

Capital Effectiveness & Project Development

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Agenda

- **Capital Effectiveness Program Overview**
  - Program Overview
  - Stage Gate Process
  - Business Opportunity Creation
  - Business Opportunity Delivery
- **Early Stage Opportunities**
  - Business Opportunity Creation Project Pipeline
  - Hope Bay
  - Peru: Conga
  - Ghana: Akyem & Ahafo North
  - Phoenix: Copper Leach
  - Batu Hijau: 3rd SAG Mill Line & Pit Water Shaft
- **Major Business Opportunities in Delivery**
  - Nevada Power Plant
  - Yanacocha Gold Mill
  - Boddington



Capital Effectiveness Program Overview

Capital Effectiveness
Program Overview

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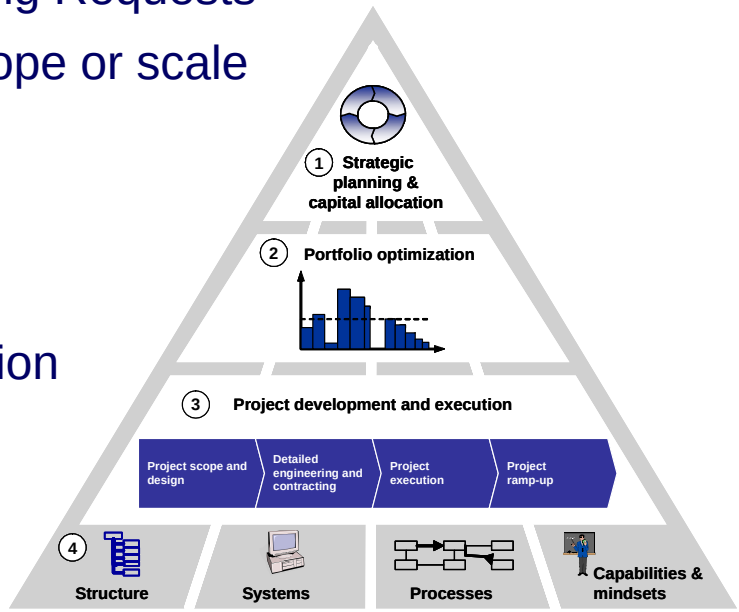
- **Background**
  - Effective means of managing a larger project and investment pipeline
- **Highlights**
  - Stages for project work and deliverable reviews
  - Gates for Executive Decisions and Funding Requests
  - Governing policy regardless of project scope or scale
- **Benefits**
  - Optimization of investment opportunities
  - Efficient and effective delivery of information
  - “Right Decisions at the Right Time”
  - Reliable Business Case outcomes



