NEWMONT MINING CORP /DE/
Form 10-Q
July 25, 2017
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

Form 10-Q

(Mark One)

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

For the Quarterly Period Ended June 30, 2017

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)	84-1611629 (I.R.S. Employer Identification No.)
6363 South Fiddler's Green Circle Greenwood Village, Colorado (Address of Principal Executive Offices)	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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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		Accelerated filer
Non-accelerated filer	(Do not check if a smaller reporting company.)	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 533,271,501 shares of common stock outstanding on July 17, 2017.

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SECOND QUARTER 2017 RESULTS AND HIGHLIGHTS

(unaudited, in millions, except per share, per ounce and per pound)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Financial Results:				
Sales:	$ 1,875	$ 1,669	$ 3,534	$ 3,131
Gold	$ 1,799	$ 1,612	$ 3,387	$ 3,023
Copper	$ 76	$ 57	$ 147	$ 108
Costs applicable to sales: (1)	$ 999	$ 902	$ 1,932	$ 1,753
Gold	$ 955	$ 847	$ 1,849	$ 1,653
Copper	$ 44	$ 55	$ 83	$ 100
Net income (loss) from continuing operations	$ 166	$ (2)	$ 247	$ (26)
Net income (loss)	$ 151	$ 62	$ 209	$ 197
Net income (loss) from continuing operations attributable to Newmont stockholders	$ 192	$ 14	$ 261	$ 2
Per common share, diluted:				
Net income (loss) from continuing operations attributable to Newmont stockholders	$ 0.36	$ 0.02	$ 0.49	$ —
Net income (loss) attributable to Newmont stockholders	$ 0.33	$ 0.04	$ 0.42	$ 0.14
Adjusted net income (loss) (2)	$ 248	$ 155	$ 381	$ 284
Adjusted net income (loss) per share, diluted (2)	$ 0.46	$ 0.29	$ 0.71	$ 0.53
Earnings before interest, taxes and depreciation and amortization (2)	$ 708	$ 588	$ 1,261	$ 1,146
Adjusted earnings before interest, taxes and depreciation and amortization (2)	$ 698	$ 600	$ 1,264	$ 1,070
Net cash provided by (used in) operating activities of continuing operations			$ 908	$ 825
Free Cash Flow (2)			$ 545	$ 262
Cash dividends declared per common share	$ 0.050	$ 0.025	$ 0.100	$ 0.050
Operating Results:				
Consolidated gold ounces (thousands):				
Produced	1,440	1,268	2,767	2,492
Sold	1,439	1,281	2,740	2,466
Attributable gold ounces (thousands):				
Produced	1,352	1,193	2,586	2,329
Sold	1,350	1,207	2,552	2,304
Consolidated and attributable copper pounds (millions):				

Produced	31	29	60	57
Sold	32	29	58	54
Average realized price:				
Gold (per ounce)	$ 1,250	$ 1,257	$ 1,236	$ 1,226
Copper (per pound)	$ 2.46	$ 2.00	$ 2.56	$ 2.02
Consolidated costs applicable to sales: (1)(2)				
Gold (per ounce)	$ 664	$ 661	$ 675	$ 670
Copper (per pound)	$ 1.38	$ 1.90	$ 1.43	$ 1.85
All-in sustaining costs: (2)				
Gold (per ounce)	$ 884	$ 913	$ 892	$ 902
Copper (per pound)	$ 1.69	$ 2.17	$ 1.72	$ 2.15

(1) Excludes Depreciation and amortization and Reclamation and remediation.
(2) See "Non-GAAP Financial Measures" beginning on page 70.

