NEWMONT

# African Mining INDABA 2013

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February 6, 2013



WORLD GOLD COUNCIL MEMBER

# Cautionary Statement

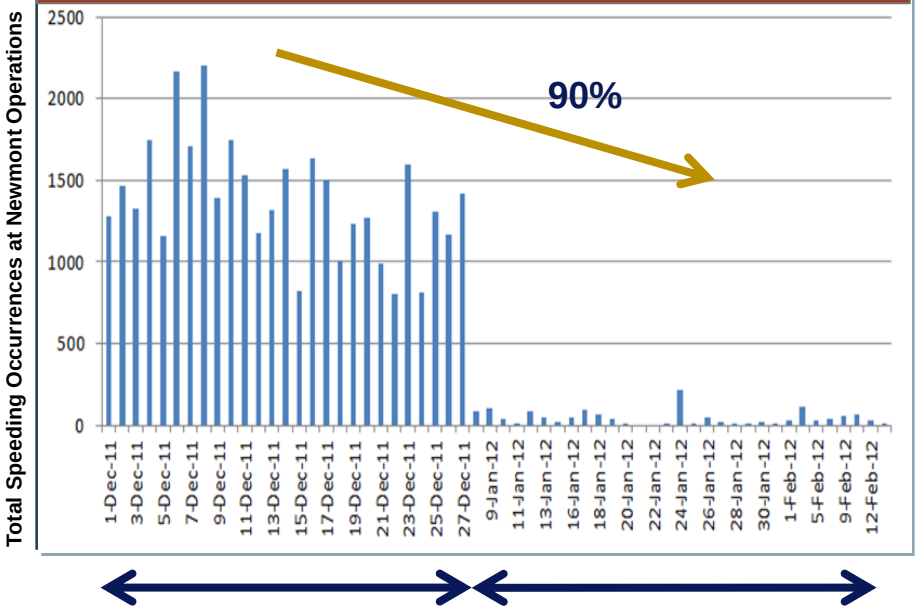
**Cautionary Statement Regarding Forward Looking Statements, Including 2013 Outlook:**

**This presentation contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are intended to be covered by the safe harbor created by such sections and other applicable laws. Such forward-looking statements may include, without limitation: (i) estimates of future production and sales; (ii) estimates of future costs applicable to sales; (iii) estimates of future consolidated and attributable capital expenditures, CAS, and all-in sustaining cash cost; and (iv) expectations regarding the development, growth and exploration potential of the Company's projects. Estimates or expectations of future events or results are based upon certain assumptions, which may prove to be incorrect. Such assumptions, include, but are not limited to: (i) there being no significant change to current geotechnical, metallurgical, hydrological and other physical conditions; (ii) permitting, development, operations and expansion of the Company's projects being consistent with current expectations and mine plans; (iii) political developments in any jurisdiction in which the Company operates being consistent with its current expectations; (iv) certain exchange rate assumptions for the Australian dollar to the U.S. dollar, as well as other the exchange rates being approximately consistent with current levels; (v) certain price assumptions for gold, copper and oil; (vi) prices for key supplies being approximately consistent with current levels; and (vii) the accuracy of our current mineral reserve and mineral resource estimates. Where the Company expresses or implies 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, such 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 the "forward-looking statements". Such risks include, but are not limited to, gold and other metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, political and operational risks, community relations, conflict resolution and outcome of projects or oppositions and governmental regulation and judicial outcomes. For a more detailed discussion of such risks and other factors, see the Company's 2011 Annual Report on Form 10-K, filed on February 24, 2012, with the Securities and Exchange Commission, as well as the Company's other SEC filings. The Company does not undertake any obligation to release publicly revisions to any "forward-looking statement," including, without limitation, outlook, to reflect events or circumstances after the date of this news release, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws. Investors should not assume that any lack of update to a previously issued "forward-looking statement" constitutes a reaffirmation of that statement. Continued reliance on "forward-looking statements" is at investors' own risk.**

