</u>
Diluted:				
Continuing operations	\$ (0.31)	\$ 0.39	\$ 0.53	\$ 0.88
Discontinued operations	0.04	(0.01)	0.10	(0.08)
	<u>\$ (0.27)</u>	<u>\$ 0.38</u>	<u>\$ 0.63</u>	<u>\$ 0.80</u>

The Company reported a loss from continuing operations attributable to Newmont stockholders for the three months ended September 30, 2018. Therefore, the potentially dilutive effects for the three months ended September 30, 2018 were not included in the computation of diluted loss per common share attributable to Newmont stockholders because their inclusion would have been anti-dilutive to the computation.

During the three and nine months ended September 30, 2018, the Company repurchased and retired approximately 0.8 million shares and 2.7 million shares of its common stock for \$26 and \$96, respectively, of which approximately 0.7 million shares related to common stock that was held by participants in the Retirement Savings Plan of Newmont and the Retirement Savings Plan for Hourly-Rated Employees of Newmont. During the three and nine months ended September 30, 2018, the Company withheld a nominal amount and 1.0 million shares for payments of employee withholding taxes related to the vesting of stock awards.

When treasury shares are retired, the Company's policy is to allocate the excess of the repurchase price over the par value of shares acquired to both *Retained earnings* and *Additional paid-in capital*. The portion allocated to *Additional paid-in capital* is calculated on a pro-rata basis of the shares to be retired and the total shares issued and outstanding as of the date of the retirement.

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

**NOTE 13 EMPLOYEE PENSION AND OTHER BENEFIT PLANS**

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<b>Pension benefit costs, net <sup>(1)</sup>:</b>				
Service cost	\$ 7	\$ 7	\$ 23	\$ 22
Interest cost	10	11	31	33
Expected return on plan assets	(17)	(15)	(51)	(46)
Amortization, net	8	7	24	21
Settlements	—	1	—	5
	<u>\$ 8</u>	<u>\$ 11</u>	<u>\$ 27</u>	<u>\$ 35</u>
<b>Other benefit costs (credits), net <sup>(1)</sup>:</b>				
Service cost	\$ —	\$ —	\$ 1	\$ 1
Interest cost	—	1	2	3
Amortization, net	(2)	(1)	(6)	(5)
	<u>\$ (2)</u>	<u>\$ —</u>	<u>\$ (3)</u>	<u>\$ (1)</u>

(1) Service costs are included in *Costs applicable to sales or General and administrative* and the other components of benefit costs and settlements are included in *Other income, net*.

**NOTE 14 STOCK-BASED COMPENSATION**

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<b>Stock-based compensation:</b>				
Restricted stock units	\$ 12	\$ 9	\$ 34	\$ 26
Performance leveraged stock units	7	9	23	26
Strategic stock units	—	—	—	1
	<u>\$ 19</u>	<u>\$ 18</u>	<u>\$ 57</u>	<u>\$ 53</u>

**NOTE 15 FAIR VALUE ACCOUNTING**

Fair value accounting establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

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

Level 2 Quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, quoted prices or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability and model-based valuation techniques (e.g. the Black-Scholes model) for which all significant inputs are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and



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

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

	<b>Fair Value at September 30, 2018</b>			
	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Assets:</b>				
Cash and cash equivalents	\$ 3,068	\$ 3,068	\$ —	\$ —
Restricted cash	83	83	—	—
Trade receivable from provisional gold and copper concentrate sales, net	111	—	111	—
Diesel forward derivative contracts	7	—	7	—
Marketable equity securities	159	144	15	—
Restricted marketable debt securities	52	22	30	—
Restricted other assets	6	6	—	—
Batu Hijau contingent consideration	23	—	—	23
	<u>\$ 3,509</u>	<u>\$ 3,323</u>	<u>\$ 163</u>	<u>\$ 23</u>
<b>Liabilities:</b>				
Debt <sup>(1)</sup>	\$ 4,323	\$ —	\$ 4,323	\$ —
Holt royalty obligation	165	—	—	165
	<u>\$ 4,488</u>	<u>\$ —</u>	<u>\$ 4,323</u>	<u>\$ 165</u>
	<b>Fair Value at December 31, 2017</b>			
	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Assets:</b>				
Cash and cash equivalents	\$ 3,259	\$ 3,259	\$ —	\$ —
Restricted cash	39	39	—	—
Trade receivable from provisional gold and copper concentrate sales, net	111	—	111	—
Diesel forward derivative contracts	6	—	6	—
Marketable equity securities	165	165	—	—
Restricted marketable debt securities	55	17	38	—
Restricted other assets	9	9	—	—
Batu Hijau contingent consideration	23	—	—	23
	<u>\$ 3,667</u>	<u>\$ 3,489</u>	<u>\$ 155</u>	<u>\$ 23</u>
<b>Liabilities:</b>				
Debt <sup>(1)</sup>	\$ 4,671	\$ —	\$ 4,671	\$ —
Foreign exchange forward derivative contracts	1	—	1	—
Holt royalty obligation	243	—	—	243
	<u>\$ 4,915</u>	<u>\$ —</u>	<u>\$ 4,672</u>	<u>\$ 243</u>

(1) Debt, exclusive of capital leases, is carried at amortized cost. The outstanding carrying value was \$4,043 and \$4,040 at September 30, 2018 and December 31, 2017, respectively. The fair value measurement of debt was based on an independent third party pricing source.

**NEWMONT MINING CORPORATION**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited )**

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

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 derivative instruments above are included in Note 16. All other fair value disclosures in the above table are presented on a gross basis.

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

The Company's net trade receivables from provisional gold and copper concentrate sales, which contain an embedded derivative and are subject to final pricing, are valued using quoted market prices based on forward curves for the particular metal. As the contracts themselves are not traded on an exchange, these receivables are classified within Level 2 of the fair value hierarchy.

The Company's derivative instruments are valued using pricing models, and the Company generally uses similar models to value similar instruments. Valuation models require a variety of inputs, including contractual terms, market prices, forward curves, measures of volatility, and correlations of such inputs. The Company's derivatives trade in liquid markets, and as such, model inputs can generally be verified and do not involve significant management judgment. Such instruments are classified within Level 2 of the fair value hierarchy.

The Company's marketable equity securities with readily determinable fair values 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 are 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 equity securities without readily determinable fair values are primarily comprised of warrants in publicly traded companies and are valued using a Black-Scholes model using quoted market prices in active markets of the underlying securities. As the contracts themselves are not traded on the exchange, these equity securities are classified within Level 2 of the fair value hierarchy.

The Company's restricted marketable debt securities are primarily U.S. government issued bonds and international bonds. The Company's South American debt securities are classified within Level 1 of the fair value hierarchy, using published market prices of actively traded securities. The Company's North American debt securities are classified within Level 2 of the fair value hierarchy as they are valued using pricing models which are based on prices of similar, actively traded securities.

The Company's restricted other assets primarily consist of bank issued certificate of deposits that have maturities over 90 days and marketable equity securities. Both are classified within Level 1 of the fair value hierarchy as their fair values are based on quoted prices available in active markets.

The estimated value of the Batu Hijau contingent consideration was determined using (i) a discounted cash flow model, (ii) a Monte Carlo valuation model to simulate future copper prices using the Company's long-term copper price, and (iii) estimated production and/or development dates for Batu Hijau Phase 7 and the Elang projects in Indonesia. The contingent consideration is classified within Level 3 of the fair value hierarchy.

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

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

The following tables set forth a summary of the quantitative and qualitative information related to the unobservable inputs used in the calculation of the Company's Level 3 financial assets and liabilities at September 30, 2018 and December 31, 2017:

Description	At September 30, 2018	Valuation technique	Unobservable input	Range/Weighted average
Batu Hijau contingent consideration	\$ 23	Monte Carlo	Discount rate	17.50 %
			Short-term copper price	\$ 2.77
			Long-term copper price	\$ 3.00
Holt royalty obligation	\$ 165	Monte Carlo	Discount rate	4.13 %
			Short-term gold price	\$ 1,213
			Long-term gold price	\$ 1,300
			Gold production scenarios (in 000's of ounces)	318 - 1,560

Description	At December 31, 2017	Valuation technique	Unobservable input	Range/Weighted average
Batu Hijau contingent consideration	\$ 23	Monte Carlo	Discount rate	17.50 %
			Short-term copper price	\$ 3.09
			Long-term copper price	\$ 3.00
Holt royalty obligation	\$ 243	Monte Carlo	Discount rate	3.32 %
			Short-term gold price	\$ 1,275
			Long-term gold price	\$ 1,300
			Gold production scenarios (in 000's of ounces)	402 - 1,779

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

	Batu Hijau Contingent Consideration <sup>(1)</sup>	Total Assets	Holt Royalty Obligation <sup>(1)</sup>	Total Liabilities
Fair value at December 31, 2017	\$ 23	\$ 23	\$ 243	\$ 243
Settlements	—	—	(8)	(8)
Revaluation	—	—	(70)	(70)
Fair value at September 30, 2018	\$ 23	\$ 23	\$ 165	\$ 165

	Asset Backed Commercial Paper <sup>(2)</sup>	Batu Hijau Contingent Consideration <sup>(1)</sup>	Total Assets	Holt Royalty Obligation <sup>(1)</sup>	Total Liabilities
Fair value at December 31, 2016	\$ 18	\$ 13	\$ 31	\$ 187	\$ 187
Settlements	(18)	—	(18)	(9)	(9)
Revaluation	—	—	—	70	70
Fair value at September 30, 2017	\$ —	\$ 13	\$ 13	\$ 248	\$ 248

- (1) The gain (loss) recognized is included in *Net income (loss) from discontinued operations* .  
(2) The gain (loss) recognized is included in *Other income, net*.

During the third quarter of 2018, the Company performed a non-recurring fair value measurement (i.e. Level 3 of the fair value hierarchy) in connection with recoverability and impairment tests performed at certain North American exploration properties due to the Company's decision to focus on advancing other projects and at Emigrant due to a change in the mine plan that resulted in a decrease in mine life.

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

The estimated fair value of the North American exploration properties was determined using comparable transactions. The estimated fair value of Emigrant’s existing operations was determined using (i) a country specific discount rate of 5.2%, (ii) a short-term gold price of \$1,213 based on the third quarter average of the London PM fix, (iii) a long-term gold price of \$1,300, and (iv) updated cash flow information from the Company’s business plan. For further information regarding the impairment charges, see Note 6.

**NOTE 16 DERIVATIVE INSTRUMENTS**

The Company’s strategy is to provide shareholders with leverage to changes in gold and copper prices by selling its production at spot market prices. Consequently, the Company does not hedge its gold and copper sales. The Company has and will continue to manage certain risks associated with commodity input costs, interest rates and foreign currencies using the derivative market.

**Cash Flow Hedges**

The Company uses hedge programs to mitigate the variability of its operating costs primarily related to diesel price fluctuations. Prior to adoption of ASU No. 2017-12, Newmont’s hedge portfolio consisted of Nevada diesel swaps and Australian dollar foreign currency forwards. Subsequent to the adoption of this ASU, the Company initiated new diesel hedge programs for all of its Nevada sites in North America, Merian in South America and Boddington, Tanami and Kalgoorlie in Australia.

The following diesel contracts were transacted for risk management purposes and qualify as cash flow hedges. The 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.

The Company had the following diesel derivative contracts outstanding at September 30, 2018:

	Expected Maturity Date				Total/ Average
	2018	2019	2020	2021	
<b>Diesel Fixed Forward Contracts:</b>					
<b>North America</b>					
Diesel gallons (millions)	3	4	4	1	12
Average rate (\$/gallon)	1.68	1.87	2.00	2.07	1.89
<b>South America</b>					
Diesel gallons (millions)	—	—	2	—	2
Average rate (\$/gallon)	—	2.07	1.89	2.03	1.92
<b>Australia</b>					
Diesel barrels (thousands)	—	18	91	29	138
Average rate (\$/barrel)	—	85.96	78.66	82.15	80.34

The hedging instruments consist of a series of financially settled fixed forward contracts, which run through the second quarter of 2021 in South America and the third quarter of 2021 in North America and Australia.

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

**Derivative Instrument Fair Values**

The Company had the following derivative instruments designated as hedges at September 30, 2018 and December 31, 2017:

	Fair Values of Derivative Instruments			
	At September 30, 2018			
	Other Current Assets	Other Non-current Assets	Other Current Liabilities	Other Non-current Liabilities
Diesel fixed forwards	\$ 4	\$ 3	\$ —	\$ —

	Fair Values of Derivative Instruments			
	At December 31, 2017			
	Other Current Assets	Other Non-current Assets	Other Current Liabilities	Other Non-current Liabilities
A\$ operating fixed forwards	\$ —	\$ —	\$ 1	\$ —
Diesel fixed forwards	6	—	—	—
	<u>\$ 6</u>	<u>\$ —</u>	<u>\$ 1</u>	<u>\$ —</u>

As of September 30, 2018 and December 31, 2017, all hedging instruments held by the Company were subject to enforceable master netting arrangements held by various financial institutions. In general, the terms of the Company's agreements provide for offsetting of amounts payable or receivable between it and the counterparty, at the election of both parties, for transactions that occur on the same date and in the same currency. The Company's agreements also provide that in the event of an early termination, the counterparties have the right to offset amounts owed or owing under that and any other agreement with the same counterparty. The Company's accounting policy is to not offset these positions in its accompanying balance sheets. As of September 30, 2018 and December 31, 2017, the potential effect of netting derivative assets against liabilities due to the master netting agreement was not significant.

The following table shows the effect of cash flow hedge accounting in the Company's Condensed Consolidated Statements of Operations.

	(Gain) Loss Recognized from Cash Flow Hedges			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Total Costs applicable to sales	\$ 995	\$ 1,053	\$ 2,989	\$ 3,009
Amount of (gain) loss reclassified from Accumulated other comprehensive income (loss) into income (loss) from foreign currency hedging instruments	\$ 1	\$ 5	\$ 6	\$ 20
Amount of (gain) loss reclassified from Accumulated other comprehensive income (loss) into income (loss) from diesel hedging instruments	\$ (2)	\$ —	\$ (6)	\$ 3
Total Interest expense, net	\$ 51	\$ 56	\$ 153	\$ 187
Amount of (gain) loss reclassified from Accumulated other comprehensive income (loss) into income (loss) from discontinued interest rate hedging instruments	\$ 2	\$ 2	\$ 8	\$ 7

NEWMONT MINING CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

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

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

	Foreign Currency Exchange Contracts		Diesel Fixed Forward Contracts		Interest Rate Contracts	
	2018	2017	2018	2017	2018	2017
<b>For the three months ended September 30,</b>						
Cash flow hedging relationships:						
(Gain) loss recognized in Other comprehensive income (loss)	\$ —	\$ (1)	\$ (3)	\$ (5)	\$ —	\$ —
(Gain) loss reclassified from Accumulated other comprehensive income (loss) into income (loss)	\$ 1	\$ 5	\$ (2)	\$ —	\$ 2	\$ 2
<b>For the nine months ended September 30,</b>						
Cash flow hedging relationships:						
(Gain) loss recognized in Other comprehensive income (loss)	\$ —	\$ (5)	\$ (8)	\$ 1	\$ —	\$ —
(Gain) loss reclassified from Accumulated other comprehensive income (loss) into income (loss)	\$ 6	\$ 20	\$ (6)	\$ 3	\$ 8	\$ 7

Over the next 12 months, the Company expects to reclassify from *Accumulated other comprehensive income (loss)* to income a loss of approximately \$6, net of tax, related to unrealized hedge losses.

**Batu Hijau Contingent Consideration**

Consideration received by the Company in conjunction with the sale of PT Newmont Nusa Tenggara included the Contingent Payment and the Elang Development deferred payment deeds, which were determined to be financial instruments that met the definition of a derivative, but do not qualify for hedge accounting, under ASC 815. See Note 15 for additional information. Contingent consideration of \$23 was included in *Other non-current assets* in the Company's Condensed Consolidated Balance Sheets as of September 30, 2018 and December 31, 2017.

**Provisional Gold and Copper Sales**

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

The impact to *Sales* from revenue recognized due to the changes in the final pricing is a (decrease) increase of \$(9) and \$8 for the three months ended September 30, 2018 and 2017, respectively, and a (decrease) increase of \$(17) and \$18 for the nine months ended September 30, 2018 and 2017, respectively.

At September 30, 2018, Newmont had gold and copper sales of 113,000 ounces and 18 million pounds priced at an average of \$1,190 per ounce and \$2.80 per pound, respectively, subject to final pricing over the next several months.

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

**NOTE 17 INVESTMENTS**

	<u>At September 30, 2018</u>
	<u>Fair Value/ Equity Basis <sup>(1)</sup></u>
Current:	
Marketable equity securities	\$ 58
Non-current:	
Marketable equity securities:	
Continental Gold Inc.	\$ 76
Warrants	15
Other marketable equity securities	10
	<u>101</u>
Other investments	7
Equity method investments:	
TMAC Resources Inc. (28.68%)	100
Maverix Metals Inc. (27.85%)	80
Minera La Zanja S.R.L. (46.94%)	43
	<u>223</u>
	<u>\$ 331</u>
Non-current restricted investments: <sup>(2)</sup>	
Marketable debt securities <sup>(3)</sup>	\$ 52
Other assets	6
	<u>\$ 58</u>

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

	At December 31, 2017			
	Cost/Equity Basis	Unrealized		Fair Value/ Equity Basis <sup>(1)</sup>
		Gain	Loss	
<b>Current:</b>				
Marketable equity securities	\$ 38	\$ 32	\$ (8)	\$ 62
<b>Non-current:</b>				
<b>Marketable equity securities:</b>				
Continental Gold Inc.	\$ 109	\$ —	\$ (8)	\$ 101
Warrants	7	—	—	7
Other marketable equity securities	4	—	(2)	2
	120	—	(10)	110
Other investments	5	—	—	5
<b>Equity method investments:</b>				
TMAC Resources Inc. (28.79%)	115	—	—	115
Minera La Zanja S.R.L. (46.94%)	50	—	—	50
	165	—	—	165
	\$ 290	\$ —	\$ (10)	\$ 280
<b>Non-current restricted investments: <sup>(2)</sup></b>				
Marketable debt securities	\$ 58	\$ —	\$ (3)	\$ 55
Other assets	8	1	—	9
	\$ 66	\$ 1	\$ (3)	\$ 64

- (1) Subsequent to the adoption of ASU No. 2016-01 on January 1, 2018, unrealized gains and losses related to marketable equity securities are recorded in *Other income, net*. Previously, gains and losses related to unrealized marketable equity securities were recorded in *Other comprehensive income (loss)*.
- (2) Non-current restricted investments are legally pledged for purposes of settling reclamation and remediation obligations and are included in *Other non-current assets*. For further information regarding these amounts, see Note 5.
- (3) There were nominal unrealized gains or losses recorded in *Accumulated other comprehensive income (loss)* as of September 30, 2018, related to marketable debt securities.

In June 2018, Newmont sold \$11 of restricted marketable debt securities as a result of remediation work completed at the Midnite Mine.

In June 2018, Newmont exchanged certain royalty interests for cash consideration of \$17, received in July, and non-cash consideration comprised of 60 million common shares in Maverix and 10 million common share warrants in Maverix, with fair values upon closing of \$78 and \$5, respectively. Following the transaction, Newmont held a 27.98% equity ownership in Maverix. The Company determined the Maverix investment qualified as an equity method investment.

**NOTE 18 INVENTORIES**

	At September 30, 2018	At December 31, 2017
Materials and supplies	\$ 441	\$ 416
In-process	138	131
Concentrate and copper cathode	95	83
Precious metals	39	49
	\$ 713	\$ 679



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

**NOTE 19 STOCKPILES AND ORE ON LEACH PADS**

	At September 30, 2018	At December 31, 2017
Current:		
Stockpiles	\$ 327	\$ 330
Ore on leach pads	341	346
	<u>\$ 668</u>	<u>\$ 676</u>
Non-current:		
Stockpiles	\$ 1,473	\$ 1,502
Ore on leach pads	405	346
	<u>\$ 1,878</u>	<u>\$ 1,848</u>
	At September 30, 2018	At December 31, 2017
Stockpiles and ore on leach pads:		
Carlin	\$ 443	\$ 441
Phoenix	68	68
Twin Creeks	337	340
Long Canyon	40	34
CC&V	325	314
Yanacocha	252	270
Merian	32	25
Boddington	447	431
Tanami	2	4
Kalgoorlie	123	125
Ahafo	401	409
Akyem	76	63
	<u>\$ 2,546</u>	<u>\$ 2,524</u>

During the three and nine months ended September 30, 2018, the Company recorded write-downs of \$59 and \$211, respectively, classified as components of *Costs applicable to sales*, and write-downs of \$19 and \$76, respectively, classified as components of *Depreciation and amortization* to reduce the carrying value of stockpiles and ore on leach pads to net realizable value. Of the write-downs during the three months ended September 30, 2018, \$52 is related to Carlin, of which \$29 is related to Emigrant as discussed in Note 6, \$6 to Twin Creeks, \$7 to CC&V and \$13 to Yanacocha. Of the write-downs during the nine months ended September 30, 2018, \$109 is related to Carlin, \$39 to Twin Creeks, \$7 to CC&V, \$39 to Yanacocha, \$46 to Ahafo and \$47 to Akyem.

During the three and nine months ended September 30, 2017, the Company recorded write-downs of \$ 60 and \$ 146 , respectively, classified as components of *Costs applicable to sales*, and write-downs of \$23 and \$ 54 , respectively, classified as components of *Depreciation and amortization* to reduce the carrying value of stockpiles and ore on leach pads to net realizable value. Of the write-downs during the three months ended September 30, 2017, \$ 28 was related to Carlin, \$1 6 to Twin Creeks, \$ 28 to Yanacocha and \$ 11 to Akyem. Of the write-downs during the nine months ended September 30, 2017, \$ 62 was related to Carlin, \$ 32 to Twin Creeks, \$69 to Yanacocha, \$18 to Ahafo and \$ 19 to Akyem.

**NOTE 20 DEBT**

Scheduled minimum debt repayments are \$- for the remainder of 2018, \$626 in 2019, \$- in 2020, \$- in 2021, \$992 in 2022 and \$2,474 thereafter.

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

**NOTE 21 LEASE AND OTHER FINANCING OBLIGATIONS**

Scheduled minimum capital lease repayments are \$1 in 2018, \$3 in 2019, \$1 in 2020, \$1 in 2021, \$1 in 2022 and \$1 thereafter.

In December 2017, the Company began the early phases of the Tanami Power project which includes the construction of a gas pipeline to the Tanami site, and construction and operation of two on-site power stations under agreements that qualify for build-to-suit lease accounting. As of September 30, 2018 and December 31, 2017, the financing obligations under the build-to-suit arrangements were \$140 and \$14, of which \$17 was classified as current as of September 30, 2018.

**NOTE 22 OTHER LIABILITIES**

	At September 30, 2018	At December 31, 2017
<b>Other current liabilities:</b>		
Accrued operating costs	\$ 129	\$ 124
Reclamation and remediation liabilities	103	103
Accrued capital expenditures	65	77
Accrued interest	62	52
Royalties	30	63
Holt royalty obligation	12	15
Taxes other than income and mining	6	7
Derivative instruments	—	1
Other	13	20
	<u>\$ 420</u>	<u>\$ 462</u>
<b>Other non-current liabilities:</b>		
Holt royalty obligation	\$ 153	\$ 228
Galore Creek deferred payments	88	—
Income and mining taxes	45	47
Power supply agreements	29	32
Social development obligations	22	22
Other	11	13
	<u>\$ 348</u>	<u>\$ 342</u>

**NOTE 23 RECLASSIFICATIONS OUT OF ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)**

	Unrealized Gain (Loss) on Marketable Securities, net	Foreign Currency Translation Adjustments	Pension and Other Post-retirement Benefit Adjustments	Unrealized Gain (Loss) on Cash flow Hedge Instruments	Total
Balance at December 31, 2017	\$ (116)	\$ 130	\$ (208)	\$ (98)	\$ (292)
Cumulative effect adjustment of adopting ASU No. 2016-01	115	—	—	—	115
<b>Net current-period other comprehensive income (loss):</b>					
Change in other comprehensive income (loss) before reclassifications	1	—	—	6	7
Reclassifications from accumulated other comprehensive income (loss)	—	—	14	6	20
Other comprehensive income (loss)	1	—	14	12	27
Balance at September 30, 2018	<u>\$ —</u>	<u>\$ 130</u>	<u>\$ (194)</u>	<u>\$ (86)</u>	<u>\$ (150)</u>

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

<u>Details about Accumulated Other Comprehensive Income (Loss) Components</u>	<u>Amount Reclassified from Accumulated Other Comprehensive Income (Loss)</u>				<u>Affected Line Item in the Condensed Consolidated Statements of Operations</u>
	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>		
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	
<b>Marketable securities adjustments:</b>					
Sale of marketable securities	\$ —	\$ (5)	\$ —	\$ (5)	Other income, net
Total before tax	—	(5)	—	(5)	
Tax	—	—	—	—	
Net of tax	<u>\$ —</u>	<u>\$ (5)</u>	<u>\$ —</u>	<u>\$ (5)</u>	
<b>Pension and other post-retirement benefit adjustments:</b>					
Amortization	\$ 6	\$ 6	\$ 18	\$ 16	Other income, net
Settlements	—	1	—	5	Other income, net
Total before tax	6	7	18	21	
Tax	(1)	(2)	(4)	(7)	
Net of tax	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 14</u>	<u>\$ 14</u>	
<b>Hedge instruments adjustments:</b>					
Operating cash flow hedges	\$ (1)	\$ 5	\$ —	\$ 23	Costs applicable to sales
Interest rate contracts	2	2	8	7	Interest expense, net
Total before tax	1	7	8	30	
Tax	—	(2)	(2)	(10)	
Net of tax	<u>\$ 1</u>	<u>\$ 5</u>	<u>\$ 6</u>	<u>\$ 20</u>	
Total reclassifications for the period, net of tax	<u>\$ 6</u>	<u>\$ 5</u>	<u>\$ 20</u>	<u>\$ 29</u>	

**NOTE 24 NET CHANGE IN OPERATING ASSETS AND LIABILITIES**

*Net cash provided by (used in) operating activities of continuing operations* attributable to the net change in operating assets and liabilities is composed of the following:

	<u>Nine Months Ended September 30,</u>	
	<u>2018</u>	<u>2017</u>
<b>Decrease (increase) in operating assets:</b>		
Trade and other accounts receivables	\$ (18)	\$ 46
Inventories, stockpiles and ore on leach pads	(274)	(145)
Other assets	(23)	(11)
<b>Increase (decrease) in operating liabilities:</b>		
Accounts payable	(78)	(1)
Reclamation and remediation liabilities	(51)	(53)
Other accrued liabilities	(223)	(289)
	<u>\$ (667)</u>	<u>\$ (453)</u>

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

**NOTE 25 CONDENSED CONSOLIDATING FINANCIAL STATEMENTS**

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

Condensed Consolidating Statement of Operation	Three Months Ended September 30, 2018				
	(Issuer) Newmont Mining Corporation	(Guarantor) Newmont USA	(Non-Guarantor) Other Subsidiaries	Eliminations	Newmont Mining Corporation Consolidated
Sales	\$ —	\$ 417	\$ 1,309	\$ —	\$ 1,726
Costs and expenses:					
Costs applicable to sales <sup>(1)</sup>	—	293	702	—	995
Depreciation and amortization	1	85	213	—	299
Reclamation and remediation	—	4	27	—	31
Exploration	—	13	35	—	48
Advanced projects, research and development	—	8	29	—	37
General and administrative	—	20	39	—	59
Impairment of long-lived assets	—	336	30	—	366
Other expense, net	—	—	5	—	5
	<u>1</u>	<u>759</u>	<u>1,080</u>	<u>—</u>	<u>1,840</u>
Other income (expense):					
Other income, net	(32)	9	60	—	37
Interest income - intercompany	16	14	12	(42)	—
Interest expense - intercompany	(10)	—	(32)	42	—
Interest expense, net	(45)	(3)	(3)	—	(51)
	<u>(71)</u>	<u>20</u>	<u>37</u>	<u>—</u>	<u>(14)</u>
Income (loss) before income and mining tax and other items	(72)	(322)	266	—	(128)
Income and mining tax benefit (expense)	16	79	(98)	—	(3)
Equity income (loss) of affiliates	(89)	(13)	(9)	102	(9)
Net income (loss) from continuing operations	(145)	(256)	159	102	(140)
Net income (loss) from discontinued operations	—	—	16	—	16
Net income (loss)	(145)	(256)	175	102	(124)
Net loss (income) attributable to noncontrolling interests:	—	—	(21)	—	(21)
Net income (loss) attributable to Newmont stockholders	<u>\$ (145)</u>	<u>\$ (256)</u>	<u>\$ 154</u>	<u>\$ 102</u>	<u>\$ (145)</u>
Comprehensive income (loss)	<u>\$ (133)</u>	<u>\$ (246)</u>	<u>\$ 165</u>	<u>\$ 102</u>	<u>\$ (112)</u>
Comprehensive loss (income) attributable to noncontrolling interests	—	—	(21)	—	(21)
Comprehensive income (loss) attributable to Newmont stockholders	<u>\$ (133)</u>	<u>\$ (246)</u>	<u>\$ 144</u>	<u>\$ 102</u>	<u>\$ (133)</u>