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Second Quarter 2017 Highlights

- Portfolio improvements: Approved the high-grade, low-cost Twin Underground project in Nevada, mined first ore at Subika Underground in Africa, on track for commercial production of the Tanami Expansion project in Australia in the third quarter of 2017 and acquired a 19.9% stake in Continental Gold Inc. who is developing the Buriticá project in Colombia;

- Attributable gold production: Increased 13% to 1.4 million ounces as new production from Merian and Long Canyon more than offset lower grades at Tanami and Yanacocha;

- Net income (loss): Delivered Net income (loss) from continuing operations attributable to Newmont stockholders of $192 or $0.36 per diluted share, an increase of $178 from the prior-year quarter, primarily due to higher gold production and lower income and mining taxes;

  - Adjusted net income (loss): Delivered Adjusted net income (loss) of $248 or $0.46 per diluted share, a 60% increase from the prior-year quarter (See “Non-GAAP Financial Measures” beginning on page 70);

- Adjusted EBITDA: Generated $698 in Adjusted EBITDA, a 16% increase from the prior-year quarter (See “Non-GAAP Financial Measures” beginning on page 70); and

- Financial strength: Ended the quarter with $3.1 billion cash on hand and increased the dividend payable in the third quarter of 2017 to $0.075 per share, triple the prior-year quarter dividend.

Our global project pipeline

Projects included in our global pipeline comprise an important part of the Company’s growth strategy and reflect opportunities throughout the development cycle. The most advanced projects, including early stage development and projects in or near the execution phase are described below. The exploration, construction and execution of these projects may require significant funding to complete.

Tanami Expansion, Australia. The scope for this project includes a second decline in the mine and incremental capacity in the plant to increase profitable production and serve as a platform for future growth. The project is on track to reach commercial production in the third quarter of 2017 and will maintain Tanami’s annual gold production at 425,000 to 475,000 ounces for the first five years. Development capital costs (excluding capitalized interest) since approval were $100, of which $13 were related to the second quarter of 2017.

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 second half of 2018. The project is expected to increase average annual gold production by 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 $22, all of which related to the second quarter of 2017.

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 resource. First production is expected in the first half of 2019 with commercial production expected in the second half of 2019. The expansion is expected to increase average annual gold production by 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 $9, all of which related to the second quarter of 2017.

Twin Underground, North America. Newmont approved the development of the Twin Underground project in June 2017. The project is a portal mine beneath Twin Creek's Vista surface mine with similar mineralization. First production is expected in the fourth quarter of 2017, with commercial production beginning in mid-2018. The expansion is expected to increase average gold production by between 30,000 and 40,000 ounces per year for the first five years beginning in 2018.

Quecher Main, South America. Quecher Main is a potential brownfield development within the existing footprint of Yanacocha that will add oxide production and serve as a bridge to development of Yanacocha's considerable sulfide deposits. Quecher Main extends the life of the Yanacocha operation to 2025, with average annual gold production of about 200,000 ounces (on a consolidated basis) between 2020 and 2025. An investment decision is expected in the second half of 2017 with first production in 2019.

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.

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PART I—FINANCIAL INFORMATION

ITEM 1.FINANCIAL STATEMENTS.

NEWMONT MINING CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited, in millions except per share)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Sales	$ 1,875	$ 1,669	$ 3,534	$ 3,131
Costs and expenses				
Costs applicable to sales (1)	999	902	1,932	1,753
Depreciation and amortization	308	281	601	557
Reclamation and remediation (Note 5)	44	21	74	42
Exploration	51	38	87	68
Advanced projects, research and development	32	44	58	71
General and administrative	58	62	113	115
Other expense, net (Note 6)	14	15	31	33
	1,506	1,363	2,896	2,639
Other income (expense)				
Other income, net (Note 7)	31	1	22	97
Interest expense, net	(64)	(66)	(131)	(140)
	(33)	(65)	(109)	(43)
Income (loss) before income and mining tax and other items	336	241	529	449
Income and mining tax benefit (expense) (Note 8)	(167)	(238)	(277)	(465)
Equity income (loss) of affiliates	(3)	(5)	(5)	(10)
Net income (loss) from continuing operations	166	(2)	247	(26)
Net income (loss) from discontinued operations (Note 3)	(15)	64	(38)	223
Net income (loss)	151	62	209	197
Net loss (income) attributable to noncontrolling interests				
Continuing operations (Note 9)	26	16	14	28
Discontinued operations (Note 3)	—	(55)	—	(150)
	26	(39)	14	(122)