# Health, Safety and Loss Prevention are Core Values at Newmont

- Critical safety issue in Ghana is road safety
- Speeding and pedestrian interaction common fatality cause
- Newmont reduced speeding by over 90%
- Eliminated fatalities caused by speeding

**Speed Reduction Data**
***Before and After Intervention***




**School Children Receive Instruction on How to Cross the Road**



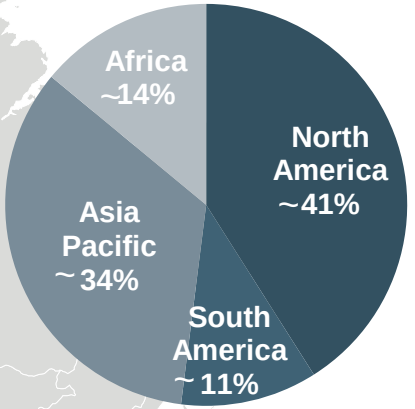
# Enhancing Value – Stable Operating Portfolio with Profitable Growth, Total Cost Management, and Industry Leading Dividend

| | |
|---|---|
| **Strong Free Cash Flow Growth Potential** | ▪ Akyem and Batu Hijau Phase 6 coming online while capital spending expected to decrease |
| **Leverage to Gold Price** | ▪ ~$300M of after-tax operating cash flow for every $100 increase in realized gold price |
| **Commitment to Returning Capital to Shareholders** | ▪ ~$1.0 billion returned to shareholders since April 2011<br>▪ Expect to return ~$210 million to shareholders in Q1 2013, subject to Board approval |
| **Maximize Asset Value** | ▪ Strong balance sheet, global portfolio in diverse geographies, and focus on reducing total cost and lowering risk |

# Globally Diversified Portfolio Across Four Major Regions

***2013 Attributable Production Outlook[1]***
***Gold 4.8 – 5.1Moz***
***Copper 150 – 170Mlbs***

*Percent of 2013 Attributable Gold Production Guidance[1]*




**North America**
**~2.0Moz Production**
**37Moz Reserve**

**Africa**
**~0.7Moz Production**
**20Moz Reserve**

**Asia Pacific**
**~1.7Moz Au Production**
**~160Mlbs Cu Production**
**32Moz Reserve**

**South America**
**~0.5Moz Production**
**11Moz Reserve**

**Operations**
**Projects**

*Figures represent 2011 Reserves and 2013 Production Outlook

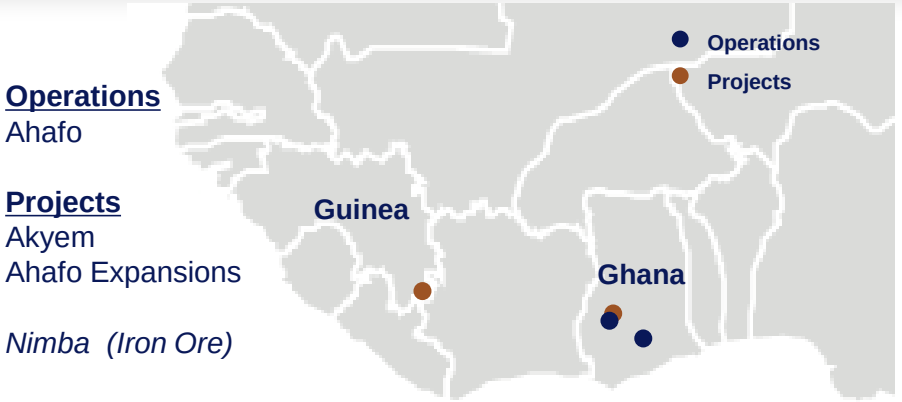
# Africa has the Potential to Double Production Over Next 5 Years[2]

## Operations

- ~625-675koz of gold production in 2013 & ~20Moz of reserves[3]

## Growth Opportunities

- Akyem startup in late 2013
- Ahafo Mill expansion has a planned startup in 2015 with the potential to accelerate 150-200Koz of gold production by 2016
- Advancing Ahafo North opportunity
- Retaining option at Subika underground