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

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

<b>Condensed Consolidating Statement of Operation</b>	<b>Three Months Ended September 30, 2017</b>				
	<b>(Issuer) Newmont Mining Corporation</b>	<b>(Guarantor) Newmont USA</b>	<b>(Non-Guarantor) Other Subsidiaries</b>	<b>Eliminations</b>	<b>Newmont Mining Corporation Consolidated</b>
Sales	\$ —	\$ 494	\$ 1,385	\$ —	\$ 1,879
Costs and expenses:					
Costs applicable to sales <sup>(1)</sup>	—	318	735	—	1,053
Depreciation and amortization	1	94	233	—	328
Reclamation and remediation	—	3	23	—	26
Exploration	—	10	38	—	48
Advanced projects, research and development	—	10	31	—	41
General and administrative	—	18	40	—	58
Impairment of long-lived assets	—	—	—	—	—
Other expense, net	—	—	1	—	1
	<u>1</u>	<u>453</u>	<u>1,101</u>	<u>—</u>	<u>1,555</u>
Other income (expense):					
Other income, net	11	2	(3)	—	10
Interest income - intercompany	67	11	11	(89)	—
Interest expense - intercompany	(11)	—	(78)	89	—
Interest expense, net	(51)	(5)	—	—	(56)
	<u>16</u>	<u>8</u>	<u>(70)</u>	<u>—</u>	<u>(46)</u>
Income (loss) before income and mining tax and other items	15	49	214	—	278
Income and mining tax benefit (expense)	(5)	(19)	(49)	—	(73)
Equity income (loss) of affiliates	196	(52)	(3)	(140)	1
Net income (loss) from continuing operations	206	(22)	162	(140)	206
Net income (loss) from discontinued operations	—	—	(7)	—	(7)
Net income (loss)	206	(22)	155	(140)	199
Net loss (income) attributable to noncontrolling interests	—	—	7	—	7
Net income (loss) attributable to Newmont stockholders	<u>\$ 206</u>	<u>\$ (22)</u>	<u>\$ 162</u>	<u>\$ (140)</u>	<u>\$ 206</u>
Comprehensive income (loss)	\$ 232	\$ (13)	\$ 146	\$ (140)	\$ 225
Comprehensive loss (income) attributable to noncontrolling interests	—	—	7	—	7
Comprehensive income (loss) attributable to Newmont stockholders	<u>\$ 232</u>	<u>\$ (13)</u>	<u>\$ 153</u>	<u>\$ (140)</u>	<u>\$ 232</u>

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

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

<b>Condensed Consolidating Statement of Operation</b>	<b>Nine Months Ended September 30, 2018</b>				
	<b>(Issuer)</b> <b>Newmont</b> <b>Mining</b> <b>Corporation</b>	<b>(Guarantor)</b> <b>Newmont</b> <b>USA</b>	<b>(Non-Guarantor)</b> <b>Other</b> <b>Subsidiaries</b>	<b>Eliminations</b>	<b>Newmont</b> <b>Mining</b> <b>Corporation</b> <b>Consolidated</b>
Sales	\$ —	\$ 1,348	\$ 3,857	\$ —	\$ 5,205
Costs and expenses:					
Costs applicable to sales <sup>(1)</sup>	—	898	2,091	—	2,989
Depreciation and amortization	3	247	629	—	879
Reclamation and remediation	—	11	85	—	96
Exploration	—	39	103	—	142
Advanced projects, research and development	—	22	85	—	107
General and administrative	—	61	120	—	181
Impairment of long-lived assets	—	336	30	—	366
Other expense, net	—	2	27	—	29
	<u>3</u>	<u>1,616</u>	<u>3,170</u>	<u>—</u>	<u>4,789</u>
Other income (expense):					
Other income, net	(29)	36	190	—	197
Interest income - intercompany	67	36	33	(136)	—
Interest expense - intercompany	(29)	—	(107)	136	—
Interest expense, net	(142)	(5)	(6)	—	(153)
	<u>(133)</u>	<u>67</u>	<u>110</u>	<u>—</u>	<u>44</u>
Income (loss) before income and mining tax and other items	(136)	(201)	797	—	460
Income and mining tax benefit (expense)	29	58	(213)	—	(126)
Equity income (loss) of affiliates	446	(90)	(25)	(356)	(25)
Net income (loss) from continuing operations	<u>339</u>	<u>(233)</u>	<u>559</u>	<u>(356)</u>	<u>309</u>
Net income (loss) from discontinued operations	—	—	56	—	56
Net income (loss)	<u>339</u>	<u>(233)</u>	<u>615</u>	<u>(356)</u>	<u>365</u>
Net loss (income) attributable to noncontrolling interests	—	—	(26)	—	(26)
Net income (loss) attributable to Newmont stockholders	<u>\$ 339</u>	<u>\$ (233)</u>	<u>\$ 589</u>	<u>\$ (356)</u>	<u>\$ 339</u>
Comprehensive income (loss)	<u>\$ 366</u>	<u>\$ (223)</u>	<u>\$ 605</u>	<u>\$ (356)</u>	<u>\$ 392</u>
Comprehensive loss (income) attributable to noncontrolling interests	—	—	(26)	—	(26)
Comprehensive income (loss) attributable to Newmont stockholders	<u>\$ 366</u>	<u>\$ (223)</u>	<u>\$ 579</u>	<u>\$ (356)</u>	<u>\$ 366</u>

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

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

<b>Condensed Consolidating Statement of Operation</b>	<b>Nine Months Ended September 30, 2017</b>				
	<b>(Issuer) Newmont Mining Corporation</b>	<b>(Guarantor) Newmont USA</b>	<b>(Non-Guarantor) Other Subsidiaries</b>	<b>Eliminations</b>	<b>Newmont Mining Corporation Consolidated</b>
Sales	\$ —	\$ 1,435	\$ 4,009	\$ —	\$ 5,444
Costs and expenses:					
Costs applicable to sales <sup>(1)</sup>	—	901	2,108	—	3,009
Depreciation and amortization	3	259	676	—	938
Reclamation and remediation	—	10	88	—	98
Exploration	—	32	103	—	135
Advanced projects, research and development	—	13	86	—	99
General and administrative	—	53	118	—	171
Impairment of long-lived assets	—	—	3	—	3
Other expense, net	—	8	21	—	29
	<u>3</u>	<u>1,276</u>	<u>3,203</u>	<u>—</u>	<u>4,482</u>
Other income (expense):					
Other income, net	37	5	(10)	—	32
Interest income - intercompany	114	35	33	(182)	—
Interest expense - intercompany	(33)	(4)	(145)	182	—
Interest expense, net	(172)	(8)	(7)	—	(187)
	<u>(54)</u>	<u>28</u>	<u>(129)</u>	<u>—</u>	<u>(155)</u>
Income (loss) before income and mining tax and other items	(57)	187	677	—	807
Income and mining tax benefit (expense)	20	(41)	(329)	—	(350)
Equity income (loss) of affiliates	465	(286)	(16)	(167)	(4)
Net income (loss) from continuing operations	428	(140)	332	(167)	453
Net income (loss) from discontinued operations	—	—	(45)	—	(45)
Net income (loss)	428	(140)	287	(167)	408
Net loss (income) attributable to noncontrolling interests	—	—	20	—	20
Net income (loss) attributable to Newmont stockholders	<u>\$ 428</u>	<u>\$ (140)</u>	<u>\$ 307</u>	<u>\$ (167)</u>	<u>\$ 428</u>
Comprehensive income (loss)	\$ 470	\$ (122)	\$ 269	\$ (167)	\$ 450
Comprehensive loss (income) attributable to noncontrolling interests	—	—	20	—	20
Comprehensive income (loss) attributable to Newmont stockholders	<u>\$ 470</u>	<u>\$ (122)</u>	<u>\$ 289</u>	<u>\$ (167)</u>	<u>\$ 470</u>

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

**NEWMONT MINING CORPORATION**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)**

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

	Nine Months Ended September 30, 2018				
	(Issuer) Newmont Mining Corporation	(Guarantor) Newmont USA	(Non-Guarantor) Other Subsidiaries	Eliminations	Newmont Mining Corporation Consolidated
<b>Condensed Consolidating Statement of Cash Flows</b>					
Operating activities:					
Net cash provided by (used in) operating activities of continuing operations	\$ (123)	\$ 339	\$ 879	\$ —	\$ 1,095
Net cash provided by (used in) operating activities of discontinued operations	—	—	(8)	—	(8)
Net cash provided by (used in) operating activities	(123)	339	871	—	1,087
Investing activities:					
Additions to property, plant and mine development	—	(203)	(560)	—	(763)
Acquisitions, net	—	—	(138)	—	(138)
Proceeds from sales of other assets	—	—	23	—	23
Purchases of investments	(4)	—	(13)	—	(17)
Proceeds from sales of investments	—	12	4	—	16
Other	—	1	(6)	—	(5)
Net cash provided by (used in) investing activities	(4)	(190)	(690)	—	(884)
Financing activities:					
Dividends paid to common stockholders	(226)	—	—	—	(226)
Distributions to noncontrolling interests	—	—	(107)	—	(107)
Repurchase of common stock	(96)	—	—	—	(96)
Funding from noncontrolling interests	—	—	77	—	77
Proceeds from sale of noncontrolling interests	—	—	48	—	48
Payments for withholding of employee taxes related to stock-based compensation	—	(39)	—	—	(39)
Repayment of debt	—	—	(3)	—	(3)
Net intercompany borrowings (repayments)	449	(109)	(340)	—	—
Other	—	(1)	1	—	—
Net cash provided by (used in) financing activities	127	(149)	(324)	—	(346)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	—	—	(4)	—	(4)
Net change in cash, cash equivalents and restricted cash	—	—	(147)	—	(147)
Cash, cash equivalents and restricted cash at beginning of period	—	—	3,298	—	3,298
Cash, cash equivalents and restricted cash at end of period	\$ —	\$ —	\$ 3,151	\$ —	\$ 3,151
Reconciliation of cash, cash equivalents and restricted cash:					
Cash and cash equivalents	\$ —	\$ —	\$ 3,068	\$ —	\$ 3,068
Restricted cash included in Other current assets	—	—	1	—	1
Restricted cash included in Other noncurrent assets	—	—	82	—	82
Total cash, cash equivalents and restricted cash	\$ —	\$ —	\$ 3,151	\$ —	\$ 3,151



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

<b>Condensed Consolidating Statement of Cash Flows</b>	<b>Nine Months Ended September 30, 2017</b>				
	<b>(Issuer) Newmont Mining Corporation</b>	<b>(Guarantor) Newmont USA</b>	<b>(Non-Guarantor) Other Subsidiaries</b>	<b>Eliminations</b>	<b>Newmont Mining Corporation Consolidated</b>
<b>Operating activities:</b>					
Net cash provided by (used in) operating activities of continuing operations	\$ (307)	\$ 375	\$ 1,323	\$ —	\$ 1,391
Net cash provided by (used in) operating activities of discontinued operations	—	—	(12)	—	(12)
Net cash provided by (used in) operating activities	(307)	375	1,311	—	1,379
<b>Investing activities:</b>					
Additions to property, plant and mine development	—	(171)	(386)	—	(557)
Acquisitions, net	—	—	—	—	—
Proceeds from sales of other assets	—	—	5	—	5
Purchases of investments	(109)	—	(4)	—	(113)
Proceeds from sales of investments	—	—	34	—	34
Other	—	2	11	—	13
Net cash provided by (used in) investing activities	(109)	(169)	(340)	—	(618)
<b>Financing activities:</b>					
Dividends paid to common stockholders	(94)	—	—	—	(94)
Distributions to noncontrolling interests	—	—	(119)	—	(119)
Repurchase of common stock	—	—	—	—	—
Funding from noncontrolling interests	—	—	70	—	70
Proceeds from sale of noncontrolling interests	—	—	—	—	—
Payments for withholding of employee taxes related to stock-based compensation	—	(13)	—	—	(13)
Repayment of debt	(379)	(2)	(2)	—	(383)
Net intercompany borrowings (repayments)	892	(192)	(700)	—	—
Other	(3)	—	—	—	(3)
Net cash provided by (used in) financing activities	416	(207)	(751)	—	(542)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	—	—	3	—	3
Net change in cash, cash equivalents and restricted cash	—	(1)	223	—	222
Cash, cash equivalents and restricted cash at beginning of period	—	1	2,781	—	2,782
Cash, cash equivalents and restricted cash at end of period	\$ —	\$ —	\$ 3,004	\$ —	\$ 3,004
<b>Reconciliation of cash, cash equivalents and restricted cash:</b>					
Cash and cash equivalents	\$ —	\$ —	\$ 2,969	\$ —	\$ 2,969
Restricted cash included in Other current assets	—	—	—	—	—
Restricted cash included in Other noncurrent assets	—	—	35	—	35
Total cash, cash equivalents and restricted cash	\$ —	\$ —	\$ 3,004	\$ —	\$ 3,004

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

<b>Condensed Consolidating Balance Sheet</b>	<b>At September 30, 2018</b>				
	<b>(Issuer) Newmont Mining Corporation</b>	<b>(Guarantor) Newmont USA</b>	<b>(Non-Guarantor) Other Subsidiaries</b>	<b>Eliminations</b>	<b>Newmont Mining Corporation Consolidated</b>
<b>Assets:</b>					
Cash and cash equivalents	\$ —	\$ —	\$ 3,068	\$ —	\$ 3,068
Trade receivables	—	17	159	—	176
Other accounts receivables	—	1	95	—	96
Intercompany receivable	6,190	4,788	8,076	(19,054)	—
Investments	—	—	58	—	58
Inventories	—	196	517	—	713
Stockpiles and ore on leach pads	—	204	464	—	668
Other current assets	—	37	119	—	156
Current assets	6,190	5,243	12,556	(19,054)	4,935
Property, plant and mine development, net	15	2,743	9,481	(30)	12,209
Investments	86	5	240	—	331
Investments in subsidiaries	13,048	(481)	—	(12,567)	—
Stockpiles and ore on leach pads	—	640	1,238	—	1,878
Deferred income tax assets	98	—	502	—	600
Non-current intercompany receivable	701	628	7	(1,336)	—
Other non-current assets	—	248	358	—	606
Total assets	<u>\$ 20,138</u>	<u>\$ 9,026</u>	<u>\$ 24,382</u>	<u>\$ (32,987)</u>	<u>\$ 20,559</u>
<b>Liabilities:</b>					
Accounts payable	\$ —	\$ 65	\$ 228	\$ —	\$ 293
Intercompany payable	5,426	2,473	11,155	(19,054)	—
Employee-related benefits	—	117	158	—	275
Income and mining taxes	—	14	29	—	43
Lease and other financing obligations	—	1	19	—	20
Other current liabilities	62	118	240	—	420
Current liabilities	5,488	2,788	11,829	(19,054)	1,051
Debt	4,043	—	—	—	4,043
Reclamation and remediation liabilities	—	319	2,066	—	2,385
Deferred income tax liabilities	—	123	491	—	614
Employee-related benefits	3	200	165	—	368
Lease and other financing obligations	—	3	124	—	127
Non-current intercompany payable	7	—	1,359	(1,366)	—
Other non-current liabilities	—	14	334	—	348
Total liabilities	9,541	3,447	16,368	(20,420)	8,936
Contingently redeemable noncontrolling interest	—	—	49	—	49
<b>Equity:</b>					
Newmont stockholders' equity	10,597	5,579	6,988	(12,567)	10,597
Noncontrolling interests	—	—	977	—	977
Total equity	10,597	5,579	7,965	(12,567)	11,574
Total liabilities and equity	<u>\$ 20,138</u>	<u>\$ 9,026</u>	<u>\$ 24,382</u>	<u>\$ (32,987)</u>	<u>\$ 20,559</u>

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

	At December 31, 2017				
	(Issuer) Newmont Mining Corporation	(Guarantor) Newmont USA	(Non-Guarantor) Other Subsidiaries	Eliminations	Newmont Mining Corporation Consolidated
<b>Condensed Consolidating Balance Sheet</b>					
<b>Assets:</b>					
Cash and cash equivalents	\$ —	\$ —	\$ 3,259	\$ —	\$ 3,259
Trade receivables	—	18	106	—	124
Other accounts receivables	—	—	113	—	113
Intercompany receivable	2,053	4,601	3,484	(10,138)	—
Investments	—	—	62	—	62
Inventories	—	181	498	—	679
Stockpiles and ore on leach pads	—	196	480	—	676
Other current assets	—	38	115	—	153
Current assets	2,053	5,034	8,117	(10,138)	5,066
Property, plant and mine development, net	17	3,082	9,266	(27)	12,338
Investments	106	4	170	—	280
Investments in subsidiaries	12,012	(311)	—	(11,701)	—
Stockpiles and ore on leach pads	—	648	1,200	—	1,848
Deferred income tax assets	84	5	460	—	549
Non-current intercompany receivable	1,700	401	7	(2,108)	—
Other non-current assets	—	255	310	—	565
Total assets	<u>\$ 15,972</u>	<u>\$ 9,118</u>	<u>\$ 19,530</u>	<u>\$ (23,974)</u>	<u>\$ 20,646</u>
<b>Liabilities:</b>					
Accounts payable	\$ —	\$ 83	\$ 292	\$ —	\$ 375
Intercompany payable	1,338	2,145	6,655	(10,138)	—
Employee-related benefits	—	143	166	—	309
Income and mining taxes	—	18	230	—	248
Lease and other financing obligations	—	1	3	—	4
Other current liabilities	52	163	247	—	462
Current liabilities	1,390	2,553	7,593	(10,138)	1,398
Debt	4,040	—	—	—	4,040
Reclamation and remediation liabilities	—	309	2,036	—	2,345
Deferred income tax liabilities	—	121	474	—	595
Employee-related benefits	—	222	164	—	386
Lease and other financing obligations	—	4	17	—	21
Non-current intercompany payable	7	—	2,128	(2,135)	—
Other non-current liabilities	—	18	324	—	342
Total liabilities	5,437	3,227	12,736	(12,273)	9,127
Contingently redeemable noncontrolling interest	—	—	—	—	—
<b>Equity:</b>					
Newmont stockholders' equity	10,535	5,891	5,810	(11,701)	10,535
Noncontrolling interests	—	—	984	—	984
Total equity	10,535	5,891	6,794	(11,701)	11,519
Total liabilities and equity	<u>\$ 15,972</u>	<u>\$ 9,118</u>	<u>\$ 19,530</u>	<u>\$ (23,974)</u>	<u>\$ 20,646</u>

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

**NOTE 26 COMMITMENTS AND CONTINGENCIES**

**General**

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

**Operating Segments**

The Company's operating and reportable segments are identified in Note 3. Except as noted in this paragraph, all of the Company's commitments and contingencies specifically described herein are included in Corporate and Other. The Yanacocha matters relate to the South America reportable segment. The Fronteer matters relate to the North America reportable segment.

**Environmental Matters**

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

***Newmont USA Limited - 100% Newmont Owned***

*Ross-Adams mine site.* By letter dated June 5, 2007, the U.S. Forest Service ("USFS") notified Newmont that it had expended approximately \$0.3 in response costs to address environmental conditions at the Ross-Adams mine in Prince of Wales, Alaska, and requested Newmont USA Limited pay those costs and perform an Engineering Evaluation/Cost Analysis ("EE/CA") to assess what future response activities might need to be completed at the site. Newmont agreed to perform the EE/CA pursuant to the requirements of an Administrative Settlement Agreement and Order on Consent ("ASAOC") between the USFS and Newmont. The EE/CA was provided to the USFS in April 2015. During the first quarter of 2016, the USFS confirmed approval of the EE/CA, and Newmont issued written notice to the USFS certifying that all requirements of the ASAOC had been completed. During the third quarter of 2016, Newmont received a notice of completion of work per the ASAOC from the USFS, which finalized the ASAOC. The USFS issued an Action Memorandum in April 2018 to select the preferred Removal Action alternative identified in the EE/CA. Newmont is continuing to negotiate the terms of a future agreement with the USFS for Newmont to implement the approved Removal Action. No assurances can be made at this time with respect to the outcome of such negotiations and Newmont cannot predict the likelihood of additional expenditures related to this matter.

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

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

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

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

would be responsible for all other EPA oversight costs and Midnite mine site cleanup costs; and (v) Newmont would post a surety bond for work at the site.

During 2012, the Department of Interior contributed its share of past EPA costs and future costs related to the cleanup of the Midnite mine site in a lump sum payment of \$42, which Newmont classified as restricted assets with interest on the Condensed Consolidated Balance Sheets for all periods presented. In 2016, Newmont completed the remedial design process (with the exception of the new water treatment plant (“WTP”) design which was awaiting the approval of the new National Pollutant Discharge Elimination System (“NPDES”) permit). Subsequently, the new NPDES permit was received in 2017 and the WTP design commenced in 2018. Newmont is managing the remediation project to implement Phase 1 remedial actions during the 2018 construction season with a focus on preparations to backfill Pit 4. In June 2018, \$11 was released from the trust account for remedial work completed.

The Dawn mill site is regulated by the Washington Department of Health and is in the process of being closed. Remediation at the Dawn mill site began in 2013. The Tailing Disposal Area 1-4 reclamation earthworks component was completed during 2017 with the embankment erosion protection completed in the second quarter of 2018. The remaining closure activity will consist primarily of addressing groundwater issues.

The remediation liability for the Midnite mine site and Dawn mill site is approximately \$163 at September 30, 2018.

**Other Legal Matters**

***Minera Yanacocha S.R.L. – 51.35% Newmont Owned***

*Administrative Actions* . The Peruvian government agency responsible for environmental evaluation and inspection, Organismo Evaluacion y Fiscalizacion Ambiental (“OEFA”), conducts periodic reviews of the Yanacocha site. In 2011, 2012, 2013, 2015, 2016, 2017 and 2018, OEFA issued notices of alleged violations of OEFA standards to Yanacocha and Conga relating to past inspections. OEFA has resolved some alleged violations with minimal or no findings. In 2015 and 2016, the water authority of Cajamarca issued notices of alleged regulatory violations, and resolved some allegations in 2017 with no findings. The experience with OEFA and the water authority is that in the case of a finding of violation, remedial action is often the outcome rather than a significant fine. The alleged OEFA violations currently range from zero to 46,500 units and the water authority alleged violations range from zero to 59 units, with each unit having a potential fine equivalent to approximately \$.001245 based on current exchange rates (\$0 to \$60). Yanacocha and Conga are responding to all notices of alleged violations, but cannot reasonably predict the outcome of the agency allegations.

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

**NEWMONT MINING CORPORATION**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)**

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

*Yanacocha Tax Dispute.* In 2000, Yanacocha paid Buenaventura and Minas Conga S.R.L. a total of \$29 to assume their respective contractual positions in mining concession agreements with Chaupiloma Dos de Cajamarca S.M.R.L. The contractual rights allowed Yanacocha the opportunity to conduct exploration on the concessions, but not a purchase of the concessions. The tax authority alleges that the payments to Buenaventura and Minas Conga S.R.L. were acquisitions of mining concessions requiring the amortization of the amounts under the Peru Mining Law over the life of the mine. Yanacocha expensed the amounts at issue in the initial year since the payments were not for the acquisition of a concession but rather these expenses represent the payment of an intangible and therefore, amortizable in a single year or proportionally for up to ten years according to Income Tax Law. In 2010, the tax court in Peru ruled in favor of Yanacocha and the tax authority appealed the issue to the judiciary. The first appellate court confirmed the ruling of the tax court in favor of Yanacocha. However, in November, 2015, a Superior Court in Peru made an appellate decision overturning the two prior findings in favor of Yanacocha. Yanacocha has appealed the Superior Court ruling to the Peru Supreme Court. The potential liability in this matter is in the form of fines and interest in an amount up to \$83. While the Company has assessed that the likelihood of a ruling against Yanacocha in the Supreme Court as remote, it is not possible to fully predict the outcome of this litigation.

***NWG Investments Inc. v. Fronteer Gold Inc.***

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

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

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

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

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

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

**Other Commitments and Contingencies**

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.

In connection with our investment in Galore Creek, Newmont will owe NovaGold Resources Inc. \$75 upon the earlier of approval to construct a mine, mill and all related infrastructure for the Galore Creek project or the initiation of construction of a mine, mill or any related infrastructure. The amount due is non-interest bearing. The decision for an approval and commencement of construction is contingent on the results of a prefeasibility and feasibility study, neither of which have occurred. As such, this amount has not been accrued.

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

The following Management’s Discussion and Analysis (“MD&A”) provides information that management believes is relevant to an assessment and understanding of the consolidated financial condition and results of operations of Newmont Mining Corporation and its subsidiaries (collectively, “Newmont,” the “Company,” “our” and “we”). We use certain non-GAAP financial measures in our MD&A. For a detailed description of each of the non-GAAP measures used in this MD&A, please see the discussion under “Non-GAAP Financial Measures” beginning on page 70. References to “A\$” refers to Australian currency and “C\$” refers to Canadian currency.

This item should be read in conjunction with our interim unaudited Condensed Consolidated Financial Statements and the notes thereto included in this quarterly report. Additionally, the following discussion and analysis should be read in conjunction with Management’s Discussion and Analysis of Consolidated Financial Condition and Results of Operations and the consolidated financial statements included in Part II of our Annual Report on Form 10-K for the year ended December 31, 2017 filed February 22, 2018 and revisions filed April 26, 2018 on Form 8-K.

**Overview**

Newmont is one of the world’s largest gold producers and is the only gold company included in the S&P 500 Index and Fortune 500. We have been included in the Dow Jones Sustainability Index-World for 12 consecutive years and have adopted the World Gold Council’s Conflict-Free Gold Policy. We are also engaged in the exploration for and acquisition of gold and copper properties. We have significant operations and/or assets in the United States (“U.S.”), Australia, Peru, Ghana and Suriname.

We continue to focus on improving safety and efficiency at our operations, maintaining leading environmental, social and governance practices, and building a stronger portfolio of longer-life, lower cost mines to generate the financial flexibility we need to fund our best projects, reduce debt, and return cash to shareholders.

During the third quarter of 2018, we purchased a 50% interest in the Galore Creek Partnership (“Galore Creek”) from NovaGold Resources Inc. for cash consideration of \$100 as well as deferred payments of \$100 and contingent payments of \$75. Refer to Note 1 of the Condensed Consolidated Financial Statements for further details regarding this transaction. Additionally, in the third quarter of 2018, we purchased interests in Evrim Resources, Orosur Mining and Miranda Gold, totaling \$8, to secure rights to highly prospective properties in Mexico and Colombia.

**Consolidated Financial Results**

The details of our *Net income (loss) from continuing operations attributable to Newmont stockholders* are set forth below:

	<b>Three Months Ended</b>		<b>Increase (decrease)</b>
	<b>September 30,</b>		
	<b>2018</b>	<b>2017</b>	
Net income (loss) from continuing operations attributable to Newmont stockholders	\$ (161)	\$ 213	\$ (374)
Net income (loss) from continuing operations attributable to Newmont stockholders per common share, diluted	\$ (0.31)	\$ 0.39	\$ (0.70)
	<b>Nine Months Ended</b>		
	<b>September 30,</b>		
	<b>2018</b>	<b>2017</b>	<b>Increase (decrease)</b>
Net income (loss) from continuing operations attributable to Newmont stockholders	\$ 283	\$ 473	\$ (190)
Net income (loss) from continuing operations attributable to Newmont stockholders per common share, diluted	\$ 0.53	\$ 0.88	\$ (0.35)

The decreases in *Net income (loss) from continuing operations attributable to Newmont stockholders* for the three and nine months ended September 30, 2018, compared to the same periods in 2017, are primarily due to the impairment of long-lived assets



related to certain exploration properties and the Emigrant operation in North America and lower production at various sites, including CC&V, Boddington, Akyem and Carlin, partially offset by lower income tax expense and a gain from the sale of our royalty portfolio in June 2018. The three month comparison was also negatively impacted by lower average realized gold prices. For discussion regarding variations in production volumes and unit cost metrics, see Results of Consolidated Operations below.

The details of our *Sales* are set forth below. See Note 4 to our Condensed Consolidated Financial Statements for additional information.

	Three Months Ended		Increase (decrease)	Percent Change
	September 30,			
	2018	2017		
Gold	\$ 1,656	\$ 1,799	\$ (143)	(8)%
Copper	70	80	(10)	(13)
	<u>\$ 1,726</u>	<u>\$ 1,879</u>	<u>\$ (153)</u>	<u>(8)%</u>

	Nine Months Ended		Increase (decrease)	Percent Change
	September 30,			
	2018	2017		
Gold	\$ 4,976	\$ 5,217	\$ (241)	(5)%
Copper	229	227	2	1
	<u>\$ 5,205</u>	<u>\$ 5,444</u>	<u>\$ (239)</u>	<u>(4)%</u>

The following analysis summarizes consolidated gold sales:

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2018	2017	2018	2017
Consolidated gold sales:				
Gross before provisional pricing	\$ 1,668	\$ 1,806	\$ 5,007	\$ 5,232
Provisional pricing mark-to-market	(5)	2	(10)	9
Gross after provisional pricing	1,663	1,808	4,997	5,241
Treatment and refining charges	(7)	(9)	(21)	(24)
Net	<u>\$ 1,656</u>	<u>\$ 1,799</u>	<u>\$ 4,976</u>	<u>\$ 5,217</u>
Consolidated gold ounces sold (thousands)	1,378	1,411	3,914	4,178
Average realized gold price (per ounce) <sup>(1)</sup> :				
Gross before provisional pricing	\$ 1,210	\$ 1,281	\$ 1,279	\$ 1,253
Provisional pricing mark-to-market	(4)	1	(3)	2
Gross after provisional pricing	1,206	1,282	1,276	1,255
Treatment and refining charges	(5)	(6)	(5)	(6)
Net	<u>\$ 1,201</u>	<u>\$ 1,276</u>	<u>\$ 1,271</u>	<u>\$ 1,249</u>

(1) Per ounce measures may not recalculate due to rounding.