Net income (loss) attributable to Newmont stockholders	$ 177	$ 23	$ 223	$ 75
Net income (loss) attributable to Newmont stockholders:				
Continuing operations	$ 192	$ 14	$ 261	$ 2
Discontinued operations	(15)	9	(38)	73
	$ 177	$ 23	$ 223	$ 75
Net income (loss) per common share (Note 10)				
Basic:				
Continuing operations	$ 0.36	$ 0.02	$ 0.49	$ —
Discontinued operations	(0.03)	0.02	(0.07)	0.14
	$ 0.33	$ 0.04	$ 0.42	$ 0.14
Diluted:				
Continuing operations	$ 0.36	$ 0.02	$ 0.49	$ —
Discontinued operations	(0.03)	0.02	(0.07)	0.14
	$ 0.33	$ 0.04	$ 0.42	$ 0.14
Cash dividends declared per common share	$ 0.050	$ 0.025	$ 0.100	$ 0.050

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

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

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NEWMONT MINING CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(unaudited, in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Net income (loss)	$ 151	$ 62	$ 209	$ 197
Other comprehensive income (loss):				
Change in marketable securities, net of $-, $-, $- and $- tax benefit (expense), respectively	(4)	21	(11)	(56)
Foreign currency translation adjustments	—	4	4	7
Change in pension and other post-retirement benefits, net of $(1), $-, $(5) and $(2), tax benefit (expense), respectively	3	4	9	7
Change in fair value of cash flow hedge instruments, net of $(3), $(7), $(7) and $(15) tax benefit (expense), respectively	5	16	14	35
Other comprehensive income (loss)	4	45	16	(7)
Comprehensive income (loss)	$ 155	$ 107	$ 225	$ 190
Comprehensive income (loss) attributable to:				
Newmont stockholders	$ 181	$ 68	$ 239	$ 68
Noncontrolling interests	(26)	39	(14)	122
	$ 155	$ 107	$ 225	$ 190

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

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NEWMONT MINING CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited, in millions)

	Six Months Ended June 30,	
	2017	2016
Operating activities:		
Net income (loss)	$ 209	$ 197
Adjustments:		
Depreciation and amortization	601	557
Stock-based compensation (Note 12)	35	37
Reclamation and remediation	70	40
Loss (income) from discontinued operations (Note 3)	38	(223)
Deferred income taxes	76	372
Gain on asset and investment sales, net	(16)	(104)
Other operating adjustments and inventory write-downs	150	180
Net change in operating assets and liabilities (Note 22)	(255)	(231)
Net cash provided by (used in) operating activities of continuing operations	908	825
Net cash provided by (used in) operating activities of discontinued operations (1)	(9)	478
Net cash provided by (used in) operating activities	899	1,303
Investing activities:		
Additions to property, plant and mine development	(363)	(563)
Purchases of investments	(113)	(2)
Proceeds from sales of investments	19	184
Other	11	4
Net cash provided by (used in) investing activities of continuing operations	(446)	(377)
Net cash provided by (used in) investing activities of discontinued operations	—	(28)
Net cash provided by (used in) investing activities	(446)	(405)
Financing activities:		
Distributions to noncontrolling interests	(80)	—
Dividends paid to common stockholders	(54)	(27)
Funding from noncontrolling interests	46	50
Payments for withholding of employee taxes related to stock-based compensation	(13)	(4)
Repayment of debt	(3)	(501)
Dividends paid to noncontrolling interests	—	(146)
Other	(3)	(1)
Net cash provided by (used in) financing activities of continuing operations	(107)	(629)
Net cash provided by (used in) financing activities of discontinued operations	—	(153)
Net cash provided by (used in) financing activities	(107)	(782)
Effect of exchange rate changes on cash	3	4
Net change in cash and cash equivalents	349	120
Less net cash provided by (used in) Batu Hijau discontinued operations	—	302