**Operations**
Ahafo

**Projects**
Akyem
Ahafo Expansions

*Nimba (Iron Ore)*



**Akyem First Mining**

# Akyem Construction On-Track and On-Budget[2]

- Construction is ~78% complete as of Dec 2012
- First production expected in late 2013
- Gold production: 350 - 450 koz (first 5 years' average)
- CAS: $500 - $650/oz (first 5 years' average)
- Initial Capital: $0.9 - $1.1 billion
- Reserves: 7.4 Moz[3]
- Mine life: ~16 years



Sag Mill



CV05 & Plant

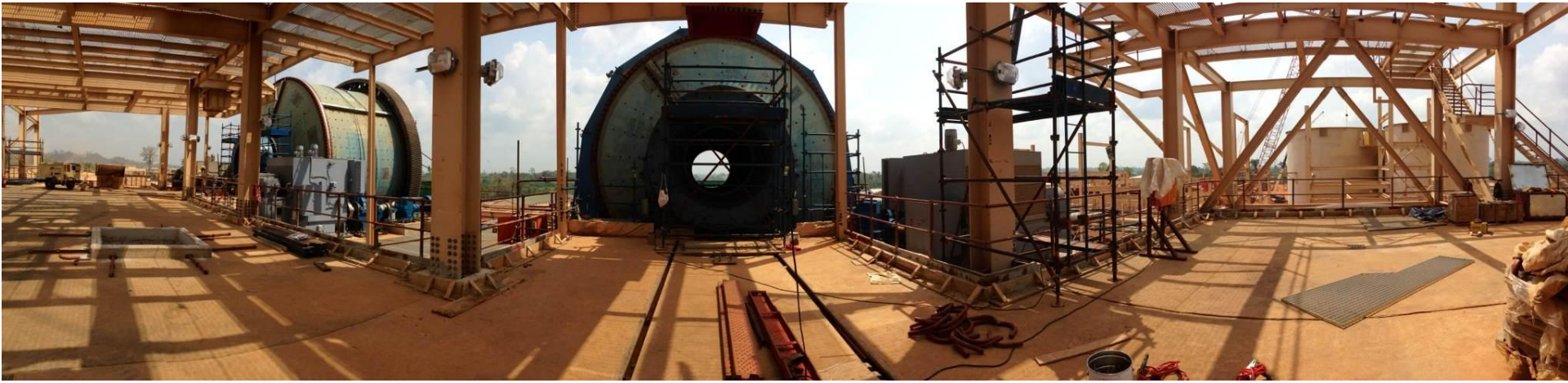
# Akyem Making Significant Progress



CIL Tanks



View of Plant Construction



Ball & SAG Mill

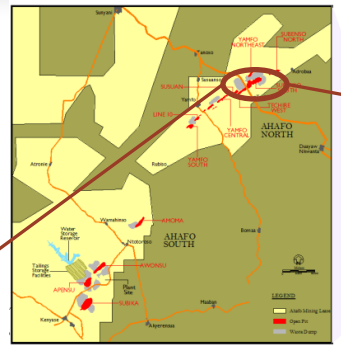
# Ahafo Mill Expansion Anticipated to Reduce Costs and Increase Cash Flow through Additional Mill Capacity[2]

- Start date: 2015 – 2016
- Accelerate gold production by 150-200Koz
- Capital Expenditure: $550 – $650 million
- Project Update:
  - Contract for engineering and procurement awarded
  - Initiated bidding process for construction management
  - Scoping report for permitting has been submitted
  - Permitting subject to Ghana EPA approval