The change in consolidated gold sales is due to:

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2018 vs. 2017		2018 vs. 2017	
Change in consolidated ounces sold	\$ (41)		\$ (330)	
Change in average realized gold price	(104)		86	
Change in treatment and refining charges	2		3	
	<u>\$ (143)</u>		<u>\$ (241)</u>	

The decrease in gold sales during the three months ended September 30, 2018, compared to the same period in 2017, is primarily due to lower average realized gold prices and lower production at various sites, including Carlin and CC&V. The decrease in gold sales during the nine months ended September 30, 2018, compared to the same period in 2017, is primarily due to lower

production at various sites, including CC&V, Boddington, Akyem and Carlin, partially offset by higher average realized gold prices. For further discussion regarding changes in volumes, see Results of Consolidated Operations below.

The following analysis summarizes consolidated copper sales:

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2018	2017	2018	2017
Consolidated copper sales:				
Gross before provisional pricing	\$ 78	\$ 77	\$ 246	\$ 228
Provisional pricing mark-to-market	(4)	6	(7)	9
Gross after provisional pricing	74	83	239	237
Treatment and refining charges	(4)	(3)	(10)	(10)
Net	\$ 70	\$ 80	\$ 229	\$ 227
Consolidated copper pounds sold (millions)				
	28	26	82	84
Average realized copper price (per pound) <sup>(1)</sup> :				
Gross before provisional pricing	\$ 2.77	\$ 2.98	\$ 3.00	\$ 2.73
Provisional pricing mark-to-market	(0.14)	0.20	(0.08)	0.10
Gross after provisional pricing	2.63	3.18	2.92	2.83
Treatment and refining charges	(0.13)	(0.12)	(0.13)	(0.12)
Net	\$ 2.50	\$ 3.06	\$ 2.79	\$ 2.71

(1) Per pound measures may not recalculate due to rounding.

The change in consolidated copper sales is due to:

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2018 vs. 2017		2018 vs. 2017	
Change in consolidated pounds sold	\$ 6	\$ (5)		
Change in average realized copper price	(15)	7		
Change in treatment and refining charges	(1)	—		
	\$ (10)	\$ 2		

The decrease in copper sales during the three months ended September 30, 2018, compared to the same period in 2017, is primarily due to lower average realized copper prices. Copper sales remained relatively flat during the nine months ended September 30, 2018, compared to the same period in 2017, as production volumes and average realized copper prices were in line with the prior year. For further discussion regarding changes in volumes, see Results of Consolidated Operations below.

The details of our *Costs applicable to sales* are set forth below. See Note 3 to our Condensed Consolidated Financial Statements for additional information.

	Three Months Ended		Increase (decrease)	Percent Change
	September 30,			
	2018	2017		
Gold	\$ 952	\$ 1,017	\$ (65)	(6)%
Copper	43	36	7	19
	\$ 995	\$ 1,053	\$ (58)	(6)%

  

	Nine Months Ended		Increase (decrease)	Percent Change
	September 30,			
	2018	2017		
Gold	\$ 2,853	\$ 2,890	\$ (37)	(1)%
Copper	136	119	17	14
	\$ 2,989	\$ 3,009	\$ (20)	(1)%

The decrease in *Costs applicable to sales* for gold during the three months ended September 30, 2018, compared to the same period in 2017, is primarily due to lower production at various sites and a favorable Australian dollar foreign currency exchange rate, partially offset by higher oil prices. *Costs applicable to sales* for gold during the nine months ended September 30, 2018, remained relatively flat, compared to the same period in 2017, as lower production at various sites was largely offset by higher stockpile and leach pad inventory adjustments and higher oil prices.

The increases in *Costs applicable to sales* for copper during the three and nine months ended September 30, 2018, compared to the same periods in 2017, are primarily due to a higher co-product allocation of costs to copper based on a higher relative copper sales value.

For discussion regarding variations in operations, see Results of Consolidated Operations below.

The details of our *Depreciation and amortization* are set forth below. See Note 3 to our Condensed Consolidated Financial Statements for additional information.

	Three Months Ended		Increase (decrease)	Percent Change
	September 30,			
	2018	2017		
Gold	\$ 283	\$ 311	\$ (28)	(9)%
Copper	9	8	1	13
Other	7	9	(2)	(22)
	<u>\$ 299</u>	<u>\$ 328</u>	<u>\$ (29)</u>	<u>(9)%</u>

	Nine Months Ended		Increase (decrease)	Percent Change
	September 30,			
	2018	2017		
Gold	\$ 827	\$ 886	\$ (59)	(7)%
Copper	29	27	2	7
Other	23	25	(2)	(8)
	<u>\$ 879</u>	<u>\$ 938</u>	<u>\$ (59)</u>	<u>(6)%</u>

The decreases in *Depreciation and amortization* for gold during the three and nine months ended September 30, 2018, compared to the same periods in 2017, are primarily due to lower production at various sites. The decrease in the nine-month comparison was partially offset by higher stockpile and leach pad inventory adjustments.

The increases in *Depreciation and amortization* for copper during the three and nine months ended September 30, 2018, compared to the same periods in 2017, are primarily due to a higher co-product allocation of costs to copper based on a higher relative copper sales value.

For discussion regarding variations in operations, see Results of Consolidated Operations below.

*Reclamation and remediation* increased by \$5 during the three months ended September 30, 2018, compared to the same period in 2017, primarily due to increased accretion. *Reclamation and remediation* decreased by \$2 during the nine months ended September 30, 2018, compared to the same period in 2017, primarily due to updated reclamation liability assumptions at Minera Yanacocha S.R.L. (“Yanacocha”) regarding water treatment costs on non-operating leach pads in 2017, partially offset by updated assumptions at a historic mine site for future water management costs along with increased accretion in 2018.

*Exploration* remained relatively flat during the three months ended September 30, 2018, compared to the same period in 2017, as expenditures were in line with the prior year. *Exploration* increased by \$7 during the nine months ended September 30, 2018, compared to the same period in 2017, primarily due to increased expenditures at various projects in North America and Australia as we continue to focus on developing future reserves.

*Advanced projects, research and development* decreased by \$4 during the three months ended September 30, 2018, compared to the same period in 2017, primarily due to lower consulting costs associated with full potential opportunities in North America and prior-year costs associated with the Tanami Expansion 2 project. *Advanced projects, research and development* increased by \$8

during the nine months ended September 30, 2018, compared to the same period in 2017, primarily due to on-going study costs associated with the Long Canyon Phase 2 project in North America and the Yanacocha Sulfides and Chaquicocha Oxides projects in South America.

*General and administrative* remained relatively flat during the three months ended September 30, 2018, compared to the same period in 2017, as expenditures were in line with the prior year. *General and administrative* increased by \$10 during the nine months ended September 30, 2018, compared to the same periods in 2017, primarily due to higher IT project and services costs.

*Impairment of long-lived assets* increased by \$366 and \$363 during the three and nine months ended September 30, 2018, respectively, compared to the same periods in 2017, primarily due to the impairment of long-lived assets at certain exploration properties and the Emigrant operation in North America, due to the Company's decision to focus on advancing other projects and a change in mine plan resulting in a significant decrease in mine life at Emigrant, respectively. For additional information regarding these impairments, see Note 6 and 15 to our Condensed Consolidated Financial Statements. The 2017 impairments were primarily related to non-cash write-downs of obsolete assets at Yanacocha and Australia.

*Other expense, net* increased by \$4 during the three months ended September 30, 2018, compared to the same period in 2017, primarily due to prior-year net adjustments to the contingent consideration and related liabilities associated with the acquisition of the final 33.33% interest in Boddington in June 2009 in addition to increased other expenses in Africa and South America in 2018. *Other expense, net* remained consistent during the nine months ended September 30, 2018, compared to the same period in 2017.

*Other income, net* increased by \$27 and \$165 during the three and nine months ended September 30, 2018, respectively, compared to the same periods in 2017. For the three month comparison, the increase is primarily due to business interruption insurance proceeds of \$25 recorded in September 2018 associated with the East wall slips at Kalgoorlie in the first half of 2018 and decreases in Australia-denominated liabilities from a weaker Australian dollar, partially offset by unrealized holding losses on marketable equity securities related primarily to Continental Gold Inc. For the nine month comparison, the increase is primarily due to a gain from the exchange of certain royalty interests for cash consideration and an equity ownership and warrants in Maverix Metals Inc. ("Maverix") in June 2018, decreases in Australia-denominated liabilities from a weaker Australian dollar, an increase in interest income, and an increase in business interruption insurance proceeds, partially offset by unrealized holding losses on marketable equity securities related primarily to Continental Gold Inc.

*Interest expense, net* decreased by \$5 and \$34 during the three and nine months ended September 30, 2018, respectively, compared to the same periods in 2017, primarily due to reduced debt balances as a result of the repayment of the 2017 Convertible Senior Notes in July 2017 and higher capitalized interest related to various development projects in 2018.

*Income and mining tax expense (benefit)* was \$3 and \$126, and \$73 and \$350 during the three and nine months ended September 30, 2018 and September 30, 2017, respectively. The effective tax rate is driven by a number of factors and the comparability of our income tax expense for the reported periods will be primarily affected by (i) variations in our income before income taxes; (ii) geographic distribution of that income; (iii) impacts of the enactment of tax reform; (iv) the non-recognition of tax assets; (v) percentage depletion; (vi) and the impact of specific transactions and assessments. As a result, the effective tax rate will

fluctuate, sometimes significantly, year to year. This trend is expected to continue in future periods. See Note 9 for further discussion of income taxes.

	Three months ended September 30, 2018 <sup>(1)</sup>			Nine months ended September 30, 2018 <sup>(1)</sup>		
	Income (Loss) <sup>(2)</sup>	Effective Tax Rate	Income Tax Expense (Benefit)	Income (Loss) <sup>(2)</sup>	Effective Tax Rate	Income Tax Benefit (Provision)
Nevada	\$ (342)	26 %	\$ (90) <sup>(3)</sup>	\$ (172)	37 %	\$ (63) <sup>(3)</sup>
CC&V	4	25	1 <sup>(4)</sup>	54	11	6 <sup>(4)</sup>
Corporate & Other	(102)	5	(5) <sup>(5)</sup>	(178)	19	(34) <sup>(5)</sup>
Total US	(440)	21	(94)	(296)	31	(91)
Australia	172	41	71 <sup>(6)</sup>	516	28	147 <sup>(6)</sup>
Ghana	82	32	26	138	33	45
Suriname	46	26	12	137	26	36
Peru	14	0	— <sup>(7)</sup>	(33)	(9)	3 <sup>(7)</sup>
Other Foreign	(2)	0	—	(2)	—	—
Rate adjustments	—	N/A	(12) <sup>(8)</sup>	—	N/A	(14) <sup>(8)</sup>
Consolidated	\$ (128)	(2)%	\$ 3	\$ 460	27 %	\$ 126

- (1) The September 30, 2017 information has not been presented as such comparison would not be meaningful as a result of tax restructuring implemented by the Company at December 31, 2017. Due to changes the Tax Cuts and Jobs Act made to certain international tax provisions, it was prudent for the Company to restructure the holding of its non-U.S. operations for U.S. federal income tax purposes. This was accomplished by executing and filing various “check the box” elections with respect to certain non-U.S. subsidiaries of the Company. The elections resulted in the conversions of these subsidiaries from branches and/or foreign partnerships to regarded foreign corporations.
- (2) Represents income (loss) from continuing operations by geographic location before income taxes and equity in affiliates. These amounts will not reconcile to the Segment Information for the reasons stated in Note 3.
- (3) Includes deduction for percentage depletion of \$(7) and \$(26) and mining taxes of \$(11) and \$(1), respectively.
- (4) Includes deduction for percentage depletion of \$(1) and \$(7), respectively.
- (5) Includes valuation allowance of \$13 and \$2, respectively.
- (6) Includes mining taxes of \$24 and \$44 and valuation allowance of \$- and \$(46), respectively.
- (7) Includes valuation allowance of \$(2) and \$8 and mining taxes of \$- and \$3, respectively.
- (8) In accordance with applicable accounting rules, the interim provision for income taxes is adjusted to equal the consolidated tax rate.

We expect to record additional updates to the provisional amounts for the impacts of US tax reform during the fourth quarter of 2018 following completion of the 2017 income tax returns and within the 12 month time frame provided under the SEC’s Staff Accounting Bulletin 118. There are no new estimates associated with US tax reform in the income tax expense for the three months ended September 30, 2018.

*Equity income (loss) of affiliates* decreased by \$10 and \$21 during the three and nine months ended September 30, 2018, respectively, compared to the same periods in 2017, primarily due to increased losses recognized at TMAC Resources Inc. and Minera La Zanja S.R.L.

*Net income (loss) from discontinued operations* increased by \$23 and \$101 during the three and nine months ended September 30, 2018, respectively, compared to the same periods in 2017, primarily due to the impacts on the Holt royalty obligation from an increase in discount rate and a decrease in gold price. The nine-month period was also impacted by a decrease in expected production from prior periods. For additional information regarding our discontinued operations, see Note 10 to our Condensed Consolidated Financial Statements.

*Net loss (income) attributable to noncontrolling interests* from continuing operations changed from a loss of \$7 to income of \$21 during the three months ended September 30, 2018, compared to the same period of 2017, primarily due to income at Yanacocha in the third quarter of 2018 compared to losses in the third quarter of 2017. *Net loss (income) attributable to noncontrolling interests* from continuing operations changed from a loss of \$20 to income of \$26 during the nine months ended September 30, 2018, compared to the same period of 2017, primarily due to decreased losses at Yanacocha.

**Results of Consolidated Operations**

	Gold or Copper Produced		Costs Applicable to Sales <sup>(1)</sup>		Depreciation and Amortization		All-In Sustaining Costs <sup>(2)</sup>	
	2018	2017	2018	2017	2018	2017	2018	2017
<b>Three Months Ended September 30,</b>								
<b>Gold</b>								
	(ounces in thousands)		(\$ per ounce sold)		(\$ per ounce sold)		(\$ per ounce sold)	
North America	511	573	\$ 803	\$ 742	\$ 254	\$ 265	\$ 998	\$ 912
South America	286	271	636	806	193	240	879	1,049
Australia	385	406	691	670	134	128	819	821
Africa	212	191	505	646	259	281	713	802
Total/Weighted-Average	1,394	1,441	\$ 691	\$ 721	\$ 210	\$ 226	\$ 927	\$ 941
Attributable to Newmont	1,286	1,339						
<b>Copper</b>								
	(pounds in millions)		(\$ per pound sold)		(\$ per pound sold)		(\$ per pound sold)	
North America	8	7	\$ 1.86	\$ 1.57	\$ 0.50	\$ 0.43	\$ 2.41	\$ 1.71
Australia	18	20	1.46	1.32	0.27	0.26	1.73	1.63
Total/Weighted-Average	26	27	\$ 1.54	\$ 1.38	\$ 0.32	\$ 0.30	\$ 1.87	\$ 1.65
<b>Copper</b>								
	(tonnes in thousands)							
North America	3	3						
Australia	9	9						
Total/Weighted-Average	12	12						
<b>Nine Months Ended September 30,</b>								
<b>Gold</b>								
	(ounces in thousands)		(\$ per ounce sold)		(\$ per ounce sold)		(\$ per ounce sold)	
North America	1,431	1,655	\$ 789	\$ 710	\$ 242	\$ 241	\$ 997	\$ 884
South America	728	755	704	760	212	246	953	989
Australia	1,142	1,167	703	658	131	132	841	794
Africa	621	631	670	624	310	262	852	782
Total/Weighted-Average	3,922	4,208	\$ 729	\$ 692	\$ 217	\$ 218	\$ 973	\$ 908
Attributable to Newmont	3,657	3,925						
<b>Copper</b>								
	(pounds in millions)		(\$ per pound sold)		(\$ per pound sold)		(\$ per pound sold)	
North America	22	26	\$ 1.91	\$ 1.67	\$ 0.51	\$ 0.44	\$ 2.37	\$ 1.96
Australia	61	61	1.57	1.30	0.29	0.26	1.87	1.58
Total/Weighted-Average	83	87	\$ 1.66	\$ 1.42	\$ 0.35	\$ 0.32	\$ 2.00	\$ 1.70
<b>Copper</b>								
	(tonnes in thousands)							
North America	10	12						
Australia	28	28						
Total/Weighted-Average	38	40						

- (1) Excludes *Depreciation and amortization* and *Reclamation and remediation*.
- (2) All-In Sustaining Costs is a non-GAAP financial measure. See Non-GAAP Financial Measures beginning on page 70.

**Three months ended September 30, 2018 compared to 2017**

Consolidated gold production decreased 3% primarily due to lower production at Carlin due to lower mill throughput, lower leach production at CC&V in North America and lower ore grade milled at Kalgoorlie in Australia, partially offset by higher ore grade milled at Ahafo in Africa and Yanacocha in South America.

Consolidated copper production decreased 4% primarily due to lower ore grade milled at Boddington in Australia.

*Costs applicable to sales* per consolidated gold ounce decreased 4% primarily due to a lower co-product allocation of costs to gold based on a lower relative gold sales value and a favorable Australian dollar foreign currency exchange rate, partially offset by lower ounces sold, higher oil prices and higher costs at Phoenix. *Costs applicable to sales* per consolidated copper pound increased 12% primarily due to a higher co-product allocation of costs to copper based on a higher relative copper sales value.

*Depreciation and amortization* per consolidated gold ounce decreased 7% primarily due to lower amortization rates. *Depreciation and amortization* per consolidated copper pound increased 7% primarily due to a higher co-product allocation of costs to copper based on a higher relative copper sales value.

All-in sustaining costs per consolidated gold ounce were in line with the prior year as lower costs applicable to sales per ounce were offset by higher sustaining capital spend. All-in sustaining costs per consolidated copper pound increased 13% primarily due to higher costs applicable to sales per pound.

**Nine months ended September 30, 2018 compared to 2017**

Consolidated gold production decreased 7% primarily due to lower ore grade milled and recovery at CC&V and Carlin in North America, in addition to a build up of concentrate inventory at CC&V, lower ore grade milled and recovery at Boddington in Australia and lower mill throughput and ore grade at Akyem in Africa, partially offset by higher mill throughput and ore grade milled at Tanami in Australia and higher ore grade milled at Ahafo in Africa.

Consolidated copper production decreased 5% primarily due to lower ore grade milled at Phoenix in North America.

*Costs applicable to sales* per consolidated gold ounce increased 5% primarily due to lower ounces sold, higher stockpile and leach pad inventory adjustments and higher oil prices, partially offset by a lower co-product allocation of costs to gold. *Costs applicable to sales* per consolidated copper pound increased 17% primarily due to a higher co-product allocation of costs to copper.

*Depreciation and amortization* per consolidated gold ounce was in line with the prior year. *Depreciation and amortization* per consolidated copper pound increased 9% primarily due to a higher co-product allocation of costs to copper and lower copper pounds sold.

All-in sustaining costs per consolidated gold ounce increased 7% primarily due to higher costs applicable to sales per ounce and higher sustaining capital spend. All-in sustaining costs per consolidated copper pound increased 18% primarily due to higher costs applicable to sales per pound.

**North America Operations**

	Gold or Copper Produced		Costs Applicable to Sales <sup>(1)</sup>		Depreciation and Amortization		All-In Sustaining Costs <sup>(2)</sup>	
	2018	2017	2018	2017	2018	2017	2018	2017
<b>Three Months Ended September 30,</b>								
<b>Gold</b>	(ounces in thousands)		(\$ per ounce sold)		(\$ per ounce sold)		(\$ per ounce sold)	
Carlin	237	268	\$ 892	\$ 834	\$ 254	\$ 232	\$ 1,042	\$ 992
Phoenix	55	58	1,010	889	226	241	1,306	1,037
Twin Creeks	93	82	620	728	154	198	794	926
Long Canyon	44	56	485	309	473	436	584	327
CC&V	82	109	825	682	261	318	952	791
Total/Weighted-Average <sup>(3)</sup>	511	573	\$ 803	\$ 742	\$ 254	\$ 265	\$ 998	\$ 912
<b>Copper</b>								
	(pounds in millions)		(\$ per pound sold)		(\$ per pound sold)		(\$ per pound sold)	
Phoenix	8	7	\$ 1.86	\$ 1.57	\$ 0.50	\$ 0.43	\$ 2.41	\$ 1.71
<b>Copper</b>								
	(tonnes in thousands)							
Phoenix	3	3						

	Gold or Copper Produced		Costs Applicable to Sales <sup>(1)</sup>		Depreciation and Amortization		All-In Sustaining Costs <sup>(2)</sup>	
	2018	2017	2018	2017	2018	2017	2018	2017
<b>Nine Months Ended September 30,</b>								
<b>Gold</b>	(ounces in thousands)		(\$ per ounce sold)		(\$ per ounce sold)		(\$ per ounce sold)	
Carlin	651	700	\$ 901	\$ 851	\$ 238	\$ 228	\$ 1,092	\$ 1,063
Phoenix	171	169	855	879	200	229	1,058	1,051
Twin Creeks	261	287	716	588	172	163	851	727
Long Canyon	131	133	420	318	447	417	504	341
CC&V	217	366	710	605	241	268	878	686
Total/Weighted-Average <sup>(3)</sup>	1,431	1,655	\$ 789	\$ 710	\$ 242	\$ 241	\$ 997	\$ 884
<b>Copper</b>								
	(pounds in millions)		(\$ per pound sold)		(\$ per pound sold)		(\$ per pound sold)	
Phoenix	22	26	\$ 1.91	\$ 1.67	\$ 0.51	\$ 0.44	\$ 2.37	\$ 1.96
<b>Copper</b>								
	(tonnes in thousands)							
Phoenix	10	12						

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

(2) All-In Sustaining Costs is a non-GAAP financial measure. See Non-GAAP Financial Measures beginning on page 70.

(3) All-In Sustaining Costs and *Depreciation and amortization* include expense for other regional projects.

### Three months ended September 30, 2018 compared to 2017

*Carlin, USA.* Gold production decreased 12% primarily due to lower mill throughput at Mill 6 from unscheduled downtime and ore chemistry, as well as lower leach tons placed. *Costs applicable to sales* per ounce increased 7% primarily due to lower ounces sold and higher stockpile and leach-pad inventory adjustments. Total stockpile and leach pad inventory adjustments at Carlin include \$22 related to a write-down at Emigrant from a change in mine plan, resulting in a significant decrease in mine life in the third quarter of 2018. *Depreciation and amortization* per ounce increased 9% primarily due to higher stockpile and leach-pad inventory adjustments mainly at Emigrant and lower ounces sold. All-in sustaining costs per ounce increased 5% primarily due to higher sustaining capital spend.

*Phoenix, USA.* Gold production decreased 5% primarily due to lower leach production from reduced ore placement and lower grade at Lone Tree, as well as lower mill recovery, partially offset by higher mill throughput. Copper production increased 14% primarily due to higher ore grade milled and throughput. *Costs applicable to sales* per ounce increased 14% primarily due to lower ounces sold and higher maintenance costs. *Costs applicable to sales* per pound increased 18% primarily due to a higher co-product allocation of costs to copper. *Depreciation and amortization* per ounce decreased 6% primarily due to lower amortization rates. *Depreciation and amortization* per pound increased 16% primarily due to a higher co-product allocation of costs to copper. All-in sustaining costs per ounce increased 26% primarily due to higher costs applicable to sales per ounce and higher sustaining capital spend. All-in sustaining costs per pound increased 41% primarily due to higher costs applicable to sales per pound and higher sustaining capital spend.

*Twin Creeks, USA.* Gold production increased 13% primarily due to higher mill throughput and leach tons placed, in addition to a draw down of in-circuit inventory as compared to a build up in the prior year. *Costs applicable to sales* per ounce decreased 15% primarily due to higher ounces sold and lower stockpile and leach pad inventory adjustments. *Depreciation and amortization* per ounce decreased 22% primarily due to higher ounces sold and lower stockpile and leach pad inventory adjustments. All-in sustaining costs per ounce decreased 14% primarily due to lower costs applicable to sales per ounce.

*Long Canyon, USA.* Gold production decreased 21% primarily due to lower ore grade mined. *Costs applicable to sales* per ounce increased 57% primarily due to lower ounces sold and an unfavorable strip ratio. *Depreciation and amortization* per ounce increased 8% primarily due to lower ounces sold and higher amortization rates. All-in sustaining costs per ounce increased 79% primarily due to higher costs applicable to sales per ounce and higher sustaining capital spend.

*CC&V, USA.* Gold production decreased 25% primarily due to lower ore grade mined resulting in lower leach production. *Costs applicable to sales* per ounce increased 21% primarily due to lower ounces sold. *Depreciation and amortization* per ounce decreased



18% primarily due to lower amortization rates, driven by reserve life additions, partially offset by lower ounces sold. All-in sustaining costs per ounce increased 20% primarily due to higher costs applicable to sales per ounce.

**Nine months ended September 30, 2018 compared to 2017**

*Carlin, USA.* Gold production decreased 7% primarily due to lower leach tons placed and lower leach recovery, as well as lower ore grade milled. *Costs applicable to sales* per ounce increased 6% primarily due to higher stockpile and leach pad inventory adjustments and lower ounces sold. Total stockpile and leach pad inventory adjustments at Carlin include \$22 related to a write-down at Emigrant from a change in mine plan, resulting in a significant decrease in mine life in the third quarter of 2018. *Depreciation and amortization* per ounce increased 4% due to higher stockpile and leach pad inventory adjustments related to the write-down at Emigrant and lower ounces sold. All-in sustaining costs per ounce was in line with the prior year.

*Phoenix, USA.* Gold production was in line with the prior year. Copper production decreased 15% primarily due to lower ore grade milled. *Costs applicable to sales* per ounce were in line with the prior year as higher maintenance costs were offset by higher ounces sold. *Costs applicable to sales* per pound increased 14% primarily due to lower copper pounds sold. *Depreciation and amortization* per ounce decreased 13% primarily due to higher ounces sold and lower amortization rates. *Depreciation and amortization* per pound increased 16% primarily due to lower copper pounds sold. All-in sustaining costs per ounce were in line with the prior year. All-in sustaining costs per pound increased 21% primarily due to the higher costs applicable to sales per pound and higher sustaining capital spend.

*Twin Creeks, USA.* Gold production decreased 9% primarily due to lower ore grades mined and milled as a result of mine sequencing. *Costs applicable to sales* per ounce increased 22% primarily due to lower ounces sold and higher stockpile and leach pad inventory adjustments. *Depreciation and amortization* per ounce increased 6% primarily due to lower ounces sold. All-in sustaining costs per ounce increased 17% primarily due to higher costs applicable to sales per ounce, partially offset by lower sustaining capital spend.

*Long Canyon, USA.* Gold production was in line with the prior year as lower ore grade mined were offset by higher leach tons placed. *Costs applicable to sales* per ounce increased 32% primarily due to lower ore grade mined. *Depreciation and amortization* per ounce increased 7% primarily due to higher amortization rates. All-in sustaining costs per ounce increased 48% primarily due to higher costs applicable to sales per ounce and higher sustaining capital spend.

*CC&V, USA.* Gold production decreased 41% primarily due to lower ore grade mined, a build up of concentrate inventory to be shipped and processed in Nevada and lower leach tons placed at Valley Leach Fill 2. *Costs applicable to sales* per ounce increased 17% primarily due to lower ounces sold. *Depreciation and amortization* per ounce decreased 10% primarily due to lower amortization rates driven by reserve life additions. All-in sustaining costs per ounce increased 28% primarily due to higher costs applicable to sales per ounce and higher sustaining capital spend.

**South America Operations**

	Gold or Copper Produced		Costs Applicable to Sales <sup>(1)</sup>		Depreciation and Amortization		All-In Sustaining Costs <sup>(2)</sup>	
	2018	2017	2018	2017	2018	2017	2018	2017
<b>Three Months Ended September 30,</b>	(ounces in thousands)		(\$ per ounce sold)		(\$ per ounce sold)		(\$ per ounce sold)	
Yanacocha	153	142	\$ 740	\$ 1,087	\$ 192	\$ 275	\$ 945	\$ 1,312
Merian	133	129	513	496	169	176	651	608
Total / Weighted Average <sup>(3)</sup>	286	271	\$ 636	\$ 806	\$ 193	\$ 240	\$ 879	\$ 1,049
Yanacocha (48.65%) <sup>(4)</sup>	(75)	(69)						
Merian (25.00%)	(33)	(33)						
Attributable to Newmont	178	169						

	Gold or Copper Produced		Costs Applicable to Sales <sup>(1)</sup>		Depreciation and Amortization		All-In Sustaining Costs <sup>(2)</sup>	
	2018	2017	2018	2017	2018	2017	2018	2017
<b>Nine Months Ended September 30,</b>	(ounces in thousands)		(\$ per ounce sold)		(\$ per ounce sold)		(\$ per ounce sold)	
Yanacocha	373	400	\$ 855	\$ 993	\$ 218	\$ 266	\$ 1,071	\$ 1,224
Merian	355	355	544	493	179	195	699	578
Total / Weighted Average <sup>(3)</sup>	728	755	\$ 704	\$ 760	\$ 212	\$ 246	\$ 953	\$ 989
Yanacocha (48.65%) <sup>(4)</sup>	(176)	(194)						
Merian (25.00%)	(89)	(89)						
Attributable to Newmont	463	472						

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

(2) All-In Sustaining Costs is a non-GAAP financial measure. See Non-GAAP Financial Measures beginning on page 70.