	349	(182)
Cash and cash equivalents at beginning of period	2,756	2,363
Cash and cash equivalents at end of period	$ 3,105	$ 2,181

(1) Net cash provided by (used in) operating activities of discontinued operations includes $(3) related to closing costs for the sale of Batu Hijau that were paid in 2017 and $(6) and $(5) related to the Holt royalty obligation, all of which were paid out of cash and cash equivalents held for use for the six months ended June 30, 2017 and 2016, respectively. For additional information regarding our discontinued operations, including cash flows from Batu Hijau, see Note 3.

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

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NEWMONT MINING CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEETS

(unaudited, in millions)

	At June 30, 2017	At December 31, 2016
ASSETS		
Cash and cash equivalents	$ 3,105	$ 2,756
Trade receivables	158	127
Other accounts receivables	179	216
Investments (Note 15)	61	56
Inventories (Note 16)	665	617
Stockpiles and ore on leach pads (Note 17)	821	763
Other current assets	109	142
Current assets	5,098	4,677
Property, plant and mine development, net	12,262	12,485
Investments (Note 15)	306	227
Stockpiles and ore on leach pads (Note 17)	1,781	1,864
Deferred income tax assets	1,245	1,331
Other non-current assets	450	447
Total assets	$ 21,142	$ 21,031
LIABILITIES		
Debt (Note 18)	$ 577	$ 566
Accounts payable	304	320
Employee-related benefits	223	304
Income and mining taxes payable	127	153
Other current liabilities (Note 19)	341	407
Current liabilities	1,572	1,750
Debt (Note 18)	4,046	4,049
Reclamation and remediation liabilities (Note 5)	2,060	2,029
Deferred income tax liabilities	614	592
Employee-related benefits	434	411
Other non-current liabilities (Note 19)	376	326
Total liabilities	9,102	9,157
EQUITY		
Common stock	853	849
Additional paid-in capital	9,508	9,490
Accumulated other comprehensive income (loss) (Note 21)	(318)	(334)
Retained earnings	885	716
Newmont stockholders' equity	10,928	10,721

Noncontrolling interests	1,112	1,153
Total equity	12,040	11,874
Total liabilities and equity	$ 21,142	$ 21,031

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

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NEWMONT MINING CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

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

NOTE 1 BASIS OF PRESENTATION

The interim Condensed Consolidated Financial Statements ("interim statements") of Newmont Mining Corporation and its subsidiaries (collectively, "Newmont" or the "Company") are unaudited. In the opinion of management, all adjustments (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, 2016 filed on February 21, 2017 on Form 10-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.

On November 2, 2016, Newmont completed the sale of its 48.5% economic interest in PT Newmont Nusa Tenggara ("PTNNT"), which operated the Batu Hijau copper and gold mine ("Batu Hijau") in Indonesia (the "Batu Hijau Transaction"). As a result, Newmont presents Batu Hijau as a discontinued operation for all periods presented. Accordingly, (i) our Condensed Consolidated Statements of Operations and Cash Flows have been reclassified to present Batu Hijau as a discontinued operation for all periods presented and (ii) the amounts presented in these notes relate only to our continuing operations, unless otherwise noted. For additional information regarding our discontinued operations, see Note 3.

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.

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 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.

Recently Adopted Accounting Pronouncements

Inventory

In July 2015, Accounting Standard Update ("ASU") No. 2015-11 was issued related to inventory, simplifying the subsequent measurement of inventories by replacing the lower of cost or market test with a lower of cost and net realizable value test. The update is effective in fiscal years, including interim periods, beginning after December 15, 2016. The Company records inventory at the lower of cost or net realizable value and the adoption of this guidance effective January 1, 2017, had no impact on the Consolidated Financial Statements or disclosures.