Ahafo Mill

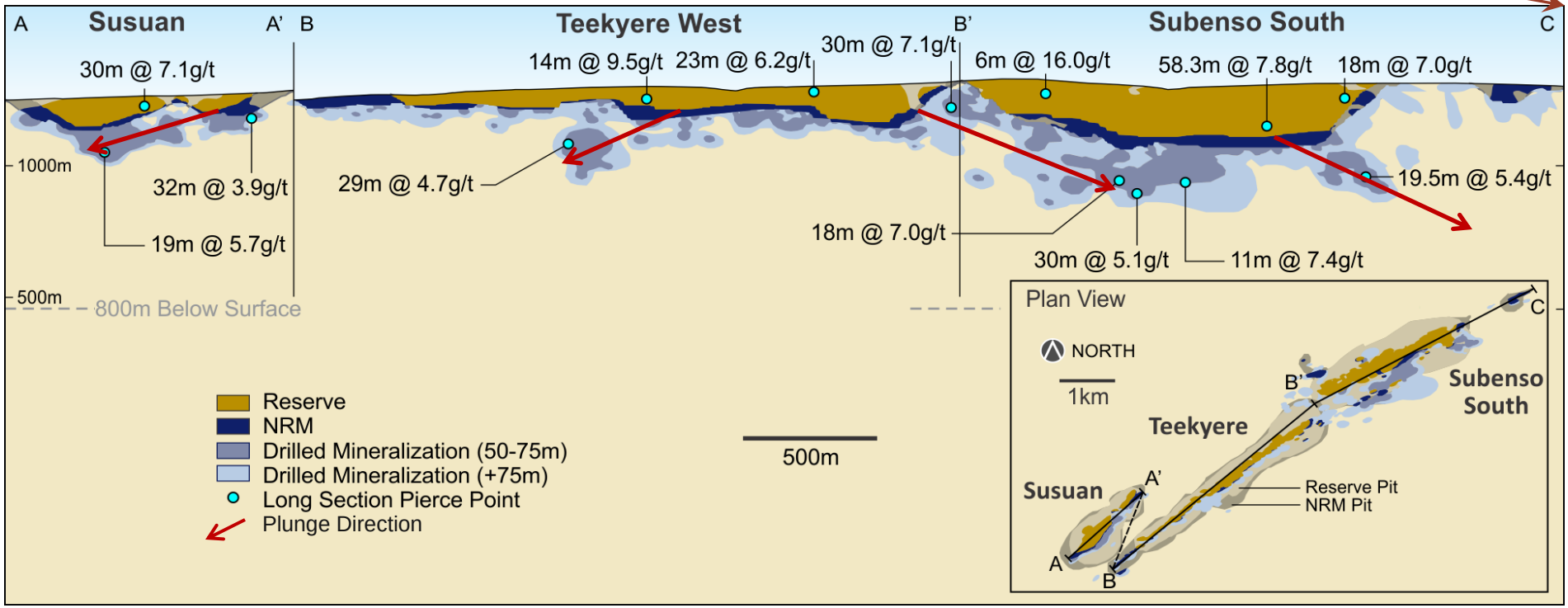
# Ahafo North Represents the Next Potential Growth Project in Ghana[4]





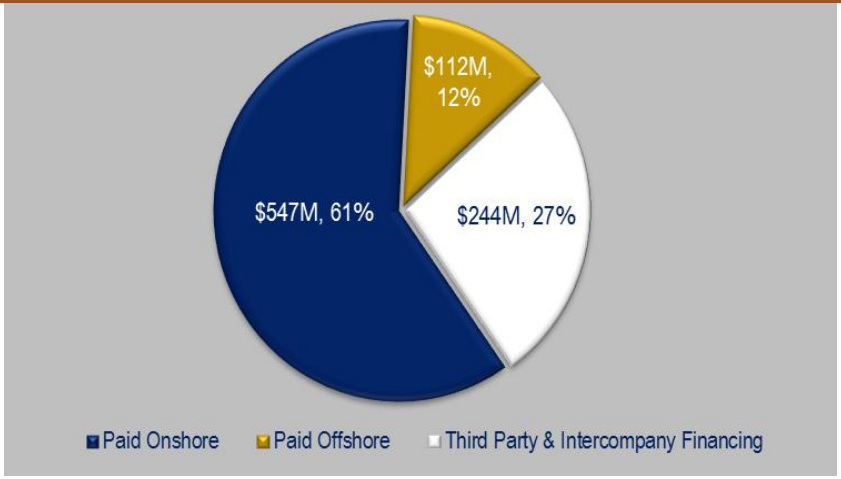


- ~3Moz currently in Reserves[3]
- 40km from Ahafo South
- 4km strike length for main zone