(3) All-In Sustaining Costs and *Depreciation and amortization* include expense for other regional projects.

(4) In December 2017, Yanacocha repurchased a 5% interest held by the International Finance Corporation, increasing Newmont's ownership in Yanacocha from 51.35% to 54.05% as of December 31, 2017. In June 2018, Yanacocha sold a 5% ownership interest to a subsidiary of Sumitomo Corporation, reducing Newmont's ownership to 51.35%. See Note 11 to our Condensed Consolidated Financial Statements.

**Three months ended September 30, 2018 compared to 2017**

*Yanacocha, Peru.* Gold production increased 8% primarily due to higher ore grade milled, recovery and throughput partially offset by lower leach production. *Costs applicable to sales* per ounce decreased 32% primarily due to lower stockpile and leach pad inventory adjustments and higher ounces sold. *Depreciation and amortization* per ounce decreased 30% primarily due to lower stockpile and leach pad inventory adjustments and higher ounces sold. All-in sustaining costs per ounce decreased 28% primarily due to lower costs applicable to sales per ounce partially offset by higher sustaining capital spend.

*Merian, Suriname.* Gold production was in line with the prior year. *Costs applicable to sales* per ounce were in line with the prior year. *Depreciation and amortization* per ounce decreased 4% due to lower amortization rates. All-in sustaining costs per ounce increased 7% primarily due to higher support costs and higher sustaining capital spend.

**Nine months ended September 30, 2018 compared to 2017**

*Yanacocha, Peru.* Gold production decreased 7% primarily due to lower leach production. *Costs applicable to sales* per ounce decreased 14% due to lower stockpile and leach pad inventory adjustments and higher by-product credits from the sale of copper and silver concentrates. *Depreciation and amortization* per ounce decreased 18% primarily due to lower stockpile and leach pad inventory adjustments and lower amortization rates. All-in sustaining costs per ounce decreased 13% due to lower costs applicable to sales per ounce.

*Merian, Suriname.* Gold production was in line with the prior year as lower ore grade milled and recovery were offset by higher throughput and a draw down of in-circuit inventory as compared to a build up in the prior year. *Costs applicable to sales* per ounce increased 10% primarily due to lower ore grade mined. *Depreciation and amortization* per ounce decreased 8% primarily due to lower amortization rates from reserve life additions. All-in sustaining costs per ounce increased 21% primarily due to higher sustaining capital spend and higher costs applicable to sales per ounce.

**Australia Operations**

	Gold or Copper Produced		Costs Applicable to Sales <sup>(1)</sup>		Depreciation and Amortization		All-In Sustaining Costs <sup>(2)</sup>	
	2018	2017	2018	2017	2018	2017	2018	2017
<b>Three Months Ended September 30,</b>								
<b>Gold</b>	(ounces in thousands)		(\$ per ounce sold)		(\$ per ounce sold)		(\$ per ounce sold)	
Boddington	187	197	\$ 741	\$ 695	\$ 138	\$ 144	\$ 838	\$ 807
Tanami	123	114	583	626	150	148	730	800
Kalgoorlie	75	95	736	674	77	53	824	768
Total/Weighted-Average <sup>(3)</sup>	385	406	\$ 691	\$ 670	\$ 134	\$ 128	\$ 819	\$ 821
<b>Copper</b>	(pounds in millions)		(\$ per pound sold)		(\$ per pound sold)		(\$ per pound sold)	
Boddington	18	20	\$ 1.46	\$ 1.32	\$ 0.27	\$ 0.26	\$ 1.73	\$ 1.63
<b>Copper</b>	(tonnes in thousands)							
Boddington	9	9						
<b>Nine Months Ended September 30,</b>								
<b>Gold</b>	(ounces in thousands)		(\$ per ounce sold)		(\$ per ounce sold)		(\$ per ounce sold)	
Boddington	547	611	\$ 756	\$ 686	\$ 138	\$ 144	\$ 860	\$ 790
Tanami	341	286	629	623	153	166	794	782
Kalgoorlie	254	270	692	636	70	52	798	714
Total/Weighted-Average <sup>(3)</sup>	1,142	1,167	\$ 703	\$ 658	\$ 131	\$ 132	\$ 841	\$ 794
<b>Copper</b>	(pounds in millions)		(\$ per pound sold)		(\$ per pound sold)		(\$ per pound sold)	
Boddington	61	61	\$ 1.57	\$ 1.30	\$ 0.29	\$ 0.26	\$ 1.87	\$ 1.58
<b>Copper</b>	(tonnes in thousands)							
Boddington	28	28						

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

(2) All-In Sustaining Costs is a non-GAAP financial measure. See Non-GAAP Financial Measures beginning on page 70.

(3) All-In Sustaining Costs and *Depreciation and amortization* include expense for other regional projects.

**Three months ended September 30, 2018 compared to 2017**

*Boddington, Australia.* Gold production decreased 5% primarily due to lower ore grade milled in addition to a lower draw down of in-circuit inventory. Copper production decreased 10% primarily due to lower ore grade milled. *Costs applicable to sales* per ounce increased 7% primarily due to higher oil prices and higher mill maintenance costs, partially offset by a lower co-product allocation of costs to gold and a favorable Australian dollar foreign currency exchange rate. *Costs applicable to sales* per pound increased 11% primarily due to higher oil prices, higher mill maintenance costs and a higher co-product allocation of costs to copper, partially offset by a favorable Australian dollar foreign currency exchange rate. *Depreciation and amortization* per ounce decreased 4% primarily due to a lower co-product allocation of costs to gold. *Depreciation and amortization* per pound increased 4% primarily due to a higher co-product allocation of costs to copper. All-in sustaining costs per ounce increased 4% primarily due to higher costs applicable to sales per ounce, partially offset by lower sustaining capital spend. All-in sustaining costs per pound increased 6% primarily due to higher costs applicable to sales per pound.

*Tanami, Australia.* Gold production increased 8% primarily due to higher ore grade milled and a draw down of in-circuit inventory as compared to a build up in the prior year partially offset by lower mill throughput. *Costs applicable to sales* per ounce decreased 7% primarily due to higher ounces sold and a favorable Australian dollar foreign currency exchange rate, partially offset by higher mine maintenance costs, higher paste-fill activity and higher oil prices. *Depreciation and amortization* per ounce was in line with the prior year. All-in sustaining costs per ounce decreased 9% primarily due to lower costs applicable to sales per ounce and lower sustaining capital spend.

*Kalgoorlie, Australia.* Gold production decreased 21% primarily due to lower ore grades milled and a lower draw down of in-circuit inventory, partially offset by higher mill throughput. The lower ore grade milled was a result of reduced ore tons mined from the pit due to a failure in the East wall of the pit, leading to the processing of lower-grade stockpiles. *Costs applicable to sales* per ounce increased 9% primarily due to lower ounces sold, higher mining costs per ton as a result of the failure in the East wall of the pit, higher site support costs and higher oil prices partially offset by a favorable Australian dollar foreign currency exchange rate. *Depreciation and amortization* per ounce increased 45% primarily due to lower ounces sold, asset additions and higher amortization rates. All-in sustaining costs per ounce increased 7% primarily due to higher costs applicable to sales per ounce.

**Nine months ended September 30, 2018 compared to 2017**

*Boddington, Australia.* Gold production decreased 10% primarily due to lower ore grade milled and recovery, partially offset by higher mill throughput. Copper production was in line with the prior year. *Costs applicable to sales* per ounce increased 10% primarily due to lower ounces sold and higher oil prices partially offset by a lower co-product allocation of costs to gold. *Costs applicable to sales* per pound increased 21% primarily due to higher oil prices and a higher co-product allocation of costs to copper. *Depreciation and amortization* per ounce decreased 4% due to a lower co-product allocation of costs to gold, partially offset by lower ounces sold. *Depreciation and amortization* per pound increased 12% primarily due to a higher co-product allocation of costs to copper. All-in sustaining costs per ounce increased 9% primarily due to higher costs applicable to sales per ounce. All-in sustaining costs per pound increased 18% primarily due to higher costs applicable to sales per pound.

*Tanami, Australia.* Gold production increased 19% primarily due to higher mill throughput, ore grade milled and recovery. Throughput was higher primarily due to the Tanami Expansion project achieving commercial production in the third quarter of 2017, coupled with the mill being placed into care and maintenance for 21 days in early 2017 following record high rainfall that blocked transport routes, limiting access to fuel and other resources. *Costs applicable to sales* per ounce was in line with the prior year. *Depreciation and amortization* per ounce decreased 8% primarily due to higher ounces sold. All-in sustaining costs per ounce were in line with the prior year.

*Kalgoorlie, Australia.* Gold production decreased 6% primarily due to lower ore grade milled and a build up of in-circuit inventory compared to a draw down in the prior year partially offset by higher mill throughput and recovery. The lower ore grade milled was a result of reduced ore tons mined from the pit due to a failure in the East wall of the pit, leading to the processing of lower-grade stockpiles. *Costs applicable to sales* per ounce increased 9% primarily due to lower ounces sold, higher mining costs per ton as a result of the failure in the East wall of the pit, higher site support costs and higher oil prices. *Depreciation and amortization* per ounce increased 35% primarily due to lower ounces sold, asset additions and higher amortization rates. All-in sustaining costs per ounce increased 12% primarily due to higher costs applicable to sales per ounce and higher sustaining capital spend.

**Africa Operations**

	Gold or Copper Produced		Costs Applicable to Sales <sup>(1)</sup>		Depreciation and Amortization		All-In Sustaining Costs <sup>(2)</sup>	
	2018	2017	2018	2017	2018	2017	2018	2017
<b>Three Months Ended September 30,</b>	(ounces in thousands)		(\$ per ounce sold)		(\$ per ounce sold)		(\$ per ounce sold)	
Ahafo	105	78	\$ 605	\$ 731	\$ 211	\$ 179	\$ 787	\$ 910
Akyem	107	113	408	588	296	351	574	693
Total / Weighted Average <sup>(3)</sup>	212	191	\$ 505	\$ 646	\$ 259	\$ 281	\$ 713	\$ 802
<b>Nine Months Ended September 30,</b>	(ounces in thousands)		(\$ per ounce sold)		(\$ per ounce sold)		(\$ per ounce sold)	
Ahafo	308	260	\$ 789	\$ 739	\$ 251	\$ 199	\$ 917	\$ 927
Akyem	313	371	553	543	368	306	715	624
Total / Weighted Average <sup>(3)</sup>	621	631	\$ 670	\$ 624	\$ 310	\$ 262	\$ 852	\$ 782

- (1) Excludes *Depreciation and amortization* and *Reclamation and remediation*.
- (2) All-In Sustaining Costs is a non-GAAP financial measure. See Non-GAAP Financial Measures beginning on page 70.
- (3) All-In Sustaining Costs and *Depreciation and amortization* include expense for other regional projects.

### **Three months ended September 30, 2018 compared to 2017**

*Ahafo, Ghana.* Gold production increased 35% primarily due to higher ore grade milled from the ramp up of mining at Subika Underground and higher mill recovery, partially offset by lower mill throughput. *Costs applicable to sales* per ounce decreased 17% primarily due to higher ounces sold and lower power costs, partially offset by higher oil prices. *Depreciation and amortization* per ounce increased 18% primarily due to higher amortization rates from asset additions. All-in sustaining costs per ounce decreased 14% primarily due to lower costs applicable to sales per ounce, partially offset by higher sustaining capital spend.

*Akyem, Ghana.* Gold production decreased 5% primarily due to lower mill throughput and recovery partially offset by higher ore grade milled. *Costs applicable to sales* per ounce decreased 31% primarily due to stockpile inventory adjustments in the prior year and lower power costs, partially offset by higher oil prices. *Depreciation and amortization* per ounce decreased 16% primarily due to stockpile inventory adjustments in the prior year. All-in sustaining costs per ounce decreased 17% primarily due to lower costs applicable to sales per ounce partially offset by higher sustaining capital spend.

### **Nine months ended September 30, 2018 compared to 2017**

*Ahafo, Ghana.* Gold production increased 18% primarily due to higher ore grade milled and recovery, as well as a draw down of in-circuit inventory as compared to a build up in the prior year, partially offset by lower mill throughput. *Costs applicable to sales* per ounce increased 7% primarily due to higher stockpile inventory adjustments and higher oil prices partially offset by higher ounces sold and lower power costs. *Depreciation and amortization* per ounce increased 26% primarily due to higher stockpile inventory adjustments and higher amortization rates. All-in sustaining costs per ounce were in line with the prior year.

*Akyem, Ghana.* Gold production decreased 16% primarily due to lower mill throughput, ore grade and recovery. *Costs applicable to sales* per ounce were in line with the prior year as lower ounces sold, higher stockpile inventory adjustments and higher oil prices were offset by lower power costs and a favorable strip ratio. *Depreciation and amortization* per ounce increased 20% primarily due to lower ounces sold and higher stockpile inventory adjustments. All-in sustaining costs per ounce increased 15% primarily due to higher sustaining capital spend.

### **Foreign Currency Exchange Rates**

Our foreign operations sell their gold and copper production based on U.S. dollar metal prices. Fluctuations in foreign currency exchange rates do not have a material impact on our revenue since gold and copper are sold throughout the world in U.S. dollars. Despite selling gold in London, we have no exposure to the euro or the British pound.

Foreign currency exchange rates can increase or decrease profits to the extent costs are paid in foreign currencies, including the Australian dollar, the Peruvian sol and the Surinamese dollar. Approximately 33% and 31% of *Costs applicable to sales* for our foreign operations were paid in currencies other than the U.S. dollar during the three months ended September 30, 2018 and 2017, respectively, including approximately 28% denominated in the Australian dollar in the current year. Approximately 34% and 32% of *Costs applicable to sales* for our foreign operations were paid in currencies other than the U.S. dollar during the nine months ended September 30, 2018 and 2017, respectively, including approximately 29% denominated in the Australian dollar in the current year. Variations in the local currency exchange rates in relation to the U.S. dollar at our foreign mining operations decreased *Costs applicable to sales* by \$13 per ounce, net of hedging losses, during the three months ended September 30, 2018, compared to the same period in 2017, primarily in Australia. Variations in the local currency exchange rates in relation to the U.S. dollar at our foreign mining operations decreased *Costs applicable to sales* by \$4 per ounce, net of hedging losses, during the nine months ended September 30, 2018, compared to the same periods in 2017, primarily in Australia.

Our Merian mine is located in the country of Suriname, which has been considered a hyperinflationary environment in recent years with a cumulative inflation rate of over 100% for the last three years. Although we have balances denominated in Surinamese dollars that relate to labor and payroll liabilities, substantially all of Merian's activity is denominated in U.S. dollars. As a result, our exposure to fluctuations in the Surinamese dollar exchange rate is not significant to Newmont's financial statements.

## Liquidity and Capital Resources

### Liquidity Overview

We have a disciplined cash management strategy of maintaining financial flexibility to execute our capital priorities and provide long-term value to our shareholders. Consistent with that strategy, we aim to self-fund development projects and make strategic partnerships focused on profitable growth, while reducing our debt and returning cash to stockholders through dividends.

At September 30, 2018, the Company had \$3,068 in *Cash and cash equivalents*, of which \$871 was held in foreign subsidiaries and is primarily held in U.S. dollar denominated accounts with the remainder in foreign currencies readily convertible to U.S. dollars. At September 30, 2018, \$364 of the consolidated cash and cash equivalents was attributable to noncontrolling interests primarily related to our Peru and Suriname operations, which is being held to fund those operations. At September 30, 2018, \$748 in consolidated cash and cash equivalents (\$403 attributable to Newmont) was held at certain foreign subsidiaries that, if repatriated, may be subject to withholding taxes. We expect that there would be no additional tax burden upon repatriation after considering the cash cost associated with the withholding taxes. We believe that our liquidity and capital resources from U.S. operations are adequate to fund our U.S. operations and corporate activities.

We believe our existing consolidated cash and cash equivalents, available capacity on our revolving credit facility, and cash generated from continuing operations will be adequate to satisfy working capital needs, fund future growth, meet debt obligations, pay dividends and meet other liquidity requirements for the foreseeable future. At September 30, 2018, no borrowings were outstanding under our revolving credit facility.

Our financial position was as follows:

	At September 30, 2018	At December 31, 2017
Cash and cash equivalents	\$ 3,068	\$ 3,259
Debt	4,043	4,040
Leases and other financing obligations	147	25
Net Debt	\$ 1,122	\$ 806
Borrowing capacity on revolving credit facility expiring May 2022	\$ 2,914	\$ 2,920

### Cash Flows

Our Condensed Consolidated Statements of Cash Flows are summarized as follows:

	September 30,	
	2018	2017
Net cash provided by (used in) operating activities of continuing operations	\$ 1,095	\$ 1,391
Net cash provided by (used in) operating activities of discontinued operations	(8)	(12)
Net cash provided by (used in) operating activities	\$ 1,087	\$ 1,379
Net cash provided by (used in) investing activities	\$ (884)	\$ (618)
Net cash provided by (used in) financing activities	\$ (346)	\$ (542)

*Net cash provided by (used in) operating activities of continuing operations* was \$1,095 during the nine months ended September 30, 2018, a decrease of \$296 from the nine months ended September 30, 2017, primarily due to lower sales and slightly higher costs, coupled with unfavorable working capital changes including an increase in accounts receivable, increase in stockpiles and ore on leach pads, timing of payments on accounts payable and increased tax payments, partially offset by \$196 attributable to interest on our Convertible Senior Notes repayment in 2017 and higher realized metal prices.

*Net cash provided by (used in) investing activities* was \$(884) during the nine months ended September 30, 2018, an increase in cash used of \$266 from the nine months ended September 30, 2017, primarily due to higher *Additions to property, plant and mine*

development in 2018 driven by higher capital expenditures on development projects, and mineral interest acquisitions of \$138, including our investment in Galore Creek of \$100, partially offset by higher *Purchases of investments* in 2017.

*Net cash provided by (used in) financing activities* was \$(346) during the nine months ended September 30, 2018, a decrease in cash used of \$196 from the nine months ended September 30, 2017, primarily due to higher debt repayment related to the Convertible Senior Notes in 2017, *Proceeds from the sale of noncontrolling interests* of \$48 and lower net distributions to noncontrolling interests in 2018. This was partially offset by higher dividends paid of \$226, *Repurchase of common stock* for \$96 and higher *Payments for withholding of employee taxes related to stock-based compensation* of \$39.

### Capital Expenditures

Cash generated from operations is used to execute our capital priorities, which include sustaining and developing our global portfolio of long-lived assets. We consider sustaining capital as those capital expenditures that are necessary to maintain current production and execute the current mine plan. Capital expenditures to develop new operations, or related to projects at existing operations where these projects will enhance production or reserves, are considered non-sustaining or development capital.

For the nine months ended September 30, 2018 and 2017, we had *Additions to property, plant and mine development* as follows:

	Nine Months Ended September 30,					
	2018			2017		
	Development Projects	Sustaining Capital	Total	Development Projects	Sustaining Capital	Total
North America	\$ 36	\$ 207	\$ 243	\$ 14	\$ 190	\$ 204
South America	80	64	144	52	47	99
Australia	24	104	128	40	99	139
Africa	170	58	228	76	45	121
Corporate and other	1	8	9	1	4	5
Accrual basis	\$ 311	\$ 441	\$ 752	\$ 183	\$ 385	\$ 568
Decrease (increase) in non-cash adjustments			11			(11)
Cash basis			\$ 763			\$ 557

For the nine months ended September 30, 2018, development projects included Twin Creeks Underground in North America; Merian and Quecher Main in South America; the Tanami Expansion 2 project in Australia; and, Subika Underground, Ahafo Mill Expansion and Ahafo North in Africa. For the nine months ended September 30, 2017, development projects included Merian in South America, the Tanami Expansion project in Australia and Subika Underground and the Ahafo Mill Expansion in Africa.

For the nine months ended September 30, 2018 and 2017, sustaining capital included the following:

- *North America.* Capital expenditures primarily related to surface and underground mine development, tailings facility construction and capitalized component purchases;
- *South America.* Capital expenditures primarily related to a tailings facility expansion, capitalized component purchases and infrastructure improvements.
- *Australia.* Capital expenditures primarily related to equipment and capitalized component purchases, underground mine development and tailings and support facilities.
- *Africa.* Capital expenditures primarily related to water treatment plant construction, a tailings facility expansion, Awonsu Phase 3 and 4 layback and capitalized component purchases.

Additionally, in December 2017, the Company began the early phases of the Tanami Power project in Australia which includes the construction of a gas pipeline to the Tanami site, and construction and operation of two on-site power stations under agreements that qualify for build-to-suit lease accounting. As of September 30, 2018, the financing obligations under the build-to-suit arrangements were \$140.

Refer to our global project pipeline discussion above for additional details. Refer to Note 3 to our Condensed Consolidated Financial Statements and Part I, Item 2 Non-GAAP Financial Measures All-In Sustaining Costs for further information.

### ***Contractual Obligations***

There have been no material changes in our contractual obligations since December 31, 2017, except as discussed in Note 1 of our Condensed Consolidated Financial Statements. Refer to Part II, Item 7 in our annual report on Form 10-K, and revisions filed April 26, 2018 on Form 8-K, for the year ended December 31, 2017, for information regarding our contractual obligations.

### ***Off-Balance Sheet Arrangements***

There have been no material changes in our off-balance sheet arrangements since December 31, 2017. Refer to Part II, Item 7 in our annual report on Form 10-K, and revisions filed April 26, 2018 on Form 8-K, for the year ended December 31, 2017, for information regarding our off-balance sheet arrangements.

### **Environmental**

Our mining and exploration activities are subject to various federal and state laws and regulations governing the protection of the environment. We have made, and expect to make in the future, expenditures to comply with such laws and regulations, but cannot predict the full amount of such future expenditures. We perform a comprehensive review of our reclamation and remediation liabilities annually and review changes in facts and circumstances associated with these obligations at least quarterly. As of September 30, 2018, with the exception of an adjustment of \$8 to a historical mine site obligation for future water management costs, there have been no material changes to our reclamation and remediation obligation since December 31, 2017.

For a complete discussion of the factors that influence our reclamation obligations and the associated risks, refer to Part II, Item 7, Managements' Discussion and Analysis of Consolidated Financial Condition and Results of Operations under the headings "Environmental" and "Critical Accounting Policies" and refer to Part I, Item 1A, Risk Factors under the heading "Mine closure, reclamation and remediation costs for environmental liabilities may exceed the provisions we have made" for the year ended December 31, 2017, filed February 22, 2018 on Form 10-K, and revisions filed April 26, 2018 on Form 8-K.

For more information on the Company's reclamation and remediation liabilities, see Notes 5 and 26 to the Condensed Consolidated Financial Statements.

### **Accounting Developments**

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

### **Non-GAAP Financial Measures**

Non-GAAP financial measures are intended to provide additional information only and do not have any standard meaning prescribed by U.S. generally accepted accounting principles ("GAAP"). These measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. Unless otherwise noted, we present the Non-GAAP financial measures of our continuing operations in the tables below. For additional information regarding our discontinued operations, see Note 10 to the Condensed Consolidated Financial Statements.

### ***Earnings before interest, taxes and depreciation and amortization and Adjusted earnings before interest, taxes and depreciation and amortization***

Management uses Earnings before interest, taxes and depreciation and amortization ("EBITDA") and EBITDA adjusted for non-core or certain items that have a disproportionate impact on our results for a particular period ("Adjusted EBITDA") as non-GAAP measures to evaluate the Company's operating performance. EBITDA and Adjusted EBITDA do not represent, and should not be considered an alternative to, net income (loss), operating income (loss), or cash flow from operations as those terms are defined by GAAP, and do not necessarily indicate whether cash flows will be sufficient to fund cash needs. Although Adjusted EBITDA and similar measures are frequently used as measures of operations and the ability to meet debt service requirements by other companies, our calculation of Adjusted EBITDA is not necessarily comparable to such other similarly titled captions of other companies. The Company believes that Adjusted EBITDA provides useful information to investors and others in understanding and evaluating our



operating results in the same manner as our management and Board of Directors. Management’s determination of the components of Adjusted EBITDA are evaluated periodically and based, in part, on a review of non-GAAP financial measures used by mining industry analysts. *Net income (loss) attributable to Newmont stockholders* is reconciled to EBITDA and Adjusted EBITDA as follows:

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2018	2017	2018	2017
Net income (loss) attributable to Newmont stockholders	\$ (145)	\$ 206	\$ 339	\$ 428
Net income (loss) attributable to noncontrolling interests	21	(7)	26	(20)
Net loss (income) from discontinued operations <sup>(1)</sup>	(16)	7	(56)	45
Equity loss (income) of affiliates	9	(1)	25	4
Income and mining tax expense (benefit)	3	73	126	350
Depreciation and amortization	299	328	879	938
Interest expense, net	51	56	153	187
EBITDA	\$ 222	\$ 662	\$ 1,492	\$ 1,932
Adjustments:				
Impairment of long-lived assets <sup>(2)</sup>	\$ 366	\$ —	\$ 366	\$ 3
Loss (gain) on asset and investment sales <sup>(3)</sup>	(1)	(5)	(100)	(21)
Emigrant leach pad write-down <sup>(4)</sup>	22	—	22	—
Change in fair value of marketable equity securities <sup>(5)</sup>	26	—	21	—
Restructuring and other <sup>(6)</sup>	1	2	16	10
Reclamation and remediation charges <sup>(7)</sup>	—	—	8	3
Acquisition cost adjustments <sup>(8)</sup>	—	(3)	—	2
Adjusted EBITDA	\$ 636	\$ 656	\$ 1,825	\$ 1,929

- (1) Net loss (income) from discontinued operations relates to (i) adjustments in our Holt royalty obligation, presented net of tax expense (benefit) of \$6, \$(4), \$15 and \$(25), respectively, and (ii) adjustments to our Batu Hijau Contingent Consideration, presented net of tax expense (benefit) of \$(1), \$-, \$-, and \$-, respectively. For additional information regarding our discontinued operations, see Note 10 to our Condensed Consolidated Financial Statements.
- (2) Impairment of long-lived assets, included in *Impairment of long-lived assets*, represents non-cash write-downs of long-lived assets. The 2018 impairments include \$366 related to long-lived assets in North America in the third quarter of 2018. See Note 6 to our Condensed Consolidated Financial Statements for further information.
- (3) Loss (gain) on asset and investment sales, included in *Other income, net*, primarily represents a gain from the exchange of certain royalty interests for cash consideration and an equity ownership and warrants in Maverix in June 2018, and a gain from the exchange of our interest in the Fort à la Corne joint venture for equity ownership in Shore Gold Inc. (“Shore Gold”) in June 2017.
- (4) The Emigrant leach pad write-down, included in *Costs applicable to sales*, represents a write-down to reduce the carrying value of the leach pad to net realizable value at Emigrant due to a change in mine plan resulting in a significant decrease in mine life in the third quarter of 2018.
- (5) Change in fair value of marketable equity securities, included in *Other income, net*, primarily represents unrealized holding gains and losses on marketable equity securities related primarily to Continental Gold Inc.
- (6) Restructuring and other, included in *Other expense, net*, represents certain costs associated with severance, legal and other settlements.
- (7) Reclamation and remediation charges, included in *Reclamation and remediation*, represent revisions to remediation plans at the Company’s former historic mining operations.
- (8) Acquisition cost adjustments, included in *Other expense, net*, represent net adjustments to the contingent consideration and related liabilities associated with the acquisition of the final 33.33% interest in Boddington in June 2009.