NEWMONT MINING CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

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

Stock-based compensation

In March 2016, ASU No. 2016-09 was issued related to stock-based compensation. The new guidance simplifies the accounting for stock-based compensation transactions, including income tax consequences, classification of awards as either equity or liabilities and classification of cash payments related to tax withholdings on behalf of employees on the Consolidated Statements of Cash Flows. This update is effective in fiscal years, including interim periods, beginning after December 15, 2016. The Company adopted this guidance as of January 1, 2017, and reclassified $(4) from Net cash provided by (used in) operating activities of continuing operations to Net cash provided by (used in) financing activities of continuing operations for the six months ended June 30, 2016. Adoption of this guidance had no other impact on the Consolidated Financial Statements or disclosures.

Business Combinations

In January 2017, ASU No. 2017-01 was issued clarifying the definition of a business and providing additional guidance for determining whether transactions should be accounted for as acquisitions of assets or businesses. This update is effective in fiscal years, including interim periods, beginning after December 15, 2017, and early adoption is permitted. The new guidance is required to be applied on a prospective basis. Adoption of this guidance, effective April 1, 2017, had no impact on the Consolidated Financial Statements or disclosures.

Goodwill

In January 2017, ASU No. 2017-04 was issued, which removes step two from the goodwill impairment test. As a result, an entity should perform its annual goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount and should recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit’s fair value. This update is effective in fiscal years, including interim periods, beginning after December 15, 2019, and early adoption is permitted. Adoption of this guidance, effective April 1, 2017, had no impact on the Consolidated Financial Statements or disclosures.

Recently Issued Accounting Pronouncements

Revenue recognition

In May 2014, 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 and December 2016 by ASU No. 2015-14, No. 2016-08, No. 2016-10, No. 2016-12 and No. 2016-20, respectively. The new guidance provides a five-step approach to be applied to all contracts with customers and also requires expanded disclosures about revenue recognition. In August 2015, the effective date was deferred to reporting periods, including interim periods, beginning after December 15, 2017, and will be applied retrospectively.

The Company has performed an assessment of the revised guidance and the impacts on the Company's Consolidated Financial Statements and disclosures. The Company has completed the review of all contracts and determined that the adoption of this guidance will primarily impact the timing of revenue recognition on certain concentrate contracts based on the Company's determination of when control is transferred. Currently, revenue is recognized for these contracts based on varying contractual terms indicating when risk of loss and title have transferred to the buyer. Upon adoption, revenue related to concentrate sales will typically be recognized upon completion of loading the material for shipment to the customer and satisfaction of the Company's significant performance obligations. The Company is finalizing the assessment and quantifying the impacts of changes on certain concentrate contracts.

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NEWMONT MINING CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

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

The Company furthered its evaluation of variable consideration for concentrate sales related to the variable nature of the price and metal quantity. Based on our current analysis, the estimate of revenue recognized for concentrates will remain unchanged as sales will initially be recorded on a provisional basis based on the forward prices for the estimated month of settlement and the Company's estimated metal quantities delivered based on weighing and assay data. The Company believes changes in the underlying weight and metal content are not significant to the sale as a whole and therefore do not preclude the recognition of revenue upon transfer of control.

Additionally, the Company completed its evaluation of the impacts of insurance and refining fee classification. Newmont has determined that insurance on the transportation of goods is not considered a separate performance obligation. Newmont has also determined that revenue will be recognized, net of treatment and refining charges when these payments are to customers. When these payments are to third parties, the charges will be recognized within Costs applicable to sales. This classification remains unchanged from current practice.