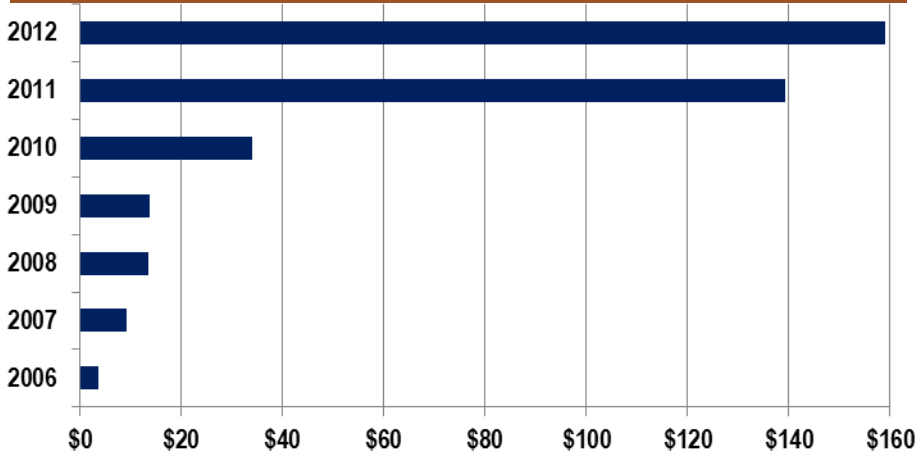


# Newmont Provides a Significant Economic Impact to Ghana; Majority of the Benefit in 2011 Remained Onshore

**2011 Total Allocation of Royalties & Tax Payments** ***(US$ Millions)***



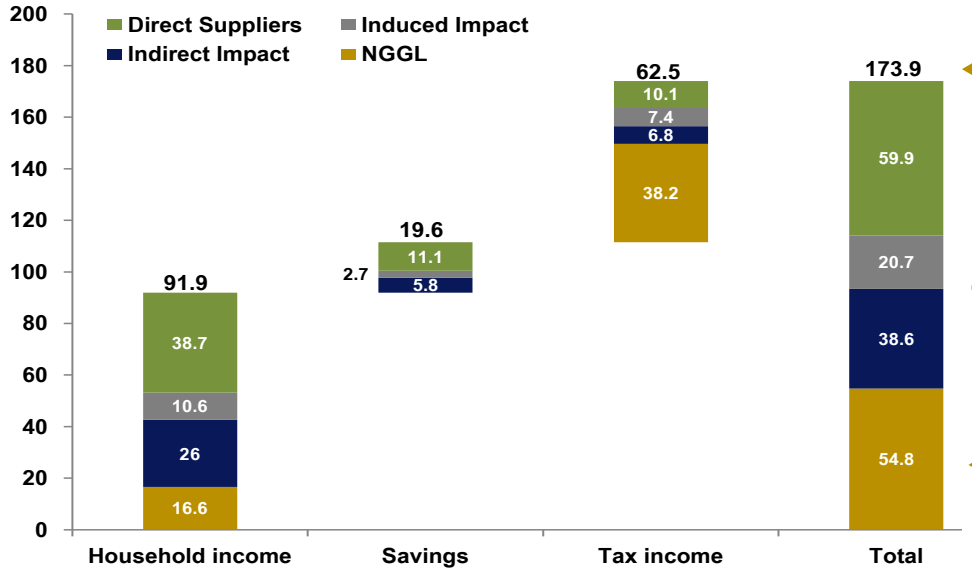

**Cumulative Royalties & Tax Payments Made to Ghana** ***(US$ Millions)***




- Recognized as Ghana's "Most Outstanding Corporate Income Taxpayer" in 2011 for compliance
  - 61% of the money spent by Newmont in 2011 stayed onshore
  - ~$340 million of the $547 million spend onshore in 2011 was directed towards local vendors
- ~$160 million in royalties and taxes paid to Ghana in 2012[5]
- ~$373 million in total royalties and taxes paid to Ghana since 2006