Capital Effectiveness

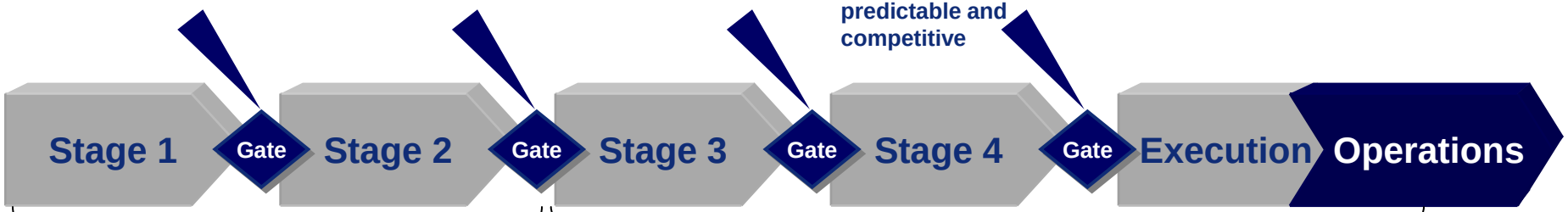
Stage-Gate Process

Gate 1
Advance viable business opportunities

Gate 2
Determine if a Business Case exists

Gate 3
Select a single option to achieve Business Case

Gate 4
Ensure single option is optimized, predictable and competitive



Business Opportunity Creation

Business Opportunity Delivery

Stage

Defined work requirements performed by various cross functional groups

Gate

Determine if the investment aligns with Newmont's Strategy & Objectives

Capital Effectiveness

Business Opportunity Creation



- **Purpose**
  - Value creation
  - Evaluation of creative andinnovative options
  - Development of strong business cases
- **Highlights**
  - Focus on Business Objectives versus Project Objectives
  - Single point accountability leveraging consistent cross functional teams
  - Applies to internal and external opportunities for consistent portfolio management
- **Benefits**
  - Business cases align with regional and corporate business strategies
  - Standardized processes and sharing of “best practices”

Capital Effectiveness
Business Opportunity Delivery

- **Purpose**
  - Focus on achieving business results through project execution
  - Fast ramp up to delivering on business objectives
- **Highlights**
  - Focus on Project Objectives that achieve Business Objectives
  - Standard work processes that align directly with Stage Gate Process
  - Single point of accountability and dedicated cross functional teams
  - Implementation of Value Improving Practices (VIP)
  - Front End Loading of work prior to project authorization
  - Operational Readiness
- **Benefits**
  - Better project definition prior to full funds authorization
  - Efficient and effective project management
  - Projects seamlessly transition into operating phase





Early Stage Opportunities

Business Opportunity Creation Project Pipeline

- **Several Early Stage Gold and Copper Internal Opportunities Only**
- **Projects Include Potentially Economic Material Inventories**
  - 30-40 million ounces gold
  - 5-10 billion pounds of copper
  - 100-200 million ounces silver
- **Larger Projects Include**
  - Yanacocha district sulfides
  - Nassau
  - Akyem
  - Hope Bay
- **Additional Interests in Fort ala Corne, Gabriel and Euronimba**

Hope Bay

Business Objectives

- Integrating Miramar into Newmont
- Deliver near-term exploration results
- Maintain engaged project team and positive community and government relations
- Develop a reliable business case with earliest possible production

Project Status

- Rescheduling and assessing Miramar's Doris North
- Stage 2 studies underway
- Evaluating multiple options to optimize asset
- Developing infrastructure on site
- Establishing community and regional presence
- Building cross functional project team



Peru:
Conga

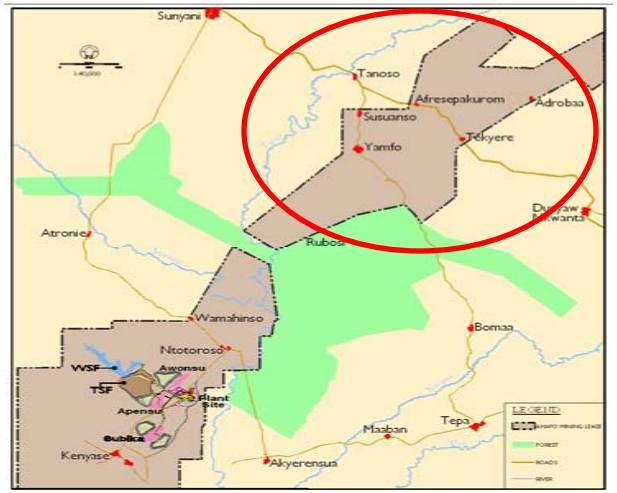
- **Business Objectives**
  - Sustain regional production and presence
  - Identify additional opportunities
  - Deliver a reliable business case balanced with earliest possible production
  - Reserves (Newmont):
    - 6.1 million ounces of gold
    - 1.7 billion pounds of copper



- **Status**
  - Stage 3 study underway
  - Permitting activities underway
  - Building cross functional teams
  - Development decision expected in 2008