**Adjusted net income (loss)**

Management uses Adjusted net income (loss) to evaluate the Company's operating performance and for planning and forecasting future business operations. The Company believes the use of Adjusted net income (loss) allows investors and analysts to understand the results of the continuing operations of the Company and its direct and indirect subsidiaries relating to the sale of products, by excluding certain items that have a disproportionate impact on our results for a particular period. Adjustments to continuing operations are presented before tax and net of our partners' noncontrolling interests, when applicable. The tax effect of adjustments is presented in the Tax effect of adjustments line and is calculated using the applicable regional tax rate. Management's determination of the components of Adjusted net income (loss) are evaluated periodically and based, in part, on a review of non-GAAP financial measures used by mining industry analysts. *Net income (loss) attributable to Newmont stockholders* is reconciled to Adjusted net income (loss) as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Net income (loss) attributable to Newmont stockholders	\$ (145)	\$ 206	\$ 339	\$ 428
Net loss (income) attributable to Newmont stockholders from discontinued operations <sup>(1)</sup>	(16)	7	(56)	45
Net income (loss) attributable to Newmont stockholders from continuing operations	(161)	213	283	473
Impairment of long-lived assets, net <sup>(2)</sup>	366	—	366	2
Loss (gain) on asset and investment sales, net <sup>(3)</sup>	(1)	(5)	(100)	(21)
Emigrant leach pad write-down <sup>(4)</sup>	29	—	29	—
Change in fair value of marketable equity securities <sup>(5)</sup>	26	—	21	—
Restructuring and other, net <sup>(6)</sup>	1	1	13	8
Reclamation and remediation charges <sup>(7)</sup>	—	—	8	3
Acquisition cost adjustments <sup>(8)</sup>	—	(3)	—	2
Tax effect of adjustments <sup>(9)</sup>	(104)	4	(88)	3
Valuation allowance and other tax adjustments <sup>(10)</sup>	19	(26)	(28)	98
Adjusted net income (loss)	<u>\$ 175</u>	<u>\$ 184</u>	<u>\$ 504</u>	<u>\$ 568</u>
Net income (loss) per share, basic <sup>(11)</sup>	\$ (0.27)	\$ 0.38	\$ 0.64	\$ 0.80
Net loss (income) attributable to Newmont stockholders from discontinued operations	(0.04)	0.01	(0.11)	0.08
Net income (loss) attributable to Newmont stockholders from continuing operations	(0.31)	0.39	0.53	0.88
Impairment of long-lived assets, net	0.69	—	0.69	—
Loss (gain) on asset and investment sales, net	(0.01)	(0.01)	(0.19)	(0.04)
Emigrant leach pad write-down	0.05	—	0.05	—
Change in fair value of marketable equity securities	0.05	—	0.04	—
Restructuring and other, net	—	—	0.02	0.01
Reclamation and remediation charges	—	—	0.01	0.01
Acquisition cost adjustments	—	(0.01)	—	—
Tax effect of adjustments	(0.18)	0.01	(0.15)	0.01
Valuation allowance and other tax adjustments	0.04	(0.03)	(0.05)	0.20
Adjusted net income (loss) per share, basic	<u>\$ 0.33</u>	<u>\$ 0.35</u>	<u>\$ 0.95</u>	<u>\$ 1.07</u>

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Net income (loss) per share, diluted <sup>(11)</sup>	\$ (0.27)	\$ 0.38	\$ 0.63	\$ 0.80
Net loss (income) attributable to Newmont stockholders from discontinued operations	(0.04)	0.01	(0.10)	0.08
Net income (loss) attributable to Newmont stockholders from continuing operations	(0.31)	0.39	0.53	0.88
Impairment of long-lived assets, net	0.69	—	0.68	—
Loss (gain) on asset and investment sales, net	(0.01)	(0.01)	(0.19)	(0.04)
Emigrant leach pad write-down	0.05	—	0.05	—
Change in fair value of marketable equity securities	0.05	—	0.04	—
Restructuring and other, net	—	—	0.02	0.01
Reclamation and remediation charges	—	—	0.01	0.01
Acquisition cost adjustments	—	(0.01)	—	—
Tax effect of adjustments	(0.18)	0.01	(0.16)	0.01
Valuation allowance and other tax adjustments	0.04	(0.04)	(0.04)	0.19
Adjusted net income (loss) per share, diluted	\$ 0.33	\$ 0.34	\$ 0.94	\$ 1.06
<b>Weighted average common shares (millions):</b>				
Basic	533	533	533	533
Diluted	535	536	535	534

- (1) Net loss (income) attributable to Newmont stockholders from discontinued operations relates to (i) adjustments in our Holt royalty obligation, presented net of tax expense (benefit) of \$6, \$(4), \$15 and \$(25), respectively, and (ii) adjustments to our Batu Hijau Contingent Consideration, presented net of tax expense (benefit) of \$(1), \$-, \$- and \$- respectively. For additional information regarding our discontinued operations, see Note 10 to our Condensed Consolidated Financial Statements.
- (2) Impairment of long-lived assets, included in *Impairment of long-lived assets*, represents non-cash write-downs of long-lived assets. The 2018 impairments include \$366 related to long-lived assets in North America in the third quarter of 2018. See Note 6 to our Condensed Consolidated Financial Statements for further information. Amounts are presented net of income (loss) attributable to noncontrolling interests of \$-, \$-, \$- and \$(1), respectively.
- (3) Loss (gain) on asset and investment sales, included in *Other income, net*, primarily represents a gain from the exchange of certain royalty interests for cash consideration and an equity ownership and warrants in Maverix in June 2018, and a gain from the exchange of our interest in the Fort à la Corne joint venture for equity ownership in Shore Gold in June 2017.
- (4) The Emigrant leach pad write-down, included in *Costs applicable to sales* and *Depreciation and amortization*, represents a write-down to reduce the carrying value of the leach pad to net realizable value at Emigrant due to a change in mine plan resulting in a significant decrease in mine life in the third quarter of 2018.
- (5) Change in fair value of marketable equity securities, included in *Other income, net*, represents unrealized holding gains and losses on marketable equity securities related primarily to Continental Gold Inc.
- (6) Restructuring and other, included in *Other expense, net*, primarily represents certain costs associated with severance, legal and other settlements. Amounts are presented net of income (loss) attributable to noncontrolling interests of \$-, \$(1), \$(3) and \$(2), respectively.
- (7) Reclamation and remediation charges, included in *Reclamation and remediation*, represent revisions to remediation plans at the Company's former historic mining operations.
- (8) Acquisition cost adjustments, included in *Other expense, net*, represent net adjustments to the contingent consideration and related liabilities associated with the acquisition of the final 33.33% interest in Boddington in June 2009.
- (9) The tax effect of adjustments, included in *Income and mining tax benefit (expense)*, represents the tax effect of adjustments in footnotes (2) through (8), as described above, and are calculated using the applicable regional tax rate.
- (10) Valuation allowance and other tax adjustments, included in *Income and mining tax benefit (expense)*, is recorded for items such as foreign tax credits, alternative minimum tax credits, capital losses and disallowed foreign losses. The adjustment in the three and nine months ended September 30, 2018 is due to increases to net operating losses, tax credit carryovers and other deferred tax assets of \$13 and \$32 respectively, and other tax adjustments of \$5 and \$4, respectively. The adjustment in the nine months ended September 30, 2018 is also due to a second quarter reduction to the provisional expense for the Tax Cuts and Jobs Act of \$(45) and a release of valuation allowance on capital losses of \$(15). Amounts are presented net of income (loss) attributable to noncontrolling interests of \$1, \$-, \$(4), and \$-, respectively. The adjustment in the three and nine months ended September 30, 2017 is due to increases in tax credit carryovers of \$(39) and \$100, respectively, partially offset by other tax adjustments of \$13 and \$(2), respectively.
- (11) Per share measures may not recalculate due to rounding.

**Free Cash Flow**

Management uses Free Cash Flow as a non-GAAP measure to analyze cash flows generated from operations. Free Cash Flow is *Net cash provided by (used in) operating activities* less *Net cash provided by (used in) operating activities of discontinued operations* less *Additions to property, plant and mine development* as presented on the Condensed Consolidated Statements of Cash Flows. The Company believes Free Cash Flow is also useful as one of the bases for comparing the Company's performance with its competitors. Although Free Cash Flow and similar measures are frequently used as measures of cash flows generated from operations by other companies, the Company's calculation of Free Cash Flow is not necessarily comparable to such other similarly titled captions of other companies.

The presentation of non-GAAP Free Cash Flow is not meant to be considered in isolation or as an alternative to net income as an indicator of the Company's performance, or as an alternative to cash flows from operating activities as a measure of liquidity as those terms are defined by GAAP, and does not necessarily indicate whether cash flows will be sufficient to fund cash needs. The Company's definition of Free Cash Flow is limited in that it does not represent residual cash flows available for discretionary expenditures due to the fact that the measure does not deduct the payments required for debt service and other contractual obligations or payments made for business acquisitions. Therefore, the Company believes it is important to view Free Cash Flow as a measure that provides supplemental information to the Company's Condensed Consolidated Statements of Cash Flows.

The following table sets forth a reconciliation of Free Cash Flow, a non-GAAP financial measure, to *Net cash provided by (used in) operating activities*, which the Company believes to be the GAAP financial measure most directly comparable to Free Cash Flow, as well as information regarding *Net cash provided by (used in) investing activities* and *Net cash provided by (used in) financing activities*.

	<u>Nine Months Ended September 30,</u>	
	<u>2018</u>	<u>2017</u>
Net cash provided by (used in) operating activities	\$ 1,087	\$ 1,379
Less: Net cash used in (provided by) operating activities of discontinued operations	8	12
Net cash provided by (used in) operating activities of continuing operations	1,095	1,391
Less: Additions to property, plant and mine development	(763)	(557)
Free Cash Flow	<u>\$ 332</u>	<u>\$ 834</u>
Net cash provided by (used in) investing activities <sup>(1)</sup>	\$ (884)	\$ (618)
Net cash provided by (used in) financing activities	\$ (346)	\$ (542)

(1) *Net cash provided by (used in) investing activities* includes *Additions to property, plant and mine development*, which is included in the Company's computation of Free Cash Flow.

**Costs applicable to sales per ounce/pound**

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

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

*Costs applicable to sales per ounce*

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Costs applicable to sales <sup>(1)</sup>	\$ 952	\$ 1,017	\$ 2,853	\$ 2,890
Gold sold (thousand ounces)	1,378	1,411	3,914	4,178
Costs applicable to sales per ounce <sup>(2)</sup>	\$ 691	\$ 721	\$ 729	\$ 692

- (1) Includes by-product credits of \$10 and \$41 during the three and nine months ended September 30, 2018, respectively, and \$16 and \$42 during the three and nine months ended September 30, 2017, respectively.  
(2) Per ounce measures may not recalculate due to rounding.

*Costs applicable to sales per pound*

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Costs applicable to sales <sup>(1)</sup>	\$ 43	\$ 36	\$ 136	\$ 119
Copper sold (million pounds)	28	26	82	84
Costs applicable to sales per pound <sup>(2)</sup>	\$ 1.54	\$ 1.38	\$ 1.66	\$ 1.42

- (1) Includes by-product credits of \$1 and \$3 during the three and nine months ended September 30, 2018, respectively, and \$- and \$3 during the three and nine months ended September 30, 2017, respectively.  
(2) Per pound measures may not recalculate due to rounding.

**All-In Sustaining Costs**

Newmont has worked to develop a metric that expands on GAAP measures, such as cost of goods sold, and non-GAAP measures, such as Costs applicable to sales per ounce, to provide visibility into the economics of our mining operations related to expenditures, operating performance and the ability to generate cash flow from our continuing operations.

Current GAAP measures used in the mining industry, such as cost of goods sold, do not capture all of the expenditures incurred to discover, develop and sustain production. Therefore, we believe that all-in sustaining costs is a non-GAAP measure that provides additional information to management, investors and analysts that aid in the understanding of the economics of our operations and performance compared to other producers and in the investor's visibility by better defining the total costs associated with production.

All-in sustaining cost ("AISC") amounts are intended to provide additional information only and do not have any standardized meaning prescribed by GAAP and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. The measures are not necessarily indicative of operating profit or cash flow from operations as determined under GAAP. Other companies may calculate these measures differently as a result of differences in the underlying accounting principles, policies applied and in accounting frameworks such as in International Financial Reporting Standards ("IFRS"), or by reflecting the benefit from selling non-gold metals as a reduction to AISC. Differences may also arise related to definitional differences of sustaining versus development capital activities based upon each company's internal policies.

The following disclosure provides information regarding the adjustments made in determining the all-in sustaining costs measure:

*Costs applicable to sales* . Includes all direct and indirect costs related to current production incurred to execute the current mine plan. We exclude certain exceptional or unusual amounts from *Costs applicable to sales* ("CAS"), such as significant revisions to recovery amounts. CAS includes by-product credits from certain metals obtained during the process of extracting and processing the primary ore-body. CAS is accounted for on an accrual basis and excludes *Depreciation and amortization* and *Reclamation and remediation* , which is consistent with our presentation of CAS on the Condensed Consolidated Statements of Operations. In determining AISC, only the CAS associated with producing and selling an ounce of gold is included in the measure. Therefore, the amount of gold CAS included in AISC is derived from the CAS presented in the Company's Condensed Consolidated Statements of

Operations less the amount of CAS attributable to the production of copper at our Phoenix and Boddington mines. The copper CAS at those mine sites is disclosed in Note 3 to the Condensed Consolidated Financial Statements. The allocation of CAS between gold and copper at the Phoenix and Boddington mines is based upon the relative sales value of gold and copper produced during the period.

*Reclamation costs* . Includes accretion expense related to Reclamation liabilities and the amortization of the related Asset Retirement Cost (“ARC”) for the Company’s operating properties. Accretion related to the Reclamation liabilities and the amortization of the ARC assets for reclamation does not reflect annual cash outflows but are calculated in accordance with GAAP. The accretion and amortization reflect the periodic costs of reclamation associated with current production and are therefore included in the measure. The allocation of these costs to gold and copper is determined using the same allocation used in the allocation of CAS between gold and copper at the Phoenix and Boddington mines.

*Advanced projects, research and development and exploration* . Includes incurred expenses related to projects that are designed to increase or enhance current production and exploration. We note that as current resources are depleted, exploration and advanced projects are necessary for us to replace the depleting reserves or enhance the recovery and processing of the current reserves. As this relates to sustaining our production, and is considered a continuing cost of a mining company, these costs are included in the AISC measure. These costs are derived from the *Advanced projects, research and development* and *Exploration* amounts presented in the Condensed Consolidated Statements of Operations less the amount attributable to the production of copper at our Phoenix and Boddington mines. The allocation of these costs to gold and copper is determined using the same allocation used in the allocation of CAS between gold and copper at the Phoenix and Boddington mines.

*General and administrative* . Includes costs related to administrative tasks not directly related to current production, but rather related to support our corporate structure and fulfill our obligations to operate as a public company. Including these expenses in the AISC metric provides visibility of the impact that general and administrative activities have on current operations and profitability on a per ounce basis.

*Other expense, net* . We exclude certain exceptional or unusual expenses from *Other expense, net* , such as restructuring, as these are not indicative to sustaining our current operations. Furthermore, this adjustment to *Other expense, net* is also consistent with the nature of the adjustments made to *Net income (loss) attributable to Newmont stockholders* as disclosed in the Company’s non-GAAP financial measure Adjusted net income (loss). The allocation of these costs to gold and copper is determined using the same allocation used in the allocation of CAS between gold and copper at the Phoenix and Boddington mines.

*Treatment and refining costs* . Includes costs paid to smelters for treatment and refining of our concentrates to produce the salable metal. These costs are presented net as a reduction of *Sales* on our Condensed Consolidated Statements of Operations.

*Sustaining capital* . We determined sustaining capital as those capital expenditures that are necessary to maintain current production and execute the current mine plan. Capital expenditures to develop new operations, or related to projects at existing operations where these projects will enhance production or reserves, are generally considered non-sustaining or development capital. We determined the classification of sustaining and development capital projects based on a systematic review of our project portfolio in light of the nature of each project. Sustaining capital costs are relevant to the AISC metric as these are needed to maintain the Company’s current operations and provide improved transparency related to our ability to finance these expenditures from current operations. The allocation of these costs to gold and copper is determined using the same allocation used in the allocation of CAS between gold and copper at the Phoenix and Boddington mines.

Three Months Ended September 30, 2018	Costs Applicable to Sales <sup>(1)(2)(3)</sup>	Reclamation Costs <sup>(4)</sup>	Advanced Projects, Research and Development and Exploration <sup>(5)</sup>	General and Administrative	Other Expense, Net <sup>(6)</sup>	Treatment and Refining Costs	Sustaining Capital <sup>(7)</sup>	All-In Sustaining Costs	Ounces (000)/Pounds (millions) Sold	All-In Sustaining Costs per oz/lb <sup>(8)</sup>
<b>Gold</b>										
Carlin	\$ 183	\$ 1	\$ 7	\$ 2	\$ —	\$ —	\$ 46	\$ 239	229	\$ 1,042
Phoenix	39	5	1	—	—	1	5	51	39	1,306
Twin Creeks	57	1	4	—	—	—	11	73	92	794
Long Canyon	21	—	—	—	—	—	4	25	43	584
CC&V	68	—	4	1	—	—	6	79	82	952
Other North America	—	—	14	—	—	—	3	17	—	—
North America	368	7	30	3	—	1	75	484	485	998
Yanacocha	116	15	2	1	—	—	14	148	156	945
Merian	67	—	2	1	3	—	12	85	131	651
Other South America	—	—	17	2	—	—	—	19	—	—
South America	183	15	21	4	3	—	26	252	287	879
Boddington	146	2	—	—	—	6	12	166	198	838
Tanami	71	1	2	—	—	—	16	90	122	730
Kalgoorlie	56	1	2	—	—	—	4	63	77	824
Other Australia	—	—	4	1	—	—	1	6	—	—
Australia	273	4	8	1	—	6	33	325	397	819
Ahafo	62	1	3	—	1	—	14	81	102	787
Akyem	44	5	1	1	—	—	11	62	107	574
Other Africa	—	—	5	2	—	—	—	7	—	—
Africa	106	6	9	3	1	—	25	150	209	713
Corporate and Other	—	—	17	48	—	—	2	67	—	—
Total Gold	\$ 930	\$ 32	\$ 85	\$ 59	\$ 4	\$ 7	\$ 161	\$ 1,278	1,378	\$ 927
<b>Copper</b>										
Phoenix	\$ 10	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 4	\$ 14	6	\$ 2.41
Boddington	33	—	—	—	—	4	2	39	22	1.73
Total Copper	\$ 43	\$ —	\$ —	\$ —	\$ —	\$ 4	\$ 6	\$ 53	28	\$ 1.87
Consolidated	\$ 973	\$ 32	\$ 85	\$ 59	\$ 4	\$ 11	\$ 167	\$ 1,331		

- (1) Excludes *Depreciation and amortization* and *Reclamation and remediation*.
- (2) Includes by-product credits of \$11 and excludes co-product revenues of \$70.
- (3) Includes stockpile and leach pad inventory adjustments of \$18 at Carlin, \$4 at Twin Creeks, \$5 at CC&V and \$10 at Yanacocha. Total stockpile and leach pad inventory adjustments at Carlin of \$40 were adjusted above by \$22 related to the write-down at Emigrant due to a change in mine plan, resulting in a significant decrease in mine life in the third quarter of 2018.
- (4) Reclamation costs include operating accretion and amortization of asset retirement costs of \$17 and \$15, respectively, and exclude non-operating accretion and reclamation and remediation adjustments of \$11 and \$3, respectively.
- (5) *Advanced projects, research and development* and *Exploration* of \$1 at Carlin, \$7 at Long Canyon, \$8 at Yanacocha, \$1 at Ahafo and \$3 at Akyem are recorded in "Other" of the respective region for development projects.
- (6) *Other expense, net* is adjusted for restructuring and other costs of \$1.
- (7) Excludes development capital expenditures, capitalized interest and changes in accrued capital, totaling \$107. The following are major development projects: Twin Creeks Underground, Quecher Main, Tanami Expansion 2, Ahafo North, Subika Underground and Ahafo Mill Expansion.
- (8) Per ounce and per pound measures may not recalculate due to rounding.

[Table of Contents](#)

Three Months Ended September 30, 2017	Costs Applicable to Sales <sup>(1)(2)(3)</sup>	Reclamation Costs <sup>(4)</sup>	Advanced Projects, Research and Development and Exploration <sup>(5)</sup>	General and Administrative	Other Expense, Net <sup>(6)</sup>	Treatment and Refining Costs	Sustaining Capital <sup>(7)</sup>	All-In Sustaining Costs	Ounces (000)/Pounds (millions) Sold	All-In Sustaining Costs per oz/lb <sup>(8)</sup>
<b>Gold</b>										
Carlin	\$ 216	\$ 2	\$ 6	\$ 2	\$ —	\$ —	\$ 31	\$ 257	259	\$ 992
Phoenix	48	1	—	1	1	1	4	56	54	1,037
Twin Creeks	59	1	3	1	1	—	10	75	81	926
Long Canyon	17	—	—	1	—	—	—	18	55	327
CC&V	75	1	2	—	—	—	9	87	110	791
Other North America	—	—	16	—	(1)	—	2	17	—	—
North America	415	5	27	5	1	1	56	510	559	912
Yanacocha	150	14	6	1	1	—	9	181	138	1,312
Merian	62	1	3	—	—	—	10	76	125	608
Other South America	—	—	17	3	(1)	—	—	19	—	—
South America	212	15	26	4	—	—	19	276	263	1,049
Boddington	130	2	—	—	—	7	12	151	187	807
Tanami	72	1	2	—	—	—	17	92	115	800
Kalgoorlie	64	1	3	—	—	1	4	73	95	768
Other Australia	—	—	7	3	(1)	—	1	10	—	—
Australia	266	4	12	3	(1)	8	34	326	397	821
Ahafo	57	2	3	—	—	—	9	71	78	910
Akyem	67	3	2	—	—	—	7	79	114	693
Other Africa	—	—	4	—	—	—	—	4	—	—
Africa	124	5	9	—	—	—	16	154	192	802
Corporate and Other	—	—	13	46	2	—	1	62	—	—
Total Gold	\$ 1,017	\$ 29	\$ 87	\$ 58	\$ 2	\$ 9	\$ 126	\$ 1,328	1,411	\$ 941
<b>Copper</b>										
Phoenix	\$ 11	\$ —	\$ 1	\$ —	\$ —	\$ —	\$ —	\$ 12	7	\$ 1.71
Boddington	25	—	1	—	—	3	2	31	19	1.63
Total Copper	\$ 36	\$ —	\$ 2	\$ —	\$ —	\$ 3	\$ 2	\$ 43	26	\$ 1.65
Consolidated	\$ 1,053	\$ 29	\$ 89	\$ 58	\$ 2	\$ 12	\$ 128	\$ 1,371		

- (1) Excludes *Depreciation and amortization* and *Reclamation and remediation*.
- (2) Includes by-product credits of \$16 and exclude co-product revenues of \$80.
- (3) Includes stockpile and leach pad inventory adjustments of \$21 at Carlin, \$10 at Twin Creeks, \$22 at Yanacocha and \$7 at Akyem.
- (4) Reclamation costs include operating accretion and amortization of asset retirement costs of \$20 and \$9, respectively, and exclude non-operating accretion and reclamation and remediation adjustments of \$4 and \$2, respectively.
- (5) *Advanced projects, research and development* and *Exploration* of \$6 at Long Canyon, \$5 at Yanacocha, \$5 at Tanami, \$3 at Ahafo and \$1 at Akyem are recorded in "Other" of the respective region for development projects.
- (6) *Other expense, net* is adjusted for net acquisition cost adjustments of \$(3) and restructuring and other costs of \$2.
- (7) Excludes development capital expenditures, capitalized interest and changes in accrued capital, totaling \$66. The following are major development projects: Merian, Subika Underground and the Tanami and Ahafo Mill Expansions.
- (8) Per ounce and per pound measures may not recalculate due to rounding.



[Table of Contents](#)

Nine Months Ended September 30, 2018	Costs Applicable to Sales <sup>(1)(2)(3)</sup>	Reclamation Costs <sup>(4)</sup>	Advanced Projects, Research and Development and Exploration <sup>(5)</sup>	General and Administrative	Other Expense, Net <sup>(6)</sup>	Treatment and Refining Costs	Sustaining Capital <sup>(7)</sup>	All-In Sustaining Costs	Ounces (000)/Pounds (millions) Sold	All-In Sustaining Costs per oz/lb <sup>(8)</sup>
<b>Gold</b>										
Carlin	\$ 560	\$ 6	\$ 16	\$ 5	\$ —	\$ —	\$ 118	\$ 705	645	\$ 1,092
Phoenix	145	6	3	1	—	5	19	179	169	1,058
Twin Creeks	187	2	9	1	1	—	22	222	261	851
Long Canyon	55	1	—	—	—	—	9	65	130	504
CC&V	149	3	7	2	1	—	24	186	211	878
Other North America	—	—	45	1	2	—	7	55	—	—
North America	1,096	18	80	10	4	5	199	1,412	1,416	997
Yanacocha	322	34	18	1	3	—	25	403	376	1,071
Merian	195	1	11	1	3	—	39	250	358	699
Other South America	—	—	38	8	1	—	—	47	—	—
South America	517	35	67	10	7	—	64	700	734	953
Boddington	404	8	—	—	—	16	32	460	535	860
Tanami	221	2	10	—	1	—	45	279	351	794
Kalgoorlie	178	3	8	—	—	—	17	206	258	798
Other Australia	—	2	10	6	(3)	—	2	17	—	—
Australia	803	15	28	6	(2)	16	96	962	1,144	841
Ahafo	242	3	7	1	2	—	27	282	307	917
Akyem	173	17	1	1	1	—	31	224	313	715
Other Africa	—	—	18	5	—	—	—	23	—	—
Africa	415	20	26	7	3	—	58	529	620	852
Corporate and Other	—	—	48	148	1	—	8	205	—	—
Total Gold	\$ 2,831	\$ 88	\$ 249	\$ 181	\$ 13	\$ 21	\$ 425	\$ 3,808	3,914	\$ 973
<b>Copper</b>										
Phoenix	\$ 40	\$ 1	\$ —	\$ —	\$ —	\$ 1	\$ 8	\$ 50	21	2.37
Boddington	96	1	—	—	—	9	8	114	61	1.87
Total Copper	\$ 136	\$ 2	\$ —	\$ —	\$ —	\$ 10	\$ 16	\$ 164	82	\$ 2.00
Consolidated	\$ 2,967	\$ 90	\$ 249	\$ 181	\$ 13	\$ 31	\$ 441	\$ 3,972		

- (1) Excludes *Depreciation and amortization* and *Reclamation and remediation*.
- (2) Includes by-product credits of \$44 and excludes co-product copper revenues of \$229.
- (3) Includes stockpile and leach pad inventory adjustments of \$64 at Carlin, \$30 at Twin Creeks, \$5 at CC&V, \$29 at Yanacocha, \$33 at Ahafo and \$28 at Akyem. Total stockpile and leach pad inventory adjustments at Carlin of \$86 were adjusted above by \$22 related to the write-down at Emigrant due to a change in mine plan, resulting in a significant decrease in mine life in the third quarter of 2018.
- (4) Reclamation costs include operating accretion and amortization of asset retirement costs of \$47 and \$43, respectively, and exclude non-operating accretion and reclamation and remediation adjustments of \$32 and \$17, respectively.
- (5) *Advanced projects, research and development* and *Exploration* of \$7 at Carlin, \$19 at Long Canyon, \$14 at Yanacocha, \$2 at Tanami, \$5 at Ahafo and \$10 at Akyem are recorded in "Other" of the respective region for development projects.
- (6) *Other expense, net* is adjusted for restructuring and other costs of \$16.
- (7) Excludes development capital expenditures, capitalized interest and changes in accrued capital, totaling \$322. The following are major development projects: Twin Creeks Underground, Quecher Main, Merian, Tanami Expansion 2, Ahafo North, Subika Underground and Ahafo Mill Expansion.
- (8) Per ounce and per pound measures may not recalculate due to rounding.

[Table of Contents](#)

Nine Months Ended September 30, 2017	Costs Applicable to Sales <sup>(1)(2)(3)</sup>	Reclamation Costs <sup>(4)</sup>	Advanced Projects, Research and Development and Exploration <sup>(5)</sup>	General and Administrative	Other Expense, Net <sup>(6)</sup>	Treatment and Refining Costs	Sustaining Capital <sup>(7)</sup>	All-In Sustaining Costs	Ounces (000)/Pounds (millions) Sold	All-In Sustaining Costs per oz/lb <sup>(8)</sup>
<b>Gold</b>										
Carlin	\$ 594	\$ 5	\$ 14	\$ 3	\$ —	\$ —	\$ 126	\$ 742	698	\$ 1,063
Phoenix	138	4	4	1	1	7	10	165	157	1,051
Twin Creeks	170	3	7	2	1	—	27	210	289	727
Long Canyon	42	1	—	1	—	—	1	45	132	341
CC&V	224	3	9	1	—	—	17	254	370	686
Other North America	—	—	33	—	2	—	4	39	—	—
North America	1,168	16	67	8	4	7	185	1,455	1,646	884
Yanacocha	403	45	13	3	4	—	29	497	406	1,224
Merian	174	1	11	—	—	—	18	204	353	578
Other South America	—	—	41	9	—	—	—	50	—	—
South America	577	46	65	12	4	—	47	751	759	989
Boddington	399	5	1	—	1	16	38	460	582	790
Tanami	180	2	3	—	—	—	41	226	289	782
Kalgoorlie	171	2	6	—	—	1	12	192	269	714
Other Australia	—	—	18	7	(1)	—	3	27	—	—
Australia	750	9	28	7	—	17	94	905	1,140	794
Ahafo	193	5	14	—	2	—	28	242	261	927
Akyem	202	9	3	—	1	—	17	232	372	624
Other Africa	—	—	16	5	—	—	—	21	—	—
Africa	395	14	33	5	3	—	45	495	633	782
Corporate and Other	—	—	39	139	6	—	4	188	—	—
Total Gold	\$ 2,890	\$ 85	\$ 232	\$ 171	\$ 17	\$ 24	\$ 375	\$ 3,794	4,178	\$ 908
<b>Copper</b>										
Phoenix	\$ 45	\$ 1	\$ 1	\$ —	\$ —	\$ 1	\$ 5	\$ 53	27	\$ 1.96
Boddington	74	1	1	—	—	9	5	90	57	1.58
Total Copper	\$ 119	\$ 2	\$ 2	\$ —	\$ —	\$ 10	\$ 10	\$ 143	84	\$ 1.70
Consolidated	\$ 3,009	\$ 87	\$ 234	\$ 171	\$ 17	\$ 34	\$ 385	\$ 3,937		

- (1) Excludes *Depreciation and amortization* and *Reclamation and remediation*.
- (2) Includes by-product credits of \$45 and excludes co-product revenues of \$227.
- (3) Includes stockpile and leach pad inventory adjustments of \$48 at Carlin, \$21 at Twin Creeks, \$52 at Yanacocha, \$13 at Ahafo and \$12 at Akyem.
- (4) Reclamation costs include operating accretion and amortization of asset retirement costs of \$60 and \$27, respectively, and exclude non-operating accretion and reclamation and remediation adjustments of \$14 and \$24, respectively.
- (5) *Advanced projects, research and development* and *Exploration* of \$16 at Long Canyon, \$10 at Yanacocha, \$13 at Tanami, \$8 at Ahafo and \$6 at Akyem are recorded in “Other” of the respective region for development projects.
- (6) *Other expense, net* is adjusted for restructuring and other costs of \$10 and acquisition cost adjustments of \$2.
- (7) Excludes development capital expenditures, capitalized interest and changes in accrued capital, totaling \$172. The following are major development projects: Merian, Long Canyon, Tanami Expansion, Subika Underground and Ahafo Mill Expansion .
- (8) Per ounce and per pound measures may not recalculate due to rounding.