# For Every $1.00 Generated by Newmont in Ghana, $3.20 is Generated for the Ghanaian Economy as a Whole[6]

**Value Added Components** *(US$)*




3.2X



*Small Scale Business Near Ahafo*

- The economy-wide value add of Newmont's Ghanaian mining operations to Ghana (contribution to GDP) equals ~$174 million. Of this amount:
  - ~$92 million (53%) accrues to Ghanaian households as wages
  - More than one-third flows to government as tax payments
  - More than 10% fuels the corporate profits of Newmont's suppliers

# Localized Workforce Development and Diversity are Primary Components of Newmont's Operating Model

## Training & Skills Development



Apprenticeship program trains mechanics & electricians at both Ahafo/Akyem

Partnership with Ministry of Employment/Social Welfare supporting vocational training center at Ahafo

## Workforce Localization



Collaborating with Government to design localization planning and processes

Localization plan developed and being executed to integrate more Ghanaians into operations

## Gender Mainstreaming / Diversity



Women's Consultative Committee is empowering women in the community decision making process

Heavy equipment operators and integration into regional senior management

# Newmont Supports Sustainable Enterprise Creation in Surrounding Communities through Multiple Initiatives

## Newmont Ahafo Development Foundation



Community driven sustainable development support

Funded by $1 per ounce +1% net profit; 2012 contribution of $12.8M

Human resource development, infrastructure & economic empowerment and education

## Ahafo Linkage Program



Links Ghanaian business to mining supply chains

In partnership with Ghana Chamber of Mines, Minerals Commission & IFC; MOU signed 2011

Local supplier assessment completed in 2012

## Enhancing Existing Livelihoods



Over 5,000 local farmers trained on improved farming techniques

Ministry of Food and Agriculture validates farm output increases

# Focused on Operational Execution and Total Costs to Deliver Shareholder Value

- Positioned for significant free cash flow growth
- Track record of returning capital to shareholders
- Delivering and improving gold price leverage
- Expertise to maximize asset value in diverse geographies

*African Region Executing as Planned*

- Delivering Akyem project on-track and on-budget
- Improving sustainable development and managing total costs through Ahafo mill expansion
- Maximizing exploration upside at Ahafo North







# Questions?



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# Endnotes

***Investors are encouraged to read the information contained in this presentation in conjunction with the following notes footnotes, the Cautionary Statement on slide 2 and the factors described under the "Risk Factors" section of the Company's most recent Form 10-K, filed with the SEC on February 24, 2012.***

1. We caution you that, whether or not expressly stated, all measures of the Company's fourth quarter and 2012 financial results and condition contained in this presentation, including production, average realized price, costs applicable to sales and capital expenditures, are preliminary and reflect our expected 2012 results as of the date of this presentation. Actual reported fourth quarter and 2012 results are subject to management's final review as well as audit by the Company's independent registered accounting firm and may vary significantly from those expectations because of a number of factors, including, without limitation, additional or revised information and changes in accounting standards or policies or in how those standards are applied. For a discussion of factors that may adversely affect our financial results and condition, see the Company's 2011 Annual Report on Form 10-K, filed on February 24, 2012, with the Securities and Exchange Commission, as well as the Company's other SEC filings, available on the SEC's website at www.sec.gov. The Company will provide additional discussion and analysis and other important information about its fourth quarter and 2012 financial results and condition when it reports actual results on February 21, 2013.
2. Subject to permitting and other factors as described in the Company's 2011 Annual Report on Form 10-K under the heading "Risk Factors."
3. All reserves noted in this presentation are as of December 31, 2011, see 2011 Reserve report at www.Newmont.com. Update of the Reserve report expected February 2013.
4. Current drill results and drill mineralization are not necessarily indicative to future results. No assurances can be made that such drill results will be converted to NRM or Reserves in the future given the risk and uncertainty
5. Pro forma estimate of 2012 taxes paid.
6. Source: Socio-Economic Impact of Newmont Ghana Gold Limited, June, 2011. Authored by Professor Ethan Kapstein, PhD (INSEAD) and Rene Kim, PhD (Steward Redqueen).