The Company will adopt the new guidance effective January 1, 2018. The guidance may be applied retrospectively for all periods presented or retrospectively with the cumulative effect of initially applying the guidance recognized at the date of initial application. The Company currently anticipates adopting the guidance retrospectively with the cumulative effect of initially applying the amended guidance recognized at January 1, 2018. Results for reporting periods beginning after January 1, 2018, will be presented in the Consolidated Financial Statements under the new guidance, while prior period amounts will not be adjusted and continue to be reported under the guidance in effect for those periods. In the related disclosures, results for reporting periods beginning after January 1, 2018, will be presented under prior guidance along with prior period amounts for comparative purposes.

Investments

In January 2016, ASU No. 2016-01 was issued related to financial instruments. 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 by means of a cumulative-effect adjustment to the balance sheet at the beginning of the first reporting period in which the guidance is effective. Early adoption is not permitted. The Company expects the updated guidance to result in a significant reclassification of unrealized gains and losses on equity investments from Accumulated other comprehensive income (loss) to Retained earnings in the Consolidated Balance Sheets upon adoption.

Leases

In February 2016, ASU No. 2016-02 was issued related to leases. The new guidance modifies the classification criteria and requires lessees to recognize the assets and liabilities arising from most leases on the balance sheet. The Company expects to begin assessment of the new guidance during the second half of 2017 with impact analysis performed in 2018. The Company is currently evaluating this guidance and the impact it will have on the Consolidated Financial Statements and disclosures. 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 effective January 1, 2019.

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, and early adoption is permitted. The Company is currently evaluating this guidance and the impact it will have on the Consolidated Financial Statements and disclosures. The Company anticipates adopting the new guidance effective January 1, 2018.

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, and early adoption is permitted. The Company is currently evaluating this guidance and the impact it will have on the Consolidated Financial Statements and disclosures. The Company anticipates adopting the new guidance effective January 1, 2018.

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 explain 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 adoption of this guidance will result in the inclusion of the restricted cash balances within the overall cash balance and removal of the changes in restricted cash activity, which is currently recognized in Other within financing activities, on the Consolidated Statements of Cash Flows. Furthermore, the Company will be required to reconcile Cash and cash equivalents and restricted cash reported within the Consolidated Balance Sheets to the total shown in the Consolidated Statements of Cash Flows. The Company anticipates adopting this new guidance effective January 1, 2018, and does not expect it to have a material impact on the Consolidated Financial Statements or disclosures.

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 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. This update is effective in fiscal years, including interim periods, beginning after December 15, 2017. The Company anticipates adopting this new guidance effective January 1, 2018. The adoption of this guidance will result in the recognition of other components of net benefit costs within Other income, net rather than Costs and expenses and will no longer be included in costs that benefit the inventory/production process. The adoption of this guidance is not expected to have a material impact on the Consolidated Financial Statements or disclosures.

NOTE 3 DISCONTINUED OPERATIONS

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Holt royalty obligation	$ (15)	$ (27)	$ (38)	$ (53)
Batu Hijau operations	—	91	—	276
Net income (loss) from discontinued operations	$ (15)	$ 64	$ (38)	$ 223

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

The Batu Hijau Transaction

On November 2, 2016, Newmont completed the sale of its 48.5% economic interest in PTNNT, which operated the Batu Hijau copper and gold mine, previously reported in the Asia Pacific segment (renamed as the Australia segment during the first quarter of 2017).

Net income (loss) from discontinued operations in the Condensed Consolidated Statements of Operations that relates to Batu Hijau consists of the following:

	Three Months Ended June 30, 2016	Six Months Ended June 30, 2016
Sales	$ 369	$ 939
Costs and expenses		
Costs applicable to sales (1)	157	387
Depreciation and amortization	33	79
Reclamation and remediation	5	9
Advanced projects, research and development	—	1
General and administrative	2	6
Other expense (income), net	5	3
	202	485
Interest expense, net	(5)	(10)
Income (loss) before income and mining tax and other items	162	444
Income and mining tax benefit (expense)	(71)	(168)
Net income (loss) from discontinued operations	91	276
Net loss (income) attributable to noncontrolling interests	(55)	(150)
Net income (loss) from discontinued operations attributable to Newmont stockholders	$ 36	$ 126

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

The consolidated statements of comprehensive income (loss) were not impacted by discontinued operations as PTNNT did not have any other comprehensive income (loss).