**Safe Harbor Statement**

Certain statements contained in this report (including information incorporated by reference herein) are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and are intended to be covered by the safe harbor provided for under these sections. Words such as “expect(s)”, “feel(s)”, “believe(s)”, “will”, “may”, “anticipate(s)”, “estimate(s)”, “should”, “intend(s)” and similar expressions are intended to identify forward-looking statements. Our forward-looking statements may include, without limitation:

- estimates regarding future earnings and the sensitivity of earnings to gold, copper and other metal prices;
- estimates of future mineral production and sales;
- estimates of future production costs, other expenses and taxes for specific operations and on a consolidated basis;
- estimates of future cash flows and the sensitivity of cash flows to gold and other metal prices;

- estimates of future capital expenditures, construction, production or closure activities and other cash needs, for specific operations and on a consolidated basis, and expectations as to the funding or timing thereof;
- estimates as to the projected development of certain ore deposits, including the timing of such development, the costs of such development and other capital costs, financing plans for these deposits and expected production commencement dates;
- estimates of reserves and statements regarding future exploration results and reserve replacement and the sensitivity of reserves to metal price changes;
- statements regarding the availability of, and terms and costs related to, future borrowing or financing and expectations regarding future debt repayments or debt tender transactions ;
- estimates regarding future exploration expenditures, results and reserves;
- statements regarding fluctuations in financial and currency markets;
- estimates regarding potential cost savings, productivity, operating performance and ownership and cost structures;
- expectations regarding statements regarding future transactions, including, without limitation, statements related to future acquisitions and projected benefits, synergies and costs associated with acquisitions and related matters;
- expectations regarding the start-up time, design, mine life, production and costs applicable to sales and exploration potential of our projects;
- statements regarding future hedge and derivative positions or modifications thereto;
- statements regarding political, economic or governmental conditions and environments;
- statements regarding the impacts of changes in the legal and regulatory environment in which we operate;
- estimates of future costs, accruals for reclamation costs and other liabilities for certain environmental matters, including without limitation with respect to our Yanacocha operation;
- estimates of income taxes and expectations relating to tax contingencies or tax audits; and
- estimates of pension and other post-retirement costs.

Where we express an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, our forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by those forward-looking statements. Such risks include, but are not limited to:

- the price of gold, copper and other metal prices and commodities;
- the cost of operations;
- currency fluctuations;
- geological and metallurgical assumptions;
- operating performance of equipment, processes and facilities;
- labor relations;
- timing of receipt of necessary governmental permits or approvals;
- domestic and foreign laws or regulations, particularly relating to the environment, mining and processing;
- changes in tax laws;
- domestic and international economic and political conditions;
- our ability to obtain or maintain necessary financing; and
- other risks and hazards associated with mining operations.

More detailed information regarding these factors is included in the section titled Item 1, Business; Item 1A, Risk Factors in the Annual Report on Form 10-K for the year ended December 31, 2017 filed February 22, 2018 and elsewhere throughout this report. Many of these factors are beyond our ability to control or predict. Given these uncertainties, readers are cautioned not to place undue reliance on our forward-looking statements.

All subsequent written and oral forward-looking statements attributable to Newmont or to persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. We disclaim any intention or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

**ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK (dollars in millions, except per ounce and per pound amounts).**

**Metal Prices**

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

Decreases in the market price of gold and copper can also significantly affect the value of our product inventory, stockpiles and leach pads, and it may be necessary to record a write-down to the net realizable value. Net realizable value represents the estimated future sales price based on short-term and long-term metals prices, less estimated costs to complete production and bring the product to sale. The primary factors that influence the need to record write-downs of our stockpiles, leach pads and product inventory include short-term and long-term metals prices and costs for production inputs such as labor, fuel and energy, materials and supplies as well as realized ore grades and recovery rates. The significant assumptions in determining the stockpile, leach pad and product inventory adjustments for each mine site reporting unit at September 30, 2018 included production cost and capitalized expenditure assumptions unique to each operation, a short-term and long-term gold price of \$1,213 and \$1,300 per ounce, respectively, a short-term and long-term copper price of \$2.77 and \$3.00 per pound, respectively, and a short-term and long-term U.S. to Australian dollar exchange rate of \$0.73 and \$0.80, respectively.

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

**Hedging**

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

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

**Cash Flow Hedges**

The diesel derivative and foreign currency contracts are designated as cash flow hedges, and as such, the 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.

*Diesel Price Risk*

We had the following diesel derivative contracts outstanding at September 30, 2018:

	Expected Maturity Date				Total/ Average
	2018	2019	2020	2021	
<b>Diesel Fixed Forward Contracts:</b>					
<b>North America</b>					
Diesel gallons (millions)	3	4	4	1	12
Average rate (\$/gallon)	1.68	1.87	2.00	2.07	1.89
<b>South America</b>					
Diesel gallons (millions)	—	—	2	—	2
Average rate (\$/gallon)	—	2.07	1.89	2.03	1.92
<b>Australia</b>					
Diesel barrels (thousands)	—	18	91	29	138
Average rate (\$/barrel)	—	85.96	78.66	82.15	80.34

The fair value of the diesel derivative contracts was a net asset position of \$7 at September 30, 2018 and \$6 at December 31, 2017.

*Foreign Currency Exchange Risk*

The fair value of A\$ foreign currency derivative contracts was a net liability position of \$1 at December 31, 2017.

**Commodity Price Exposure**

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

At September 30, 2018, Newmont had gold sales of 113,000 ounces priced at an average of \$1,190 per ounce, subject to final pricing over the next several months. Each \$25 change in the price for provisionally priced gold sales would have an approximate \$2 effect on our *Net income (loss) attributable to Newmont stockholders*. The London Bullion Market Association P.M. closing settlement price at September 30, 2018 for gold was \$1,187 per ounce.

At September 30, 2018, Newmont had copper sales of 18 million pounds priced at an average of \$2.80 per pound, subject to final pricing over the next several months. Each \$0.10 change in the price for provisionally priced copper sales would have an approximate \$1 effect on our *Net income (loss) attributable to Newmont stockholders*. The LME closing settlement price at September 30, 2018 for copper was \$2.80 per pound.

**ITEM 4. CONTROLS AND PROCEDURES.**

During the fiscal period covered by this report, the Company's management, with the participation of the Chief Executive Officer and Chief Financial Officer of the Company, carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")). Based on such evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this report, the Company's disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the required time periods and are designed to ensure that information required to be disclosed in its reports is accumulated and communicated to the Company's management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

There were no changes in the Company's internal control over financial reporting that occurred during the three months ended September 30, 2018, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**PART II—OTHER INFORMATION**

**ITEM 1. LEGAL PROCEEDINGS.**

Information regarding legal proceedings is contained in Note 26 to the Condensed Consolidated Financial Statements contained in this Report and is incorporated herein by reference.

**ITEM 1A. RISK FACTORS.**

There were no material changes to the risk factors disclosed in Item 1, Business; Item 1A in our Annual Report on Form 10-K for the year ended December 31, 2017, as filed with the SEC on February 22, 2018.

**ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.**

Period	(a)	(b)	(c)	(d)
	Total Number of Shares Purchased <sup>(1)(2)</sup>	Average Price Paid Per Share <sup>(1)(2)</sup>	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs <sup>(3)</sup>	Maximum Number (or Approximate Dollar Value) of Shares that may yet be Purchased under the Plans or Programs <sup>(3)</sup>
July 1, 2018 through July 31, 2018	2,313	\$ 37.45	—	\$ 19,691,707
August 1, 2018 through August 31, 2018	788,014	\$ 33.21	33,383	\$ 18,520,502
September 1, 2018 through September 30, 2018	—	\$ —	—	\$ 18,520,502

- (1) The total number of shares purchased (and the average price paid per share) reflects: (i) shares purchased pursuant to the repurchase program described in (3) below; and (ii) represents shares delivered to the Company from stock awards held by employees upon vesting for the purpose of covering the recipients' tax withholding obligations, totaling 2,313 shares, 14,653 shares and 0 shares for the fiscal months of July, August and September 2018, respectively.
- (2) In August 2018, the Company repurchased and retired approximately 739,978 shares of its common stock that were held by participants in the Retirement Savings Plan of Newmont and the Retirement Savings Plan for Hourly-Rated Employees of Newmont for \$25 million.
- (3) On February 20, 2018, the Company's Board of Directors authorized a stock repurchase program, under which the Company was authorized to repurchase shares of outstanding common stock to offset the dilutive impact of employee stock award vesting in the current year, provided that the aggregate value of shares of common stock repurchased does not exceed \$90 million, and no shares of common stock may be repurchased under the program after December 31, 2018. The Company repurchased 33,383 shares in the third quarter under the repurchase program, representing an aggregate value of \$1 million, and such shares were then retired. To the extent additional employee stock award vesting occurs later in the year in connection with retirements, terminations or previously scheduled vestings, the Company intends to use the repurchase program exclusively to offset dilution, subject to the limitations set forth above. The repurchase program may be discontinued at any time, and the program does not obligate the Company to acquire any specific number of shares of its common stock. The extent to which the Company repurchases its shares, and the timing of such repurchases, will depend upon a variety of factors, including trading volume, market conditions, legal requirements, business conditions and other factors.

**ITEM 3. DEFAULTS UPON SENIOR SECURITIES.**

None.

**ITEM 4. MINE SAFETY DISCLOSURES.**

At Newmont, safety is a core value. No work-related fatalities occurred at any Newmont site or facility during the third quarter. However, a tragic event occurred in April 2018, which resulted in the death of six contractors who were working on the construction of a structure at the Ahafo Mill Expansion project in Ghana. We deeply grieve these losses along with families, friends, colleagues and the entire Newmont family. Newmont Ghana has fully cooperated with the Government of Ghana's Minerals Commission to support their investigation of the accident. We are committed to honoring our obligations and working closely with the Minerals Commission to develop detailed action plans to address their investigation report's findings and to integrate lessons across its business. This tragic accident stands as a sobering reminder that we must forever remain vigilant in continually improving our safety culture. It is with great humility and resolve that we renew our commitment to making sure our people go home safe every day.

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

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

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

Newmont is required to report certain mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K, and that required information is included in Exhibit 95 and is incorporated by reference into this Quarterly Report. The fatalities in Ghana are not represented in Exhibit 95 due to the fact that our operations in Ghana are not regulated by MSHA.

## **ITEM 5. OTHER INFORMATION.**

### **Appointment of Certain Officers; Compensatory Arrangements of Certain Officers**

On October 23, 2018, Newmont Mining Corporation appointed Tom Palmer, age 51, President and Chief Operating Officer, effective as of November 1, 2018, which is an expansion of his current role with the Company as Executive Vice President and Chief Operating Officer and is subject to no fixed term. In this role, he will continue leading the Company’s global operations, projects, and health, safety and security teams. Mr. Palmer served as Executive Vice President and Chief Operating Officer since May 2016. Previously, Mr. Palmer served as Senior Vice President, Asia Pacific beginning in February 2015 after serving as Senior Vice President, Indonesia since March 2014. Prior to joining Newmont, he was the Chief Operating Officer, Pilbara Mines at Rio Tinto Iron Ore. During his extensive career, Mr. Palmer also worked in a variety of roles across a number of commodities, including General Manager, Technology for the Bauxite and Alumina business; General Manager, Operations at Hail Creek coal mine; and General Manager, Asset Management at Palabora Mining Company in South Africa. Mr. Palmer has extensive experience leading teams and delivering production and projects while implementing safety culture programs and improving diversity.

There is no arrangement or understanding between Mr. Palmer and any other persons pursuant to which he was appointed as President and Chief Operating Officer. Mr. Palmer does not have a family relationship with any member of the Board of Directors or any executive officer of the Company, and Mr. Palmer has not been a participant or had any interest in any transaction with the Company that is reportable under Item 404(a) of Regulation S-K. In the President and Chief Operating Officer position with the Company, Mr. Palmer will have a base salary of \$850,000. Mr. Palmer’s cash bonus and long-term equity incentives shall be delivered according to the Company’s incentive programs as described in the Company’s 2018 Proxy Statement.

### **Amendments to By-Laws**

On October 24, 2018, in connection with the separation of the role of Chief Executive Officer and President, Newmont’s Board of Directors approved amendments to its By-Laws to clarify the respective roles of the Chief Executive Officer (principal executive officer) and the President (principal administrative officer) (Article I, Sections 2 and 8; Article II, Section 3; Article IV, Sections 1, 4, 5, 8, 10 and 12; and Article V, Section 1). The amended By-Laws also include language defining the role of the Chief Financial Officer (principal financial officer) (Article IV, Sections 1 and 7) and clarifying the roles of the Controller (principal accounting



officer) and the Treasurer (Article IV, Sections 8 and 10). Additionally, the listing of officers has been re-ordered throughout Article IV. The amendments were adopted to avoid technical overlaps in duties and better reflect the current organization of the Company and became effective immediately upon approval by the Board of Directors. The foregoing description of the amendments to the By-Laws is qualified in its entirety by reference to the complete text of the By-Laws, as amended and restated effective as of October 24, 2018, filed as Exhibit 3.1 to this Form 10-Q and incorporated herein by reference.

**ITEM 6. EXHIBITS.**

<b>Exhibit Number</b>	<b>Description</b>
3.1	<a href="#">By-Laws of the Company, as amended and restated on October 24, 2018, filed herewith</a>
10.1*	<a href="#">Amendment Three to the Pension Equalization Plan of Newmont, filed herewith.</a>
31.1	- <a href="#">Certification Pursuant to Rule 13A-14 or 15-D-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.</a>
31.2	- <a href="#">Certification Pursuant to Rule 13A-14 or 15-D-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.</a>
32.1	- <a href="#">Statement Required by 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 signed by the Principal Executive Officer, furnished herewith.</a>
32.2	- <a href="#">Statement Required by 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 signed by the Principal Financial Officer, furnished herewith.</a>
95	- <a href="#">Information concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, filed herewith.</a>
101	- 101.INS XBRL Instance 101.SCH XBRL Taxonomy Extension Schema 101.CAL XBRL Taxonomy Extension Calculation 101.DEF XBRL Taxonomy Extension Definition 101.LAB XBRL Taxonomy Extension Labels 101.PRE XBRL Taxonomy Extension Presentation

---

\* This exhibit relates to compensatory plans or arrangements.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

NEWMONT MINING CORPORATION  
(Registrant)

Date: October 25, 2018

/s/ NANCY K. BUESE

**Nancy K. Buese**  
**Executive Vice President and Chief Financial Officer**  
**(Principal Financial Officer)**

Date: October 25, 2018

/s/ JOHN W. KITLEN

**John W. Kitlen**  
**Vice President, Controller and Chief Accounting Officer**  
**(Principal Accounting Officer)**

**NEWMONT MINING CORPORATION**

---

**BY-LAWS**

---

**Amended and Restated effective  
October 24, 2018**

---

---

# NEWMONT MINING CORPORATION

---

## BY-LAWS

---

### ARTICLE I

#### STOCKHOLDERS

Section 1. Annual Meeting. An annual meeting of the stockholders of the Corporation shall be held in each year at such place, and on such date and at such time, as the Board of Directors of the Corporation shall designate in a resolution duly adopted by it, for the purpose of electing Directors and transacting such other business as may properly be brought before the meeting.

Section 2. Special Meetings. Special Meetings of the stockholders for any lawful purposes may be called by the Board of Directors or by the Chair of the Board or by the Chief Executive Officer, and shall be called by the Chair of the Board or by the Chief Executive Officer or the Secretary upon a written request stating the purposes thereof and signed by (i) a majority of the Board of Directors or (ii) stockholders owning 25% of the stock of the Corporation entitled to vote at such meeting. Each such meeting shall be held at such place, and on such date and at such time, as the Board of Directors of the Corporation shall designate in a resolution duly adopted by it, for the purposes stated in the notices thereof. Business transacted at any special meeting shall be limited to the purposes stated in the notices of the meeting.

Section 3. Notices and Waivers. Written notices of every meeting of the stockholders, stating the time, place and purposes thereof, shall be given personally, by mail or other means of electronic transmission not less than ten days nor more than sixty days before the date on which the meeting is to be held, to each stockholder of record entitled to vote at such meeting. In the event of a special meeting called upon the written request of stockholders pursuant to Section 2 hereof, such notice shall describe any business set forth in the statement of purpose in such written request as well as any additional business proposed to be conducted at such meeting by the Board of Directors. If mailed, the notice shall be sent to the stockholders at their respective addresses appearing on the stock records of the Corporation or to such other addresses as they may have respectively designated in writing, and shall be deemed given when mailed. Without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders may be given by electronic transmission in accordance with applicable law. A waiver of any notice in writing by a stockholder or by electronic transmission given by the person or persons entitled to such notice before or after the time for the meeting, shall be deemed equivalent to such notice.

Section 4. Notice of Stockholder Business and Nominations.

(i) Nominations of persons for election to the Board of Directors of the Corporation and the proposal of business to be considered by the stockholders may be made at an annual meeting of stockholders (a) pursuant to the Corporation's notice of meeting, (b) by or at

the direction of the Board of Directors, (c) by any stockholder of the Corporation who was a stockholder of record at the time of giving of notice provided for in this By-Law, who is entitled to vote at the meeting and who complies with the notice procedures set forth in this By-Law or (d) with respect to qualifying nominations pursuant to a Proxy Access Notice at annual meetings following the 2016 Annual Meeting of Stockholders, by Eligible Stockholders pursuant to, and subject to, Section 4A of these By-Laws.

For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (c) of the preceding paragraph, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation and such other business must otherwise be a proper matter for stockholder action. To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the sixtieth day nor earlier than the close of business on the ninetieth day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is more than thirty days before or more than sixty days after such anniversary date, notice by the stockholder to be timely must be so delivered not earlier than the close of business on the ninetieth day prior to such annual meeting and not later than the close of business on the later of the sixtieth day prior to such annual meeting or the tenth day following the day on which public announcement of the date of such meeting is first made by the Corporation. In no event shall any adjournment or postponement of an annual meeting or the public announcement thereof commence a new time period (or extend any time period) for the giving of notice by a stockholder as described above. To be in proper form, such stockholder's notice shall set forth:

(a) as to each person whom the stockholder proposes to nominate for election or reelection as a director: (1) such individual's name; (2) all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act") (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); (3) the number of shares of the Corporation directly or indirectly owned by such individual, any Derivative Instruments directly or indirectly owned by such individual and any Short Interests involving such individual, directly or indirectly; (4) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among such stockholder and any Stockholder Associated Persons, on the one hand, and each proposed nominee, and his or her respective affiliates and associates, or others acting in concert therewith, on the other hand, including, without limitation, all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K if the stockholder making the nomination and any of the Stockholder Associated Persons on whose behalf the nomination is made, if any, or any affiliate or associate thereof or person acting in concert therewith, were the "registrant" for purposes of such rule and the nominee were a director or executive officer of such registrant; and (5) a completed and signed nominee questionnaire, representation and agreement, as required by Section 4B of this Article I.

(b) as to any other business that the stockholder proposes to bring before the meeting, in addition to matters set forth below, a brief description of the business desired to be

brought before the meeting, the reasons for conducting such business at the meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration), any material interest in such business of such stockholder and any Stockholder Associated Persons, the beneficial owner, if any, on whose behalf the proposal is made, and a description of all agreements, arrangements and understandings between such stockholder and any Stockholder Associated Persons and any other persons (including their name(s)) in connection with the proposal of such business; and

(c) as to the stockholder giving the notice, the beneficial owner, if any, on whose behalf the nomination or proposal is made and any other Stockholder Associated Persons: (1) the name and address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner and such other persons; and (2) (i) the class or series and number of shares of the Corporation which are, directly or indirectly, owned beneficially and of record by such stockholder, such beneficial owner and such other persons; (ii) any Derivative Instruments directly or indirectly owned beneficially by such stockholder or any Stockholder Associated Persons; (iii) any proxy, contract, arrangement, understanding, or relationship pursuant to which such stockholder or any Stockholder Associated Person has a right to vote any shares; (iv) any Short Interests involving such stockholder or any Stockholder Associated Persons, directly or indirectly; (v) any rights to dividends on the shares owned beneficially by such stockholder that are separated or separable from the underlying shares; (vi) any proportionate interest in shares or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such stockholder is a general partner or, directly or indirectly, beneficially owns an interest in a general partner of such general or limited partnership; (vii) any performance-related fees (other than an asset-based fee) that such stockholder is entitled to based on any increase or decrease in the value of shares or Derivative Instruments, if any, as of the date of such notice, including without limitation any such interests held by members of such stockholder's immediate family sharing the same household; (viii) any equity interests or any Derivative Instruments or Short Interests in any competitor of the Corporation held by such stockholder or any Stockholder Associated Persons; and (ix) any direct or indirect interest of such stockholder or any Stockholder Associated Persons in any contract with the Corporation, any affiliate of the Corporation or any principal competitor of the Corporation (including, in any such case, any employment agreement, commercial agreement, collective bargaining agreement or consulting agreement); and

(d) whether the stockholder or any Stockholder Associated Person intends or is part of a group which intends to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding shares required to approve or adopt the proposal or elect the nominee and/or otherwise to solicit proxies or votes from other stockholders in support of such nomination or other business.

The Corporation may require any proposed nominee to furnish such information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such nominee.

Notwithstanding anything in the second sentence of the second paragraph of this Section 4(i) to the contrary, in the event that the number of directors to be elected to the Board of

Directors of the Corporation is increased and there is no public announcement by the Corporation naming all of the nominees for director or specifying the size of the increased Board of Directors at least seventy days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this By-Law shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the tenth day following the day on which such public announcement is first made by the Corporation.

In addition, to be considered timely, a stockholder's notice shall further be updated and supplemented, if necessary, so that the information provided or required to be provided in such notice shall be true and correct as of the record date for the meeting and as of the date that is ten (10) business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to the Secretary at the principal executive offices of the Corporation not later than five (5) business days after the record date for the meeting in the case of the update and supplement required to be made as of the record date, and not later than eight (8) business days prior to the date for the meeting or any adjournment or postponement thereof in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting or any adjournment or postponement thereof. For the avoidance of doubt, the obligation to update and supplement as set forth in this paragraph or any other Section of these By-Laws shall not limit the Corporation's rights with respect to any deficiencies in any notice provided by a stockholder, extend any applicable deadlines hereunder or under any other provision of the By-Laws or enable or be deemed to permit a stockholder who has previously submitted notice hereunder or under any other provision of the By-Laws to amend or update any proposal or to submit any new proposal, including by changing or adding nominees, matters, business and or resolutions proposed to be brought before a meeting of the stockholders.

(ii) Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting (a) by or at the direction of the Board of Directors or (b) provided that the Board of Directors has determined that directors shall be elected at such meeting, by any stockholder of the Corporation who is a stockholder of record at the time of giving of notice provided for in this By-Law, who shall be entitled to vote at the meeting and who complies with the notice procedures set forth in this By-Law. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board of Directors, any such stockholder may nominate a person or persons (as the case may be), for election to such position(s) as specified in the Corporation's notice of meeting, if the stockholder's notice required by clause (i) of this By-Law shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the ninetieth day prior to such special meeting and not later than the close of business on the later of the sixtieth day prior to such special meeting or the tenth day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall any adjournment or postponement of a special meeting or the public announcement thereof commence a new time period (or extend any time period) for the giving of notice by a stockholder as described above.

(iii) Only such persons who are nominated in accordance with the procedures set forth in these By-Laws shall be eligible to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in these By-Laws. Except as otherwise provided by law, the Chair of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in these By-Laws and, if any proposed nomination or business is not in compliance with these By-Laws, to declare that such defective proposal or nomination shall be disregarded.

(iv) For purposes of these By-Laws:

(A) “affiliate” and “associate” shall have the meanings ascribed thereto in Rule 405 under the Securities Act of 1933, as amended; provided, however, that the term “partner” as used in the definition of “associate” shall not include any limited partner that is not involved in the management of the relevant partnership.

(B) “Derivative Instrument” means any option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation or with a value derived in whole or in part from the value of any class or series of shares or any derivative or synthetic arrangement having the characteristics of a long position in any class or series of shares, or any contract, derivative, swap or other transaction or series of transactions designed to produce economic benefits and risks that correspond substantially to the ownership of any class or series of shares, including due to the fact that the value of such contract, derivative, swap or other transaction or series of transactions is determined by reference to the price, value or volatility of any class or series of shares, whether or not such instrument, contract or right shall be subject to settlement in the underlying class or series of shares, through the delivery of cash or other property, or otherwise, and without regard to whether any transactions may have been entered into that hedge or mitigate the economic effect of such instrument, contract or right, or any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares.

(C) “public announcement” shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

(D) “Short Interest” means any agreement, arrangement, understanding, relationship or otherwise, including any repurchase or similar so-called “stock borrowing” agreement or arrangement, involving a stockholder or any Stockholder Associated Persons, directly or indirectly, the purpose or effect of which is to mitigate loss to, reduce the economic risk (of ownership or otherwise) of any class or series of shares of the Corporation by, manage the risk of share price changes for, or increase or decrease the voting power of, such stockholder or any Stockholder Associated Persons with respect to any class or series of the shares, or which provides, directly or indirectly, the opportunity to profit or share in any profit derived from any decrease in the price or value of any class or series of the shares;



(E) “Stockholder Associated Persons” means the beneficial owner, if any, on whose behalf a director nomination or proposal of business is made and their respective affiliates or associates or others acting in concert therewith.

Notwithstanding the foregoing provisions of these By-Laws, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in these By-Laws. Nothing in these By-Laws shall be deemed to affect any rights (i) of stockholders to request inclusion of proposals in the Corporation’s proxy statement pursuant to Rule 14a-8 under the Exchange Act or (ii) of the holders of any series of Preferred Stock to elect directors under specified circumstances.

Section 4A. Inclusion of Stockholder Director Nominations in the Corporation’s Proxy Materials.

(1) Subject to the terms and conditions set forth in these By-Laws, the Corporation shall include in its proxy materials for an annual meeting of stockholders held after the 2016 annual meeting the name, together with the Required Information (as defined below), of any person nominated for election (a “Stockholder Nominee”) to the Board of Directors by one or more Eligible Stockholders (as defined below) that satisfies the requirements of this Section 4A, and expressly elects at the time of providing the written notice required by this Section 4A (a “Proxy Access Notice”) to have its nominee included in the Corporation’s proxy materials pursuant to this Section 4A.

(2) For the purposes of this Section 4A:

(A) “Voting Stock” shall mean outstanding shares of capital stock of the Corporation entitled to vote generally for the election of directors;

(B) “Constituent Holder” shall mean any stockholder, collective investment fund included within a Qualifying Fund (as defined below) or beneficial holder whose stock ownership is counted for the purposes of qualifying as holding the Proxy Access Request Required Shares (as defined below) or qualifying as an Eligible Stockholder; and

(C) a stockholder (including any Constituent Holder) shall be deemed to “own” only those outstanding shares of Voting Stock as to which the stockholder itself (or such Constituent Holder itself) possesses both (a) the full voting and investment rights pertaining to the shares and (b) the full economic interest in (including the opportunity for profit and risk of loss on) such shares. The number of shares calculated in accordance with the foregoing clauses (a) and (b) shall be deemed not to include (and to the extent any of the following arrangements have been entered into by affiliates of the stockholder (or of any Constituent Holder), shall be reduced by) any shares (x) sold by such stockholder or Constituent Holder (or any of either’s affiliates) in any transaction that has not been settled or closed, including any short sale, (y) borrowed by such stockholder or Constituent Holder (or any of either’s affiliates) for any purposes or purchased

by such stockholder or Constituent Holder (or any of either's affiliates) pursuant to an agreement to resell, or (z) subject to any option, warrant, forward contract, swap, contract of sale, other derivative or similar agreement entered into by such stockholder or Constituent Holder (or any of either's affiliates), whether any such instrument or agreement is to be settled with shares or with cash based on the notional amount or value of Voting Stock, in any such case which instrument or agreement has, or is intended to have, or if exercised by either party thereto would have, the purpose or effect of (i) reducing in any manner, to any extent or at any time in the future, such stockholder's or Constituent Holder's (or either's affiliate's) full right to vote or direct the voting of any such shares, and/or (ii) hedging, offsetting or altering to any degree gain or loss arising from the full economic ownership of such shares by such stockholder or Constituent Holder (or either's affiliate), other than any such arrangements solely involving an exchange listed multi-industry market index fund in which Voting Stock represents at the time of entry into such arrangement less than 10% of the proportionate value of such index. A stockholder (including any Constituent Holder) shall "own" shares held in the name of a nominee or other intermediary so long as the stockholder itself (or such Constituent Holder itself) retains the right to instruct how the shares are voted with respect to the election of directors and the right to direct the disposition thereof and possesses the full economic interest in the shares. A stockholder's (including any Constituent Holder's) ownership of shares shall be deemed to continue during any period in which the stockholder has loaned such shares and retained the unrestricted right to recall such shares upon giving no more than five days' notice or delegated any voting power over such shares by means of a proxy, power of attorney or other instrument or arrangement and such delegation is revocable at any time by the stockholder (and otherwise "owned" as defined herein) through the annual meeting. The terms "owned," "owning" and other variations of the word "own" shall have correlative meanings.