Ghana:
Ahafo North and Akyem

- **Business Objectives**
  - Grow regional production
  - Maintain positive employee, community and governmental relations
  - Deliver a reliable business case balanced with earliest possible production
  - Reserves
    - Akyem: 7.7 million ounces of gold
    - Ahafo North: 3.2 million ounces of gold



- **Status**
  - Stage 3 study for Ahafo North project underway
  - Stage 2 study for Akyem project underway
  - Permitting activities underway
  - Building cross functional teams
  - Akyem development decision expected in 2008

Phoenix:
Copper Leach

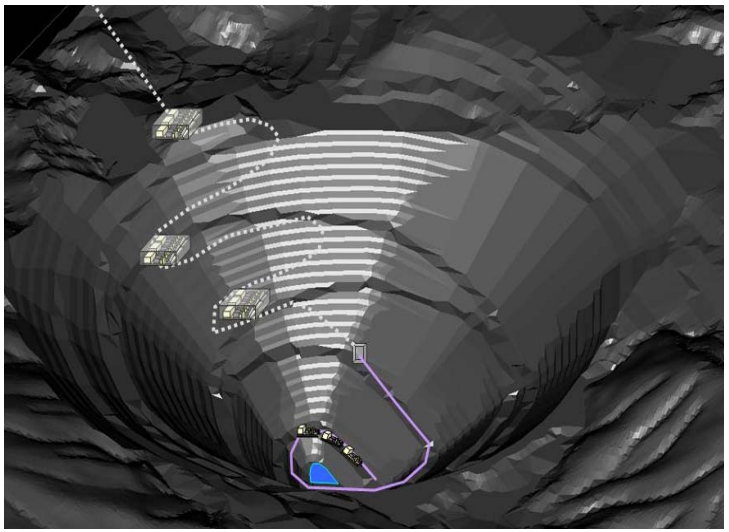
- **Business Objectives**
  - Reduce Phoenix operating costs
  - Increase reserves
  - Maximize use of Phoenix and Nevada Infrastructure
  - Deliver a reliable business case balanced with earliest possible production
  - Phoenix Reserves
    - 7.6 million ounces of gold
    - 740 million pounds of copper



- **Project Status**
  - Stage 3 study underway
  - Permitting activities underway
  - Analyzing options
  - Development decision expected in 2008

Batu Hijau:
3rd SAG Mill Line & Pit Water Shaft

- **Business Objectives**
  - Reduce operating costs
  - Increase Cu and Au reserves and production
  - Deliver a reliable business case balanced with earliest possible production
  - Batu Hijau Reserves (Newmont):
    - 4.2 million ounces of gold
    - 4.1 billion pounds of copper



- **Status**
  - Stage 3 studies underway
    - Pit Water Shaft
    - 3rd SAG Mill Line
  - Securing production slots for long lead items
  - Assembling cross functional project teams



Major Business Opportunities in Delivery

Nevada Power Plant

12/31/2007 Status

- **Business Objectives**
  - Reduce NV operating costs by approximately $25 per ounce
  - Preserve gold reserves
- **Power Production**
  - 200MW, coal fired
  - ~ 150MW consumed by NV operations
  - Remaining power sold
- **Project Metrics**
  - Safety – TRIFR: 0.25
  - Capital: $620 - $640 million
  - Progress: 95% complete
  - Start-up: On track for mid 2008
  - First Fire on Coal: Completed January 2008



Yanacocha Gold Mill

12/31/2007 Status

- **Business Objectives**
  - Prepare for complex ores within region
  - Efficiently exploit resource potential
- **Production (100%)**
  - Gold annual average: 400 – 500 thousand ounces
  - CAS life of mine average: $250 – $300/oz
- **Project Metrics**
  - Safety – TRIFR: 0.77
  - Capital: $250 - $270 Million
  - Progress: 96% complete
  - Start-up: On track for mid 2008



