

## Press Release

# PTNNT Provides Update on Batu Hijau Operations

**Jakarta, June 3, 2014** – Following its May announcement, PT Newmont Nusa Tenggara (PTNNT) today said that its concentrate storage facilities at Batu Hijau are now full, forcing the operation to halt processing activities and cease production of copper concentrate. PTNNT continues seeking clarity from the Government regarding Batu Hijau's ability to export concentrates.

The company has delayed to put employees on stand-by status at home on paid leave at reduced compensation in anticipation of a ministerial meeting this week that is intended to clarify the conditions under which copper concentrate exports will be permitted. The company is communicating with employees about the situation and most are prepared to be on standby at reduced pay, should that become necessary.

PTNNT continues working diligently and in good faith with the government to resolve the export issues and to keep the Batu Hijau mine operating for the benefit of employees, shareholders, the Government, and the people of Indonesia.

### **About PTNNT's Contract of Work and Copper Concentrate Production**

The Batu Hijau copper and gold mine was developed under an investment agreement called the Contract of Work (CoW). These Contracts of Work were designed to provide assurance and stability to encourage significant, long-term investments, which is why they were endorsed by Parliament and approved by the President of Indonesia.



The CoW details PTNNT's obligations and rights – including the obligation to produce and the right to export copper concentrate – while also explicitly establishing all the taxes and duties PTNNT is required to pay. Despite changes in various laws and regulations over the years, the obligations and rights specified in the CoW have continued to govern operation of the mine.

While multiple studies have demonstrated that it is not economically viable for PTNNT to build its own smelter, the company has a Memorandum of Understanding to participate in a process with Freeport Indonesia designed to lead towards the development of a smelter. PTNNT also has negotiated and signed conditional concentrate supply agreements with two Indonesian companies that publicly announced plans to build their own copper smelters in the country and is working to finalize a third such agreement.

The value added through Batu Hijau's processing plant improves the quality of the copper ore mined by more than 50 times, capturing roughly 95 percent of the entire value stream in Indonesia. PTNNT also has supported in-country smelting for many years by shipping as much copper concentrate to PT Smelting Gresik – Indonesia's only copper smelter – as it can take from Batu Hijau.



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## **About PTNNT**

PTNNT is a copper and gold mining company operating under a 4th Generation Contract of Work entered into on 2 December 1986. PTNNT is 56% owned by Nusa Tenggara Partnership B.V. (which is owned by Newmont Mining Corporation and Nusa Tenggara Mining Corporation of Japan), with 7% of NTPBV's stake under contract to be divested to the Government of Indonesia through purchase by an agency of the Ministry of Finance. PT Pukuafu Indah owns 17.8% of PTNNT, PT Multi Daerah Bersaing owns 24% (which in turn is owned by Bumi Resources, the province of Nusa Tenggara Barat, and the kabupatens of Sumbawa Barat and Sumbawa) and PT Indonesia Masbaga Investama owns 2.2%.

Since commencing operations in 2000, PTNNT has contributed nearly IDR 90 trillion in taxes, fees, royalties, wages, purchases of domestic goods and services, and dividends paid to the national shareholders. In addition, PTNNT also has implemented corporate social responsibility programs to improve the quality of life and the prosperity of communities around the mine by providing funds in the amount of IDR 50 billion per year, on average. PTNNT currently employs approximately 4,000 employees and 4,000 contractors.

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## Cautionary Statement

This news release contains "forward-looking statements" within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended that are intended to be covered by the safe harbor created by such sections and other applicable laws and regulations. Such forward-looking statements include, without limitation, statements regarding PTNNT's and/or Newmont Mining Corporation's (Newmont) expectations relating to future operations, production, sales and costs, enforcement of the Contract of Work, future political or governmental conditions, impact of discussions and dialogue with the government, ability to obtain satisfactory export permits and approvals, timing of future concentrate shipments, the future availability of in-country smelting, and potential impacts to operating plans at Batu Hijau. Where PTNNT and/or Newmont 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, forward-looking statements are subject to risks, uncertainties and other factors. For a discussion of risks, see the Risk Factors section in Newmont's 2013 Annual Report on Form 10-K, including, without limitation, under the heading "Our operations are subject to risks of doing business," "Our Batu Hijau operation in Indonesia is subject to political and economic risks," and "The Contract of Work has been and may continue to be the subject of dispute, legal review, or requests for renegotiation by the Indonesian government, and is subject to termination by the Indonesian government if we do not comply with our obligations, which would result in the loss of all or much of the value of Batu Hijau," which report is on file with the U.S. Securities and Exchange Commission (SEC) at [www.sec.gov](http://www.sec.gov), as well as Newmont's other SEC filings. PTNNT and Newmont do not undertake any obligation to publically issue revisions to any "forward-looking statement," 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.