(3) For purposes of this Section 4A, the "Required Information" that the Corporation will include in its proxy statement is (1) the information concerning the Stockholder Nominee and the Eligible Stockholder that the Corporation determines is required to be disclosed in the Corporation's proxy statement by the regulations promulgated under the Exchange Act; and (2) if the Eligible Stockholder so elects, a Statement (as defined below). The Corporation shall also include the name of the Stockholder Nominee in its proxy card. For the avoidance of doubt, and any other provision of these By-Laws notwithstanding, the Corporation may in its sole discretion solicit against, and include in the proxy statement its own statements or other information relating to, any Eligible Stockholder and/or Stockholder Nominee, including any information provided to the Corporation with respect to the foregoing.

(4) To be timely, a stockholder's Proxy Access Notice must be delivered to the Secretary at the principal executive offices of the Corporation not less than 120 days nor more than 150 days prior to the first anniversary of the date the corporation issued its definitive proxy statement for the preceding year's annual meeting. In no event shall any adjournment or postponement of an annual meeting or

the public announcement thereof commence a new time period (or extend any time period) for the giving of notice by a stockholder as described above.

(5) The maximum number of Stockholder Nominees (including Stockholder Nominees that were submitted by an Eligible Stockholder for inclusion in the Corporation's proxy materials pursuant to this Section 4A but either are subsequently withdrawn or that the Board of Directors decides to nominate as a nominee of the Board of Directors or otherwise appoint to the Board) appearing in the Corporation's proxy materials with respect to an annual meeting of stockholders shall not exceed the greater of (x) two (2) and (y) the largest whole number that does not exceed 20% of the number of directors in office as of the last day on which a Proxy Access Notice may be delivered in accordance with the methods prescribed for delivery of notice in this Section 4A (such greater number, the "Permitted Number"); provided, that in the event the Board of Directors resolves to reduce the size of the Board of Directors effective on or prior to the date of the annual meeting, the Permitted Number shall be calculated based on the number of directors in office as so reduced; and, provided, further, that the Permitted Number shall be reduced by:

(A) the number of nominees for which the Corporation shall have received one or more stockholder notices nominating director candidates pursuant to Section 4 of these By-Laws;

(B) the number of directors in office or director candidates that in either case will be included in the Corporation's proxy materials with respect to such annual meeting as an unopposed (by the Corporation) nominee pursuant to an agreement, arrangement or other understanding with a stockholder or group of stockholders (other than any such agreement, arrangement or understanding entered into in connection with an acquisition of Voting Stock, by such stockholder or group of stockholders, from the Corporation), other than any such director referred to in this clause who at the time of such annual meeting will have served as a director continuously, as a nominee of the Board of Directors, for at least two (2) annual terms; and

(C) the number of directors in office that will be included in the Corporation's proxy materials with respect to such annual meeting for whom access to the Corporation's proxy materials was previously requested or provided pursuant to this Section 4A, other than any such director referred to in this clause who at the time of such annual meeting will have served as a director continuously, as a nominee of the Board of Directors, for at least two (2) annual terms;

An Eligible Stockholder submitting more than one Stockholder Nominee for inclusion in the Corporation's proxy statement pursuant to this Section 4A shall rank such Stockholder Nominees based on the order that the Eligible Stockholder desires such Stockholder Nominees to be selected for inclusion in the Corporation's proxy statement and include such specified rank in its Proxy Access Notice. If the number of Stockholder Nominees pursuant to this Section 4A for an annual meeting of stockholders exceeds the Permitted Number, then the

highest ranking qualifying Stockholder Nominee from each Eligible Stockholder will be selected by the Corporation for inclusion in the proxy statement until the Permitted Number is reached, going in order of the amount (largest to smallest) of the ownership position as disclosed in each Eligible Stockholder's Proxy Access Notice. If the Permitted Number is not reached after the highest ranking Stockholder Nominee from each Eligible Stockholder has been selected, this selection process will continue as many times as necessary, following the same order each time, until the Permitted Number is reached.

(6) An "Eligible Stockholder" is one or more stockholders of record who own and have owned, or are acting on behalf of one or more beneficial owners who own and have owned (in each case as defined above), in each case continuously for at least three (3) years as of both the date that the Proxy Access Notice is delivered to the Corporation pursuant to this Section 4A, and as of the record date for determining stockholders eligible to vote at the annual meeting, at least 3% of the aggregate voting power of the Voting Stock (the "Proxy Access Request Required Shares"), and who continue to own the Proxy Access Request Required Shares at all times between the date such Proxy Access Notice is delivered to the Corporation and the date of the applicable annual meeting, provided that the aggregate number of stockholders, and, if and to the extent that a stockholder is acting on behalf of one or more beneficial owners, of such beneficial owners, whose stock ownership is counted for the purpose of satisfying the foregoing ownership requirement shall not exceed twenty (20). Two or more collective investment funds that are part of the same family of funds by virtue of being under common management and investment control, under common management control and primarily sponsored by the same employer or a "group of investment companies," as such term is defined in Section 12(d)(1)(G)(ii) of the Investment Company Act of 1940 (collectively, a "Qualifying Fund") shall be treated as one stockholder for the purpose of determining the aggregate number of stockholders under this Section 4A(6), provided that each fund included within a Qualifying Fund otherwise meets the requirements set forth in this Section 4A. No shares may be attributed to more than one group constituting an Eligible Stockholder under this Section 4A (and, for the avoidance of doubt, no stockholder or affiliate thereof may be a member of more than one group constituting an Eligible Stockholder). A record holder acting on behalf of one or more beneficial owners will not be counted separately as a stockholder with respect to the shares owned by beneficial owners on whose behalf such record holder has been directed in writing to act, but each such beneficial owner will be counted separately, subject to the other provisions of this Section 4A, for purposes of determining the number of stockholders whose holdings may be considered as part of an Eligible Stockholder's holdings. For the avoidance of doubt, Proxy Access Request Required Shares will qualify as such if and only if the beneficial owner of such shares as of the date of the Proxy Access Notice has itself individually beneficially owned such shares continuously for the 3-year period ending on that date and through the other applicable dates referred to above (in addition to the other applicable requirements being met).

(7) No later than the final date when a Proxy Access Notice may be timely delivered to the Corporation pursuant to this Section 4A, an Eligible Stockholder (including each Constituent Holder) must provide, with respect to themselves and its Stockholder Nominee(s), the information required to be disclosed under Section 4 in a

stockholder's notice and must provide the following information in writing to the Secretary of the Corporation:

(A) with respect to each Constituent Holder, the name and address of, and number of shares of Voting Stock owned by such person;

(B) one or more written statements from the record holder of the shares (and from each intermediary through which the shares are or have been held during the requisite three 3-year holding period) verifying that, as of a date within seven (7) calendar days prior to the date the Proxy Access Notice is delivered to the Corporation, such person owns, and has owned continuously for the preceding three (3) years, the Proxy Access Request Required Shares, and such person's agreement to provide:

(C) within ten (10) days after the record date for the annual meeting, written statements from the record holder and intermediaries verifying such person's continuous ownership of the Proxy Access Request Required Shares through the record date, together with any additional information reasonably requested to verify such person's ownership of the Proxy Access Request Required Shares; and

(D) immediate notice if the Eligible Stockholder ceases to own any of the Proxy Access Request Required Shares prior to the date of the applicable annual meeting of stockholders;

(E) a representation that such person:

(i) acquired the Proxy Access Request Required Shares in the ordinary course of business and not with the intent to change or influence control of the Corporation, and does not presently have such intent;

(ii) has not nominated and will not nominate for election to the Board of Directors at the annual meeting any person other than the Stockholder Nominee(s) being nominated pursuant to this Section 4A;

(iii) has not engaged and will not engage in, and has not and will not be a "participant" in another person's, "solicitation" within the meaning of Rule 14a-1(1) under the Exchange Act in support of the election of any individual as a director at the annual meeting other than its Stockholder Nominee(s) or a nominee of the Board of Directors;

(iv) will not distribute to any stockholder any form of proxy for the annual meeting other than the form distributed by the Corporation; and

(v) will provide facts, statements, and other information in all communications with the Corporation and its stockholders that are and will be true and correct in all material respects and do not and will not omit to state a material fact necessary in order to make the statements

made, in light of the circumstances under which they were made, not misleading, and will otherwise comply with all applicable laws, rules and regulations in connection with any actions taken pursuant to this Section 4A;

(F) in the case of a nomination by a group of stockholders that together is such an Eligible Stockholder, the designation by all group members of one group member that is authorized to act on behalf of all members of the nominating stockholder group with respect to the nomination and matters related thereto, including withdrawal of the nomination; and

(G) an undertaking that such person agrees to:

(i) assume all liability stemming from, and indemnify and hold harmless the Corporation and its affiliates and each of its and their respective directors, officers, employees, agents and advisors individually against any liability, loss or damages in connection with any threatened or pending action, suit or proceeding, whether legal, administrative or investigative, against the Corporation or any of its directors, officers or employees arising out of any legal or regulatory violation arising out of the Eligible Stockholder's communications with the stockholders of the Corporation or out of the information that the Eligible Stockholder (including such person) provided to the Corporation;

(ii) promptly provide to the Corporation such other information as the Corporation may reasonably request; and

(iii) file with the Securities and Exchange Commission all solicitations by the Eligible Stockholder of stockholders of the Corporation relating to the annual meeting at which the Stockholder Nominee will be nominated.

In addition, no later than the final date when a Proxy Access Notice pursuant to this Section 4A may be timely delivered to the Corporation, a Qualifying Fund whose stock ownership is counted for purposes of qualifying as an Eligible Stockholder must provide to the Secretary of the Corporation documentation reasonably satisfactory to the Board of Directors that demonstrates that the funds included within the Qualifying Fund satisfy the criteria specified in the definition of Qualifying Fund.

In order to be considered timely, any information required by this Section 4A to be provided to the Corporation must be supplemented (by delivery to the Secretary of the Corporation) (1) no later than ten (10) days following the record date for the applicable annual meeting, to disclose the foregoing information as of such record date, and (2) no later than the fifth (5<sup>th</sup>) day before the annual meeting, to disclose the foregoing information as of the date that is no earlier than ten (10) days prior to such annual meeting. For the avoidance of doubt, the requirement to update and supplement such information shall not permit any Eligible Stockholder or other person to change or add any proposed Stockholder Nominee or be deemed

to cure any defects or limit the remedies (including without limitation under these By-Laws) available to the Corporation relating to any defect.

(8) The Eligible Stockholder may provide to the Secretary of the Corporation, at the time the information required by this Section 4A is originally provided, a single written statement for inclusion in the Corporation's proxy statement for the annual meeting, not to exceed 500 words, in support of the candidacy of such Eligible Stockholder's Stockholder Nominee(s) (the "Statement"). Notwithstanding anything to the contrary contained in this Section 4A, the Corporation may omit from its proxy materials any information or Statement that it, in good faith, believes is materially false or misleading, omits to state any material fact, directly or indirectly (in each case without factual foundation) impugns the character, integrity or personal reputation of any person or makes charges concerning improper, illegal or immoral conduct or associations with respect to any person or would violate any applicable law or regulation.

(9) No later than the final date when a Proxy Access Notice pursuant to this Section 4A may be timely delivered to the Corporation, each Stockholder Nominee must provide a completed and signed nominee questionnaire, representation and agreement, as required by Section 4B of this Article I, and must provide such additional information as necessary to permit the Board of Directors to determine if any of the matters contemplated by Section 4A(10) apply and if such Stockholder Nominee has any direct or indirect relationship with the Corporation other than those relationships that have been deemed categorically immaterial pursuant to the Corporation's Corporate Governance Guidelines or is or has been subject to any event specified in Item 401(f) of Regulation S-K (or successor rule) of the Securities and Exchange Commission.

Each Stockholder Nominee and Eligible Stockholder shall also promptly provide to the Corporation such other information as may be reasonably requested by the Corporation of the Stockholder Nominee or Eligible Stockholder. In the event that any information or communications provided by the Eligible Stockholder (or any Constituent Holder) or the Stockholder Nominee to the Corporation or its stockholders ceases to be true and correct in all material respects or omits a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading, each Eligible Stockholder or Stockholder Nominee, as the case may be, shall promptly notify the Secretary of the Corporation of any defect in such previously provided information and of the information that is required to correct any such defect; it being understood for the avoidance of doubt that providing any such notification shall not be deemed to cure any such defect or limit the remedies (including without limitation under these By-Laws) available to the Corporation relating to any such defect.

(10) Any Stockholder Nominee who is included in the Corporation's proxy statement for a particular annual meeting of stockholders, but subsequently is determined not to satisfy the eligibility requirements of this Section 4A or any other provision of these By-Laws, the Certificate of Incorporation or other applicable regulation any time before the annual meeting of stockholders, will not be eligible for election at the relevant annual meeting of stockholders. Without limiting the foregoing

or any other provision of these By-Laws, the Corporation shall not be required to include, pursuant to this Section 4A, a Stockholder Nominee in its proxy materials for any annual meeting of stockholders, or, if the proxy statement already has been filed, to allow the nomination of a Stockholder Nominee (and the Corporation may declare any such nomination ineligible), notwithstanding that proxies in respect of such vote may have been delivered to the Corporation:

(A) who is not independent under the listing standards of the principal U.S. exchange upon which the Corporation's Common Stock is listed, any applicable rules of the Securities and Exchange Commission and any publicly disclosed standards used by the Board of Directors in determining and disclosing independence of the Corporation's directors, in each case as determined by the Board of Directors;

(B) who is a named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses), has been convicted in a criminal proceeding within the past ten (10) years, is subject to any order of the type specified in Rule 506(d) of Regulation D promulgated under the Securities Act of 1933, as amended, or whose service as a member of the Board of Directors would violate or cause the Corporation to be in violation of these By-Laws, the Certificate of Incorporation, the rules and listing standards of the principal U.S. exchange upon which the Corporation's Common Stock is listed, or any applicable law, rule or regulation;

(C) if the Eligible Stockholder (or any Constituent Holder) or applicable Stockholder Nominee otherwise breaches or fails to comply with its obligations pursuant to this Section 4A or any agreement, representation or undertaking required by this Section 4A; or

(D) if the Eligible Stockholder ceases to be an Eligible Stockholder for any reason, including but not limited to not owning the Proxy Access Request Required Shares through the date of the applicable annual meeting.

Section 4B. Submission of Questionnaire, Representation and Agreement.

To be eligible to be a stockholder nominee for election as a director of the Corporation, a person must deliver (in accordance with the applicable time periods prescribed for delivery of notice under Section 4(i) or Section 4A of this Article I, as applicable) to the Secretary of the Corporation at the principal executive offices of the Corporation (a) a completed written questionnaire with respect to the background and qualification of such person and the background of any other person or entity on whose behalf the nomination is being made (which form of questionnaire shall be provided by the Secretary of the Corporation to the requesting stockholder following written request) and (b) a written representation and agreement (in the form provided by the Secretary of the Corporation to the requesting stockholder following written request) that such individual:



(1) is not and will not become a party to (i) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of the Corporation, will act or vote on any issue or question (a “Voting Commitment”) that has not been disclosed to the Corporation, and (ii) any Voting Commitment that could limit or interfere with such individual’s ability to comply, if elected as a director of the corporation, with such individual’s fiduciary duties under applicable law;

(2) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed to the Corporation;

(3) in such individual’s personal capacity and on behalf of any person or entity on whose behalf, directly or indirectly, the nomination is being made, would be in compliance, if elected as a director of the Corporation, and will comply, with all applicable corporate governance, conflict of interest, confidentiality, stock ownership, trading policies and such other guidelines of the Corporation applicable to directors as publicly disclosed from time to time; and

(4) with respect to nominations made pursuant to Section 4A of this Article I, consents to being named as a nominee in the Corporation’s proxy statement and in any associated proxy card of the Corporation and agrees to serve if elected as a director of the Corporation.

Section 5. Stockholder List. For every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order and showing the address of and the number of shares registered in the name of each such stockholder, shall be made and be open to the examination of any stockholder during ordinary business hours for at least ten (10) days prior to the meeting at the Corporation’s principal place of business, and shall be produced at the meeting and be subject at all time during the meeting to the inspection of any stockholder present ; provided, however, that, where the record date for determining the stockholders entitled to vote is set by the Board of Directors in accordance with Section 4 of Article V hereof at a date that is less than ten (10) days before the meeting date, the Corporation’s obligation to provide a list of stockholders prior to the meeting is limited to preparing a list of those stockholders as of the tenth day before the meeting date .

Section 6. Quorum. Subject to the provisions of any applicable law or of the Corporation’s Certificate of Incorporation in respect of the vote that shall be required for a specified action, the holders of record of a majority of the capital stock of the Corporation issued and outstanding and entitled to vote at any meeting of its stockholders shall be required to be present in person or represented by proxy at such meeting in order to constitute a quorum for a transaction of any business. For purposes of determining the presence of a quorum, “capital stock of the Corporation” shall be deemed to include that number of shares of common stock equal to the number of votes that the Trustee is entitled to vote from time to time under the Special Voting Share of the Corporation created pursuant to the terms of the Voting and

Section 7. Adjournment. If at any meeting of the stockholders there is no quorum, the meeting may be adjourned from time to time by the Chair of the Board or by a majority vote of the stockholders present or represented, without any notice other than by announcement at the meeting, until a quorum be obtained. Any meeting at which there is a quorum may also be adjourned, in like manner, for such time or upon such call as may be determined by vote. An adjourned meeting at which a quorum is present or represented may transact any business which might have been transacted at the meeting as first convened had there been a quorum.

Section 8. Chair and Secretary. At every meeting of the stockholders the presiding officer shall be the Chair of the Board, or in his or her absence the Vice Chair, if any, in his or her absence the Chief Executive Officer, in his or her absence the President, and in their absence a Vice President of the Corporation. The Secretary or in his or her absence an Assistant Secretary of the Corporation shall act as secretary of the meeting, or in their absence the presiding officer may appoint any person present to act as secretary of the meeting.

Section 9. Voting. Except as otherwise specifically provided herein or in the Certificate of Incorporation of the Corporation with respect to the ability of certain stockholders to cumulate votes in the election of directors, each stockholder present in person or by proxy at a meeting of the stockholder shall be entitled to one vote for each share of the capital stock of the Corporation registered in the name of such stockholder on the books of the Corporation and entitled to vote at such meeting. No proxy shall be voted on after three years from its date unless it provides for a longer period. The vote required for elections of Directors shall be as provided in Section 1 of Article II hereof. All other matters shall be decided by a majority vote viva voce of the stockholders present in person or by proxy except as otherwise specifically provided by any applicable law, the Corporation's Certificate of Incorporation or these By-Laws; provided, however, that the presiding officer shall have the right to determine whether a stock vote with respect to any matter shall be taken by ballot. On votes taken by ballot, each ballot shall state the name of the stockholder or proxy voting and the number of shares voted.

Section 10. Inspectors of Elections. The Corporation may, and to the extent required by law, shall, in advance of any meeting of stockholders, appoint one or more inspectors to act at the meeting and make a written report thereof. The Corporation may designate one or more alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the person presiding at the meeting may, and to the extent required by law, shall, appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. Every vote taken by ballots shall be counted by a duly appointed inspector or inspectors.

Section 11. Inspection of Books and Records. The Board of Directors shall determine whether and to what extent, and at what times and places and under what conditions and regulations, the books, accounts and records of the Corporation (other than the stock ledger),

or any of them, shall be open to the inspection of any stockholder. No Stockholder shall have the right to inspect any books, accounts, records or documents of the Corporation unless expressly so authorized by the laws of the State of Delaware or by these By-Laws or by a resolution of the Board of Directors. The stock ledger shall be the only evidence as to the stockholders entitled to examine the stockholder list referred to in Section 5 of Article I hereof, and the original or a duplicate stock ledger containing the names and addresses of the stockholders and the number of shares held by them respectively shall be open at all times during usual business hours at the Corporation's principal office to the examination of any stockholder.

Section 12. Action by Written Consent. Any action which is required to be or may be taken at any annual or special meeting of stockholders of the Corporation may be taken without a meeting, without prior notice to stockholders and without a vote if consents in writing, setting forth the action so taken, shall have been signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or to take such action at a meeting at which all shares entitled to vote thereon were present and voted.

## ARTICLE II

### DIRECTORS

Section 1. Number, Term, Election and Qualification. The number of Directors which shall constitute the whole Board shall be not less than eight nor more than seventeen. Within these specified limits, the number of Directors shall be determined from time to time by the affirmative vote of a majority of the Directors then in office. Directors elected at any annual meeting of the stockholders or elected at any other time by the stockholders or by the Board of Directors as hereinafter provided, shall hold office until the next annual meeting of the stockholders and until their respective successors are elected and qualified.

Except as set forth in Section 2 of this Article II, and, subject to the rights of the holders of any series of Preferred Stock to elect Directors under specified circumstances, a nominee for Director shall be elected to the Board of Directors by a majority of the votes cast at any meeting for the election of Directors at which a quorum is present. For purposes of this By-Law, a majority of votes cast shall mean that the number of shares voted "for" a Director's election exceeds 50% of the number of votes cast with respect to that Director's election. Votes cast shall include direction to withhold authority in each case and exclude abstentions with respect to that Director's election. Notwithstanding the foregoing, in the event of a "contested election" of Directors, Directors shall be elected by the vote of a plurality of the votes cast at any meeting for the election of Directors at which a quorum is present. For purposes of this By-Law, a "contested election" shall mean any election of Directors in which the number of candidates for election as Directors exceeds the number of Directors to be elected, with the determination thereof being made by the Secretary of the Corporation as of the close of the applicable notice of nomination period set forth in Section 4 of Article I hereof, Section 4A of Article I hereof or under applicable law, based on whether one or more notice(s) of nomination were timely filed in accordance with said Section 4 or Section 4A, as applicable; provided, however, that the determination that an election is a "contested election" shall be determinative only as to the timeliness of a notice of nomination and not otherwise as to its validity. If, prior to the time the Corporation mails its initial proxy statement in connection with such election of Directors, one or

more notices of nomination are withdrawn such that the number of candidates for election as Director no longer exceeds the number of Directors to be elected, the election shall not be considered a contested election, but in all other cases, once an election is determined to be a contested election, Directors shall be elected by the vote of a plurality of the votes cast.

If a nominee for Director who is an incumbent Director is not elected and no successor has been elected at such meeting, the Director shall promptly tender his or her resignation to the Board of Directors. The Corporate Governance and Nominating Committee shall make a recommendation to the Board of Directors as to whether to accept or reject the tendered resignation, or whether other action should be taken. The Board of Directors shall act on the tendered resignation, taking into account the Corporate Governance and Nominating Committee's recommendation, and publicly disclose (by a press release, a filing with the Securities and Exchange Commission or other broadly disseminated means of communication) its decision regarding the tendered resignation and the rationale behind the decision within 90 days from the date of the certification of the election results. The Corporate Governance and Nominating Committee in making its recommendation, and the Board of Directors in making its decision, may each consider any factors or other information that it considers appropriate and relevant. The Director who tenders his or her resignation shall not participate in the recommendation of the Corporate Governance and Nominating Committee or the decision of the Board of Directors with respect to his or her resignation. If such incumbent Director's resignation is not accepted by the Board of Directors, such Director shall continue to serve until the next annual meeting and until his or her successor is duly elected, or his or her earlier resignation or removal. If a Director's resignation is accepted by the Board of Directors pursuant to this By-Law, or if a nominee for Director is not elected and the nominee is not an incumbent Director, then the Board of Directors, in its sole discretion, may fill any resulting vacancy pursuant to the provisions of Section 2 of this Article II or may decrease the size of the Board of Directors pursuant to the provisions of Section 1 of this Article II.

Section 2. Resignations; Vacancies. Any Director may resign at any time upon written notice to the Corporation. A resignation shall become effective when and as specified in the notice, or, in the absence of such specification, upon its acceptance by the Corporation. Vacancies occurring on the Board of Directors for any reason, and newly created directorships resulting from any increase in the number of Directors, may be filled by the affirmative vote of a majority of the Directors then in office, though less than a quorum.

Section 3. Meetings and Notices. Meetings of the Board of Directors of the Corporation, regular or special, may be held either within or without the State of Delaware. Regular meetings of the Board may be held without notice at such time and place as the Board from time to time may by resolution determine. Special meetings of the Board, being all meetings other than its regular meetings, may be called by the Chair or the Chief Executive Officer, and shall be called by the Secretary upon the written request of any two Directors. At least one day's prior written notice of the time, place and purposes of every special meeting shall be given to each Director; provided, however, that no notice of any such meeting need be given to any Director who attends the meeting or signs before or after the meeting a written waiver of notice thereof. Notices may be delivered personally or sent by mail, telegraph, facsimile transmission or other form of electronic transmission, and shall be deemed given when so delivered or sent.

Section 4. Quorum. At all meetings of the Board of Directors a majority of the number of Directors fixed in accordance with Section 1 of this Article II shall constitute a quorum for the transaction of business, and the acts of a majority of the Directors present at any meeting at which a quorum is present shall be the acts of the Board, except as may be otherwise specifically provided by any applicable law or by the Corporation's Certificate of Incorporation or by these By-Laws. If a quorum is not present at any meeting, a majority of the Directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is obtained.

Section 5. Order of Business. The order of business at meetings of the Board of Directors shall be as the Board may determine from time to time, or, subject to any such action by the Board, as determined by the Chair of the meeting.

Section 6. Powers. The Board of Directors shall manage and control the business, property and affairs of the Corporation, and shall have and may exercise all the powers of the Corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these By-Laws directed or required to be exercised or done by the stockholders.

Section 7. Compensation. The Directors may be paid as compensation for their services a periodic fee, or a fixed fee for attendance at each meeting of the Board of Directors or any Committee thereof, or both, and may be paid their expenses, if any, of attendance at Board or Committee meetings and may be paid in stock or stock options, all as the Board from time to time may determine, but otherwise shall not be entitled to any fees or compensation for their services as Directors. No such payment shall preclude any Director from serving the Corporation in any other capacity and receiving compensation therefor.

### ARTICLE III

#### EXECUTIVE COMMITTEE

Section 1. Appointment, Number and Quorum. The Board of Directors, by the affirmative vote of a majority of the whole Board, may appoint an Executive Committee consisting of such number of the Directors not less than three as the Board may determine; provided, always, that the Chief Executive Officer shall at all times be appointed to the Committee. By similar action the Board may fill any vacancy in, change the membership of, or dissolve the Committee at any time in its discretion. At all meetings of the Committee a majority, but not less than three, of its members shall constitute a quorum for the transaction of business, and the affirmative vote of a majority of the whole Committee, but in no case less than three members, shall be necessary to adopt any resolution or to take any other action.

Any member of the Committee who ceases to be a Director shall cease *ipso facto* to be a member of the Committee. Any member may resign at any time upon written notice to the Corporation. A resignation shall become effective when and as specified in the notice, or, in the absence of such specification, upon its acceptance by the Corporation.

Section 2. Powers and Proceedings. The Executive Committee during the intervals between the meetings of the Board of Directors, shall have and may exercise, insofar as permitted by law, all the powers of the Board of Directors, provided that the Committee shall not act to fill a vacancy on the Committee and shall not take any action contrary to any specific action or direction of the Board.

The Board of Directors may designate the Chair of the Committee and prescribe rules governing its proceedings. The Committee may elect its own Chair from its members, if he or she has not been designated by the Board, and may make its own rules of procedure insofar as they do not conflict with any rules prescribed by the Board or with these By-Laws. Minutes of all acts and proceedings of the Committee shall be kept in a proper record book and shall be laid before the Directors at their next meeting.

Section 3. Compensation. The members of the Executive Committee may be paid such compensation for their services, and such expenses incurred by them in connection therewith, as the Board of Directors may determine, but otherwise shall not be entitled to any compensation for their services as such Committee members.

## ARTICLE IV

### OFFICERS

Section 1. Officers, Election, Term and Vacancies. At its first meeting held after each annual meeting of the stockholders, the Board of Directors shall elect, to serve until their successors are elected and qualify, a Chair of the Board and, if necessary or advisable, a Vice Chair of the Board, and, as the officers of the Corporation, a Chief Executive Officer and/or a President, one or more Vice Presidents (one or more of whom may be designated Executive Vice Presidents or Senior Vice Presidents by the Board), a Chief Financial Officer, a Secretary, a Treasurer, and a Controller, and may elect or appoint such Assistant Secretaries, Assistant Treasurers, Assistant Controllers and other officers as the Board in its discretion may determine. If any such officers are not elected or appointed at such first meeting, they may be elected or appointed at any subsequent meeting of the Directors. Subject to the provisions of any applicable law, one person may hold two or more offices .

Each of the Chair of the Board and the Vice Chair, if any, shall be a Director, but no other officer need be a Director. Any officer may resign at any time upon written notice to the Corporation. A resignation shall become effective when and as specified in the notice, or, in the absence of such specification, upon its acceptance by the Corporation. Any officer may be removed at any time, with or without cause, by the affirmative vote of a majority of the whole Board of Directors. Any vacancy occurring in any office for any reason may be filled by the Board of Directors.

Section 2. Chair of the Board. The Chair of the Board shall preside at meetings of the Directors and at meetings of the stockholders. He or she shall have such other powers and duties as may be prescribed by the Board of Directors.