Boddington
12/31/2007 Status

- **Business Objectives**
  - Develop long life operation in AAA country
  - Increase future reserves
  - Create long term stable cash flows
  - Current Reserves (Newmont):
    - 11.1 million ounces of gold
    - 1.0 billion pounds of copper



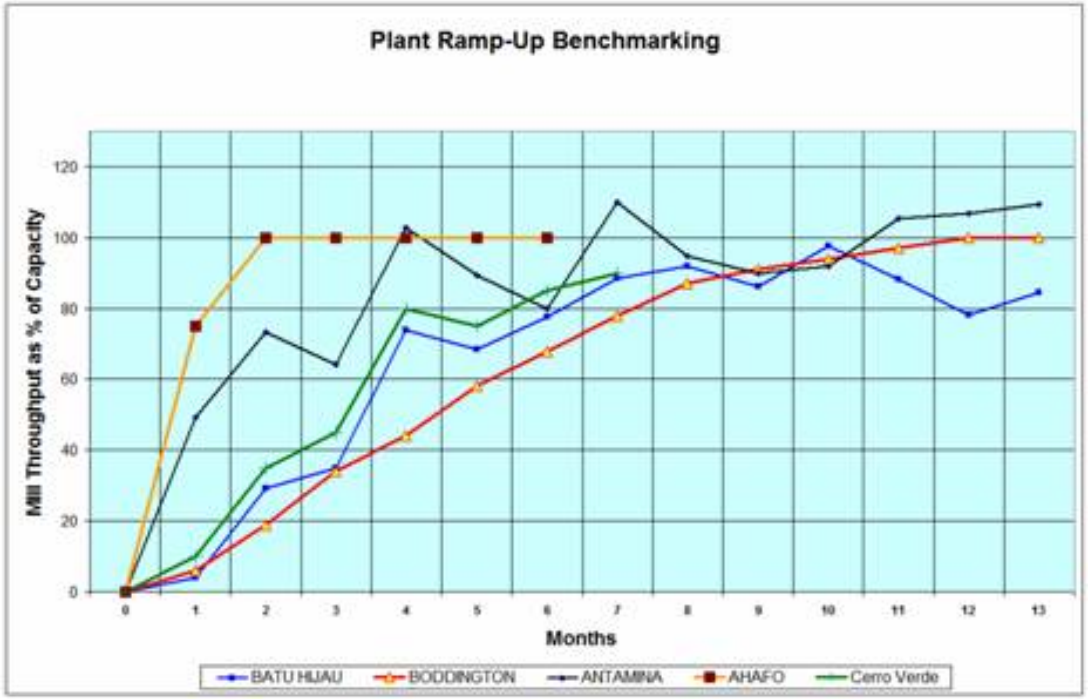
- **Production First Five-Years (100%)**
  - Gold annual average: 950 – 1,050 thousand ounce
  - Copper annual average: 30 – 35 thousand tones



- **Project Metrics**
  - Safety – TRIFR: 1.21
  - Capital (Newmont): $1.4 to $1.6 billion
  - Progress: 62% complete
  - Start-up: On track for late 2008 / early 2009

Boddington
12/31/2007 Status

- **Operations**
  - Exploration upside locally and in district
  - Good experienced operations team onboard
  - Operating costs agreements in place
  - Owner mining well underway
  - Plant modeled extensively
  - Commissioning – benchmarked ramp-up to full production
  - Attractive work location – close to Perth and beach towns
  - Good community support for project



Conclusion

- **Development and Investment Decision Making**
  - Consistent approach to project development and investment decision making
  - Portfolio management for resource and investment planning
- **Opportunities**
  - Project pipeline focused on reserve/ production growth and CAS reduction
  - Emphasis on optimizing operation efficiency and value creation
- **Approach**
  - Focus on Corporate Strategy
  - Integrated with Business and Regional Strategy
  - Standardized project work processes and governance
  - Manage full project life-cycle through delivery

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The Gold Company
Questions & Answers