Section 3. Vice Chair of the Board. A Vice Chair may be designated as the Board in its discretion may determine. The Vice Chair of the Board, if any, may preside at meetings of the Directors and at meetings of the stockholders at the request of or in the absence or incapacity of the Chair of the Board, and shall have such other powers and duties as may be prescribed by the Board or the Chair of the Board. The duties and powers ascribed to the Chair in these By-Laws shall be granted to the Vice Chair in the absence or incapacity, if any, of the Chair, unless otherwise noted in these By-Laws.

Section 4. Chief Executive Officer. The Chief Executive Officer shall be the principal executive officer of the Corporation, and shall be responsible for the supervision, direction and control of all of its business and affairs, subject only to the Board of Directors and the Executive Committee.

Subject to the control of the Board of Directors, the Chief Executive Officer shall have power to employ, appoint and discharge employees and agents of the Corporation and fix their compensation, to make and sign contracts and agreements in the name and on behalf of the Corporation, to sign certificates of stock of the Corporation, to sign proxies for or to attend and vote at meetings of stockholders of any other corporation in which the Corporation holds stock, and to sign in the name and on behalf of the Corporation other instruments and documents to be executed by it. He or she shall see that all books, records, reports, statements and certificates are properly made, kept and filed as required of the Corporation by any applicable law, and shall have such other powers and duties as may be prescribed by the Board of Directors.

Section 5. President. The offices of the Chief Executive Officer and the President may be, but are not required to be, served by the same individual. If the individual serving as the Chief Executive Officer is not also serving in the office of President, the President shall be the principal administrative officer of the Corporation, and shall have such responsibilities, duties and powers as may be prescribed by the Chief Executive Officer, unless the Board of Directors shall otherwise determine, and the Board of Directors. The President, in the absence or incapacity of the Chief Executive Officer, shall perform the duties and exercise the powers of the Chief Executive Officer.

Section 6. Vice Presidents. Each Vice President, Executive Vice President (if any) and Senior Vice President (if any) shall have such powers and duties as may be delegated to him or her by the Chief Executive Officer or as may be prescribed by the Board of Directors.

Section 7. Chief Financial Officer. The Chief Financial Officer shall be the principal financial officer of the Corporation and shall be responsible for the direction and control of the financial affairs of the Corporation, including the preparation of the Corporation's financial statements. The Chief Financial Officer shall have such other powers and duties as may be prescribed by the Chief Executive Officer and the Board of Directors.

Section 8. Controller. The Controller shall be the principal accounting officer of the Corporation and shall have direct responsibility for and supervision of the accounting records of the Corporation and of its subsidiaries and managed affiliated corporations, and shall see that adequate examination and audits thereof are currently and regularly made. The Controller shall be responsible for full, accurate and current accounts of all receipts and

disbursements of funds. The Controller shall render to the Board of Directors, the Chief Executive Officer, the President or the Chief Financial Officer, whenever requested, an account of all transactions as Controller and of the financial condition of the Corporation.

He or she shall have such other powers and shall perform such other duties as may be prescribed by the Board of Directors, and, subject to the control of the Board, such powers and duties as are generally incident to the office of Controller or principal accounting officer.

Section 9. Assistant Controllers. Each Assistant Controller shall have all the powers and may perform all the duties of the Controller in the absence or incapacity of the Controller unless the Board of Directors shall otherwise determine, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors.

Section 10. Treasurer. The Treasurer shall receive and have in his or her charge or custody the funds, securities and valuable effects of the Corporation, and shall deposit or keep same to the credit or in the name of the Corporation in such banks or depositories as the Board of Directors designates. He or she shall disburse the funds of the Corporation and dispose of its securities and valuable effects in his or her charge only as he or she may be authorized or directed by the Board of Directors or by an officer, committee or agent acting with and under the authority of the Board. He or she shall take and preserve proper vouchers or receipts for all disbursements. The Treasurer shall keep full, accurate and current accounts of all receipts and disbursements of funds. The Treasurer shall render to the Board of Directors, the Chief Executive Officer, the President or the Chief Financial Officer, whenever requested, an account of all transactions as Treasurer.

The Treasurer shall have power on behalf of the Corporation to endorse for collection, bills, notes, drafts, checks and other instruments for payment of funds to the Corporation, and to sign receipts and vouchers for payments made to the Corporation. He or she shall sign or countersign all bills, notes, drafts, checks and other instruments for payments made by the Corporation, and all assignments or powers for transfers of securities and other valuable effects of the Corporation, and certificates of the stock Corporation provided, however, that the Board of Directors may authorize or require other officers or agents of the Corporation to sign or countersign in its name any such papers, instruments or documents.

He or she shall have such other powers and shall perform such other duties as may be prescribed by the Board of Directors, and, subject to the control of the Board, such powers and duties as are generally incident to the office of Treasurer.

Section 11. Assistant Treasurers. Each Assistant Treasurer shall have all the powers and may perform all the duties of the Treasurer in the absence or incapacity of the Treasurer unless the Board of Directors shall otherwise determine, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors. He or she shall give a like bond or bonds, if any, as are given by the Treasurer.

Section 12. Secretary. The Secretary shall attend meetings of the stockholders, Board of Directors and Executive Committee, and shall record all the proceedings and votes taken at such meetings in appropriate books kept by him or her for that purpose. In the absence



of the Secretary, an acting Secretary or Assistant Secretary may be designated by the Board of Directors or its respective committees for the above mentioned record keeping purpose at certain meetings. The Secretary shall give, or cause to be given, all notices required by law or by these By-Laws to be given of all such meetings, and shall see that the list of stockholders required for every meeting of the stockholders is properly prepared and made and kept at the place of the meeting for at least ten days prior thereto.

The Secretary shall keep or cause to be kept in safe custody the seal of the Corporation, its unissued stock certificates, stock transfer books, stock ledgers, and such other books, records, documents and papers of the Corporation as the Board of Directors may direct; provided, however, that the Transfer Agent, if one be appointed, shall have custody of the unissued stock certificates, stock transfer books and stock ledgers.

The Secretary shall have power to countersign or attest all contracts, agreements, stock certificates, proxies and other instruments and documents signed on behalf of the Corporation by the Chair of the Board, the Chief Executive Officer, the President or a Vice President, and to affix thereto the seal of the Corporation, and to certify all minutes and extracts from minutes of meetings of the stockholders, Board of Directors and Executive Committee, and all resolutions passed or adopted thereat.

He or she shall have such other powers and shall perform such other duties as may be prescribed by the Board of Directors, and, subject to the control of the Board, such powers and duties as are generally incident to the office of Secretary.

Section 13. Assistant Secretaries. Each Assistant Secretary shall have all the powers and may perform all the duties of the Secretary in the absence or incapacity of the Secretary unless the Board of Directors shall otherwise determine, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors.

Section 14. Other Officers. Each other officer elected or appointed by the Board of Directors shall have such powers and perform such duties as may be prescribed by the Board, and, subject to the control of the Board, such powers and duties are generally incident to such office.

## ARTICLE V

### CAPITAL STOCK

Section 1. Stock Certificates and Uncertificated Shares. Certificates for shares of the capital stock of the Corporation shall be in such form, not inconsistent with any applicable law or the Corporation's Certificate of Incorporation, as shall be prescribed or approved from time to time by the Board of Directors. Holders of the stock shall be entitled to have such certificates issued in the name of the Corporation, under its seal and signed by the Chair of the Board, the Chief Executive Officer, the President or a Vice President and by the Secretary or Treasurer or an Assistant Secretary or Assistant Treasurer, evidencing and certifying the number of shares owned by such respective stockholders in the Corporation.

Such certificates may be so sealed and signed either manually or by facsimile seal or signatures, if and as permitted by law and authorized or approved by the Board of Directors. If any officer whose signature is used on any certificate shall cease to be such officer for any reason before the issuance or delivery of the certificate by the Corporation, the validity of the Certificate upon its issuance and delivery shall not be thereby affected.

The Board of Directors may authorize and require the signing of any certificate or certificates by a Transfer Agent and a Registrar, in addition to the signing by the officers of the Corporation.

Shares of capital stock of the Corporation shall be represented by certificates or shall be uncertificated. The Board of Directors may provide by resolution or resolutions that some or all of any or all classes or series of the capital stock of the Corporation shall be uncertificated. Any such resolution shall not apply to any such shares represented by a certificate theretofore issued until such certificate is surrendered to the Corporation. Within a reasonable time after the issuance or transfer of uncertificated shares, the Corporation shall send to the registered owner thereof a written statement of the information required on certificates by applicable law, rule or regulation.

Section 2. Stock Transfers. The shares of stock of the Corporation shall be transferred only on the books of the Corporation by the holders thereof in person or by their duly authorized attorney, (a) in the case of shares represented by a certificate, upon surrender for cancellation of the certificates for the shares to be transferred, with a duly executed assignment or stock power endorsed thereupon or attached thereto, and accompanied by such other evidences of transfer of authority, such guarantees of signatures and such payments of stock transfer taxes or other charges as may be reasonably required, or (b) in the case of uncertificated shares, upon receipt of proper transfer instructions from the registered owner of such uncertificated shares, or from a duly authorized attorney or from an individual presenting proper evidence of succession, assignment or authority to transfer the stock.

The Board of Directors may appoint a Transfer Agent and a Registrar for the capital stock of the Corporation.

Section 3. Lost Certificates. Unless otherwise determined by the Board of Directors, a new certificate or uncertificated share shall be issued in place of any certificate theretofore issued by the Corporation for its capital stock and alleged by the holder thereof to have been lost, stolen or destroyed; provided, however, that the applicant for any such new certificate or uncertificated share shall furnish to the Corporation evidence satisfactory to it of the alleged loss, theft or destruction, together with such bond or indemnification as the Board of Directors from time to time may require to indemnify the Corporation against an any claim that may be made against it or its officers or agents on account of a certificate alleged to have been lost, stolen or destroyed or the issuance of a new certificate or uncertificated share replacing it.

Section 4. Record Date. In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders, or to receive payment of any dividend or other distribution or allotment of any rights or to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board

of Directors may, except as otherwise required by law, fix a record date, which record date shall not precede the date on which the resolution fixing the record date is adopted and which record date shall not be more than sixty (60) nor less than ten (10) days before the date of any meeting of stockholders, nor more than sixty (60) days prior to the time for such other action as hereinbefore described . If the Board of Directors so fixes a date in accordance with the preceding sentence, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board of Directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination of stockholders entitled to vote. Provided , however, that if no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of and to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held, and, for determining stockholders entitled to receive payment of any dividend or other distribution or allotment of rights or to exercise any rights of change, conversion or exchange of stock or for any other purpose, the record date shall be at the close of business on the day on which the Board of Directors adopts a resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance with the foregoing provisions of this Section 4.

Section 5. Registered Stockholders. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of the State of Delaware.

Section 6. Stock Ledger. The original or a duplicate stock ledger shall be kept at the Corporation's principal office in the State of Delaware.

## ARTICLE VI

### INDEMNIFICATION OF DIRECTORS, OFFICERS AND OTHERS

Section 1. Indemnification of Directors and Officers. The Corporation shall, to the fullest extent permitted by applicable law, as the same exists or may hereafter be amended (but in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than such law permitted the Corporation to provide prior to such amendment), indemnify any person (and the heirs, executors and administrators thereof) who was or is made, or threatened to be made, a party to an action, suit or proceeding (whether civil, criminal, administrative or investigative, whether involving any actual or alleged breach of duty, neglect or error, any accountability, or any actual or alleged misstatement, misleading statement or other act or omission and whether brought or threatened

in any court or administrative or legislative body or agency) including (i) an action by or in the right of the Corporation to procure a judgment in its favor and (ii) an action by or in the right of any other corporation of any type or kind, domestic or foreign, or any partnership, joint venture, trust, employee benefit plan or other enterprise, which any director or officer of the Corporation is serving or served as a director, officer or trustee at the request of the Corporation, by reason of the fact that he or she, his or her testator or intestate is or was a director or officer of the Corporation, or is serving or served such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise as a director, officer or trustee, against all expense, liability and loss (including attorneys' fees, judgments, fines and amounts paid in settlement) actually and reasonably incurred by the person in connection with such action, suit or proceeding; provided, however, except as provided in Section 7 of this Article VI, with respect to proceedings to enforce rights to indemnification, the Corporation shall indemnify any such person in connection with an action, suit or proceeding (or part thereof) initiated by such person only if such action, suit or proceeding (or part thereof) is authorized by the Board of Directors of the Corporation.

Section 2. Indemnification of Others. The Corporation shall indemnify other persons and reimburse the expenses thereof, to the extent required by applicable law, and may indemnify any other person to whom the Corporation is permitted to provide indemnification or the advancement of expenses, whether pursuant to rights granted pursuant to, or provided by, the Delaware General Corporation Law or otherwise.

Section 3. Advances or Reimbursement of Expenses. The Corporation shall, to the fullest extent permitted by applicable law, from time to time, reimburse or advance to any person referred to in Section 1 the funds necessary for payment of expenses, including attorneys' fees, incurred in connection with any action, suit or proceeding referred to in Section 1, upon receipt of a written undertaking by or on behalf of such person to repay such amount(s) if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation under this Article VI or otherwise.

Section 4. Service of Certain Entities Deemed Requested. Any director or officer of the Corporation servicing (i) another corporation, of which a majority of the shares entitled to vote in the election of its directors is held by the Corporation, or (ii) any employee benefit plan of the Corporation or any corporation referred in clause (i), in any capacity shall be deemed to be doing so at the request of the Corporation.

Section 5. Interpretation. Any person entitled to be indemnified or to the reimbursement or advancement of expenses as a matter of right pursuant to this Article may elect to have the right to indemnification (or advancement of expenses) interpreted on the basis of the applicable law in effect at the time of the occurrence of the event or events giving rise to the action, suit or proceeding, to the extent permitted by applicable law, or on the basis of the applicable law in effect at the time indemnification is sought.

Section 6. Indemnification Right. The right to be indemnified or to the reimbursement or advancement of expenses pursuant to this Article (i) is a contract right pursuant to which the person entitled thereto may bring suit as if the provisions hereof were set forth in a separate written contract between the Corporation and the director or officer, (ii) is

intended to be retroactive and shall be available with respect to events occurring prior to the adoption hereof, and (iii) shall continue to exist after the rescission or restrictive modification hereof with respect to events occurring prior thereto.

Section 7. Indemnification Claims. If a request to be indemnified or for the reimbursement or advancement of expenses pursuant hereto is not paid in full by the Corporation within thirty days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation or recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled also to be paid the expenses of prosecuting such claim. Neither the failure of the Corporation (including its Directors who are not parties to such action, suit or proceeding, a committee of such directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of or reimbursement or advancement of expenses to the claimant is proper in the circumstances, nor an actual determination by the Corporation (including its Directors who are not parties to such action, suit or proceeding, a committee of such directors, independent legal counsel, or its stockholders) that the claimant is not entitled to indemnification or to the reimbursement or advancement of expenses, shall be a defense to the action or create a presumption that the claimant is not so entitled.

## ARTICLE VII

### MISCELLANEOUS PROVISIONS

Section 1. Fiscal Year. The fiscal year of the Corporation, and of each of its subsidiaries, shall be the calendar year.

Section 2. Offices. The principal office of the Corporation in the State of Delaware shall be maintained in the City of Wilmington, County of New Castle. The Corporation may have offices at such other places within or without the State of Delaware as the Board of Directors from time to time may determine.

Section 3. Resident Agent. The Resident Agent of the Corporation in charge of its principal office in the State of Delaware shall be Corporation Service Company.

Section 4. Seal. The seal of the Corporation shall have inscribed thereon the name of the Corporation, the year of its incorporation and the words "Corporate Seal, Delaware."

Section 5. Dividends. Subject to all applicable laws and the Certificate of Incorporation, dividends upon the capital stock of the Corporation may be declared by the Board of Directors, payable in cash, in property or in shares of the capital stock of the Corporation.

Section 6. Amendments. Subject to any By-Laws made by the stockholders, the Board of Directors may make By-Laws, and from time to time may alter, amend or repeal any By-Law or By-Laws; but any By-Laws made by the Board of Directors may be altered or repealed by the stockholders at any annual meeting, or at any special meeting provided notice of such proposed alteration or repeal be included in the notice of such special meeting.

Section 7. Separability. In case any By-Law or provision in any By-Law shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining By-Laws or remaining provisions of such By-Law shall not in any way be affected or impaired thereby.

**AMENDMENT THREE  
TO THE  
PENSION EQUALIZATION PLAN OF NEWMONT**

WHEREAS, the Pension Equalization Plan of Newmont (the “Plan”) was restated by Newmont USA Limited (the “Plan Sponsor”) effective December 31, 2008; and

WHEREAS, the Plan Sponsor wishes to amend the Plan effective January 1, 2018 to provide that the Board of Directors may designate entities as participating employers in the Plan without requiring their consent; and

WHEREAS, Section 8.02 of the Plan authorizes the Plan Sponsor to amend the Plan from time to time.

NOW, THEREFORE, the Plan is hereby amended effective January 1, 2018 as follows:

1. Article I, the definition of “Company,” is restated as follows:

“*Company*” means Newmont USA Limited, a Delaware corporation, and any parent, subsidiary, affiliated company or division of the Company or other legal entity related to the Company which is designated as a participating employer under the Plan by the Board of Directors or its delegate.

2. The Administration Committee or its delegate is hereby authorized to take all action necessary to implement this amendment.

The foregoing was adopted this 26th day of September, 2018.

NEWMONT USA LIMITED

By /s/ Stephen P. Gottesfeld  
Name Stephen P. Gottesfeld  
Title Vice President

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER**  
**(Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002)**

I, Gary J. Goldberg, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Newmont Mining Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ GARY J. GOLDBERG

\_\_\_\_\_  
**Gary J. Goldberg**  
Chief Executive Officer  
*(Principal Executive Officer)*

October 25, 2018

---



**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER**  
**(Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002)**

I, Nancy K. Buese, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Newmont Mining Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ NANCY K. BUESE

\_\_\_\_\_  
Nancy K. Buese  
Chief Financial Officer  
(Principal Financial Officer)

October 25, 2018

---

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350**  
**(Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002)**

In connection with the Quarterly Report on Form 10-Q for the quarter ended September 30, 2018 of Newmont Mining Corporation (the “Company”) as filed with the Securities and Exchange Commission on the date hereof (the “Report”) and pursuant to 18. U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, Gary J. Goldberg, Chief Executive Officer of the Company, certify, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ GARY J. GOLDBERG

**Gary J. Goldberg**  
Chief Executive Officer  
*(Principal Executive Officer)*

October 25, 2018

Note: A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

---

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350**  
**(Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002)**

In connection with the Quarterly Report on Form 10-Q for the quarter ended September 30, 2018 of Newmont Mining Corporation (the “Company”) as filed with the Securities and Exchange Commission on the date hereof (the “Report”) and pursuant to 18. U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, Nancy K. Buese, Chief Financial Officer of the Company, certify, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ NANCY K. BUESE

---

**Nancy K. Buese**  
Chief Financial Officer  
*(Principal Financial Officer)*

October 25, 2018

Note: A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

---

### Mine Safety Disclosure

The following disclosures are provided pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”) and Item 104 of Regulation S-K, which require certain disclosures by companies required to file periodic reports under the Securities Exchange Act of 1934, as amended, that operate mines regulated under the Federal Mine Safety and Health Act of 1977 (the “Mine Act”). The disclosures reflect our U.S. mining operations only as the requirements of the Act and Item 104 of Regulation S-K do not apply to our mines operated outside the United States.

*Mine Safety Information.* Whenever the Federal Mine Safety and Health Administration (“MSHA”) believes a violation of the Mine Act, any health or safety standard or any regulation has occurred, it may issue a citation which describes the alleged violation and fixes a time within which the U.S. mining operator (e.g. our subsidiary, Newmont USA Limited) must abate the alleged violation. In some situations, such as when MSHA believes that conditions pose a hazard to miners, MSHA may issue an order removing miners from the area of the mine affected by the condition until the alleged hazards are corrected. When MSHA issues a citation or order, it generally proposes a civil penalty, or fine, as a result of the alleged violation, that the operator is ordered to pay. Citations and orders can be contested and appealed, and as part of that process, are often reduced in severity and amount, and are sometimes dismissed. The number of citations, orders and proposed assessments vary depending on the size and type (underground or surface) of the mine as well as by the MSHA inspector(s) assigned.

The below table reflects citations and orders issued to us by MSHA during the quarter ended September 30, 2018. The proposed assessments for the quarter ended September 30, 2018 were taken from the MSHA data retrieval system as of October 4, 2018.

Additional information about the Act and MSHA references used in the table follows.

- *Section 104(a) S&S Citations* : Citations received from MSHA under section 104(a) of the Mine Act for violations of mandatory health or safety standards that could significantly and substantially contribute to the cause and effect of a mine safety or health hazard.
- *Section 104(b) Orders* : Orders issued by MSHA under section 104(b) of the Mine Act, which represents a failure to abate a citation under section 104(a) within the period of time prescribed by MSHA. This results in an order of immediate withdrawal from the area of the mine affected by the condition until MSHA determines that the violation has been abated.
- *Section 104(d) S&S Citations and Orders* : Citations and orders issued by MSHA under section 104(d) of the Mine Act for unwarrantable failure to comply with mandatory, significant and substantial health or safety standards.
- *Section 110(b)(2) Violations* : Flagrant violations issued by MSHA under section 110(b)(2) of the Mine Act.
- *Section 107(a) Orders* : Orders issued by MSHA under section 107(a) of the Mine Act for situations in which MSHA determined an “imminent danger” (as defined by MSHA) existed.

Mine <sup>(1)</sup>	Section 104(a) S&S Citations <sup>(2)</sup>	Section 104(b) Orders	Section 104(d) S&S Citations and Orders <sup>(2)</sup>	Section 110(b) Violations	Section 107(a) Orders	(\$ in millions) Proposed MSHA Assessments <sup>(3)</sup>	Fatalities
Chukar	—	—	—	—	—	\$ —	—
Cripple Creek & Victor	—	—	—	—	—	\$ —	—
Emigrant	—	—	—	—	—	\$ —	—
Exodus	1	—	—	—	—	\$ <0.1	—
Genesis	—	—	—	—	—	\$ —	—
Leeville	—	—	—	—	—	\$ —	—
Lone Tree	—	—	—	—	—	\$ —	—
Long Canyon	—	—	—	—	—	\$ —	—
Mill 6	—	—	—	—	—	\$ —	—
Pete Bajo	—	—	—	—	—	\$ —	—
Phoenix	1	—	—	—	—	\$ —	—
South Area	1	—	—	—	—	\$ <0.1	—
Twin Creeks	—	—	—	—	—	\$ —	—
Twin Underground <sup>(4)</sup>	—	—	—	—	—	\$ —	—
<b>TOTAL</b>	<b>3</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>\$ &lt;0.1</b>	<b>—</b>

(1) The definition of a mine under section 3 of the Mine Act includes the mine, as well as other items used in, or to be used in, or resulting from, the work of extracting minerals, such as land, structures, facilities, equipment, machines, tools, and minerals

preparation facilities. Unless otherwise indicated, any of these other items associated with a single mine have been aggregated in the totals for that mine. MSHA assigns an identification number to each mine and may or may not assign separate identification numbers to related facilities such as preparation facilities. We are providing the information in the table by mine rather than MSHA identification number because that is how we manage and operate our mining business and we believe this presentation will be more useful to investors than providing information based on MSHA identification numbers.

- (2) 3 Section 104(a) S&S Citations and 0 Section 104(d) S&S Citations and Orders were subject to contest as of September 30, 2018.
- (3) Represents the total dollar value of the proposed assessment from MSHA under the Mine Act pursuant to the citations and or orders preceding such dollar value in the corresponding row. No proposed assessments of the orders or citations listed above had yet been posted to the MSHA data retrieval system or made available to the Company by MSHA as of October 4, 2018. Proposed assessments aggregate to \$1,400 for the quarter, with proposed assessments at Exodus of \$589, at Phoenix of not yet assessed, and at South Area of \$811.
- (4) Formerly Vista.

*Pattern or Potential Pattern of Violations*. During the quarter ended September 30, 2018, none of the mines operated by us received written notice from MSHA of (a) a pattern of violations of mandatory health or safety standards that are of such nature as could have significantly and substantially contributed to the cause and effect of mine health or safety hazards under section 104(e) of the Mine Act or (b) the potential to have such a pattern.

*Pending Legal Actions*. The following table reflects pending legal actions before the Federal Mine Safety and Health Review Commission (the "Commission"), an independent adjudicative agency that provides administrative trial and appellate review of legal disputes arising under the Mine Act, as of September 30, 2018, together with the number of legal actions instituted and the number of legal actions resolved as of September 30, 2018.

Mine <sup>(1)</sup>	Pending Legal Actions as of September 30, 2018	Legal Actions Instituted during the quarter ended September 30, 2018	Legal Actions Resolved during the quarter ended September 30, 2018
Chukar	—	—	—
Cripple Creek & Victor	—	—	2
Emigrant	—	—	—
Exodus	—	—	—
Genesis	—	—	—
Leeville	1	1	1
Lone Tree	—	—	—
Long Canyon	—	—	—
Mill 6	—	—	—
Pete Bajo	—	—	—
Phoenix	—	—	—
South Area	—	—	—
Twin Creeks	—	—	—
Twin Underground	1	1	—
<b>TOTAL</b>	<b>2</b>	<b>2</b>	<b>3</b>

- (1) The definition of a mine under section 3 of the Mine Act includes the mine, as well as other items used in, or to be used in, or resulting from, the work of extracting minerals, such as land, structures, facilities, equipment, machines, tools and minerals preparation facilities. Unless otherwise indicated, any of these other items associated with a single mine have been aggregated in the totals for that mine. MSHA assigns an identification number to each mine and may or may not assign separate identification numbers to related facilities such as preparation facilities. We are providing the information in the table by mine rather than MSHA identification number because that is how we manage and operate our mining business and we believe this presentation will be more useful to investors than providing information based on MSHA identification numbers.
- (2) The foregoing list includes legal actions which were initiated prior to the current reporting period and which do not necessarily relate to citations, orders or proposed assessments issued by MSHA during the quarter ended September 30, 2018. The number of legal actions noted above are reported on a per docket basis.

Legal actions pending before the Commission may involve, among other questions, challenges by operators to citations, orders and penalties they have received from MSHA or complaints of discrimination by miners under section 105 of the Mine Act. The following is a brief description of the types of legal actions that may be brought before the Commission.

- *Contests of Citations and Orders*: A contest proceeding may be filed with the Commission by operators, miners or miners’ representatives to challenge the issuance of a citation or order issued by MSHA.
- *Contests of Proposed Penalties (Petitions for Assessment of Penalties)* : A contest of a proposed penalty is an administrative proceeding before the Commission challenging a civil penalty that MSHA has proposed for the alleged violation contained in a citation or order. The validity of the citation may also be challenged in this proceeding as well.
- *Complaints for Compensation*: A complaint for compensation may be filed with the Commission by miners entitled to compensation when a mine is closed by certain withdrawal orders issued by MSHA. The purpose of the proceeding is to determine the amount of compensation, if any, due miners idled by the orders.
- *Complaints of Discharge, Discrimination or Interference* : A discrimination proceeding is a case that involves a miner’s allegation that he or she has suffered a wrong by the operator because he or she engaged in some type of activity protected under the Mine Act, such as making a safety complaint.
- *Applications for Temporary Relief*: An application for temporary relief from any modification or termination of any order or from any order issued under section 104 of the Mine Act.
- *Appeals of Judges’ Decisions or Orders to the Commission* : A filing with the Commission of a petition for discretionary review of a Judge’s decision or order by a person who has been adversely affected or aggrieved by such decision or order.

The following table reflects the types of legal actions pending before the Commission as of September 30, 2018.

Mine <sup>(1)</sup>	Contests of Citations and Orders	Contests of Proposed Penalties <sup>(2)</sup>	Complaints for Compensation	Complaints of Discharge, Discrimination or Interference	Applications for Temporary Relief	Appeals of Judges’ Decisions or Orders to the Commission
Chukar	—	—	—	—	—	—
Cripple Creek & Victor	—	—	—	—	—	—
Emigrant	—	—	—	—	—	—
Exodus	—	—	—	—	—	—
Genesis	—	—	—	—	—	—
Leeville	—	1	—	—	—	—
Lone Tree	—	—	—	—	—	—
Long Canyon	—	—	—	—	—	—
Mill 6	—	—	—	—	—	—
Pete Bajo	—	—	—	—	—	—
Phoenix	—	—	—	—	—	—
South Area	—	—	—	—	—	—
Twin Creeks	—	—	—	—	—	—
Twin Underground	—	1	—	—	—	—
<b>TOTAL</b>	<b>—</b>	<b>2</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

- 
- (1) The definition of a mine under section 3 of the Mine Act includes the mine, as well as other items used in, or to be used in, or resulting from, the work of extracting minerals, such as land, structures, facilities, equipment, machines, tools and minerals preparation facilities. Unless otherwise indicated, any of these other items associated with a single mine have been aggregated in the totals for that mine. MSHA assigns an identification number to each mine and may or may not assign separate identification numbers to related facilities such as preparation facilities. We are providing the information in the table by mine rather than MSHA identification number because that is how we manage and operate our mining business and we believe this presentation will be more useful to investors than providing information based on MSHA identification numbers.
- (2) The number of contests of proposed penalties noted above is reported on a per docket basis. If presented on a per citation basis the number of contests of proposed penalties would be Leeville: 2; and Twin Underground: 1.
-