Cash flows from Batu Hijau consist of the following:

	Six Months Ended June 30, 2016
Net cash provided by (used in) operating activities	$ 483
Net cash provided by (used in) investing activities	(28)
Net cash provided by (used in) financing activities	(153)
Net cash provided by (used in) Batu Hijau discontinued operations	$ 302

The Holt Royalty Obligation

Discontinued operations include a retained royalty obligation to Holloway Mining Company. Holloway Mining Company, which owned the Holt-McDermott property ("Holt"), was sold to St. Andrew Goldfields Ltd. ("St. Andrew") in 2006. In January 2016, St. Andrew was acquired by Kirkland Lake Gold Ltd.

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

At June 30, 2017 and December 31, 2016, the estimated fair value of the Holt royalty obligation was $240 and $187, respectively. Changes to the estimated fair value resulting from periodic revaluations are recorded to Net income (loss) from discontinued operations. During the three and six months ended June 30, 2017, the Company recorded a gain (loss) of $(15) and $(38), net of a tax benefit (expense) of $8 and $21, respectively. During the three and six months ended June 30, 2016, the Company recorded a gain (loss) of $(27) and $(53), net of tax benefit (expense) of $12 and $23, respectively.

During the six months ended June 30, 2017 and 2016, the Company paid $6 and $5, respectively, related to the Holt royalty obligation. Refer to Note 13 for additional information on the Holt royalty obligation.

NOTE 4 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.

Segment results for the prior period have been retrospectively revised to reflect the following changes:

- On November 2, 2016, the Company sold the Batu Hijau mine that was previously included in Asia Pacific and presented Batu Hijau as a discontinued operation in the Company's Condensed Consolidated

Financial Statements. For additional information regarding our discontinued operations, see Note 3.

· In the first quarter of 2017, the Company renamed its Asia Pacific reporting segment to Australia.

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

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

	Sales	Costs Applicable to Sales	Depreciation and Amortization	Advanced Projects, Research and Development and Exploration	Income (Loss) before Income and Mining Tax and Other Items	Capital Expenditures(1)
Three Months Ended June 30, 2017						
Carlin	$ 279	$ 170	$ 46	$ 5	$ 55	$ 48
Phoenix:						
Gold	67	46	12			
Copper	24	16	4			
Total Phoenix	91	62	16	3	9	4
Twin Creeks	156	61	17	2	72	9
Long Canyon	57	13	18	5	21	3
CC&V	166	74	33	3	53	4
Other North America	—	—	1	4	(5)	1
North America	749	380	131	22	205	69
Yanacocha	149	134	34	8	(60)	9
Merian	150	64	26	4	54	22
Other South America	—	—	3	9	(16)	—
South America	299	198	63	21	(22)	31
Boddington:						
Gold	262	147	29			
Copper	52	28	6			
Total Boddington	314	175	35	1	96	14
Tanami	123	58	15	6	55	28
Kalgoorlie	113	55	5	1	52	4
Other Australia	—	—	1	2	(5)	2
Australia	550	288	56	10	198	48
Ahafo	112	60	15	10	25	36
Akyem	165	73	40	5	45	6
Other Africa	—	—	—	1	(4)	—
Africa	277	133	55	16	66	42
Corporate and Other	—	—	3	14	(111)	2

Consolidated	$ 1,875	$ 999	$ 308	$ 83	$ 336	$ 192

(1) Includes an increase in accrued capital expenditures of $9; consolidated capital expenditures on a cash basis were $183.

NEWMONT MINING CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

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

	Sales	Costs Applicable to Sales	Depreciation and Amortization	Advanced Projects, Research and Development and Exploration	Income (Loss) before Income and Mining Tax and Other Items	Capital Expenditures(1)
Three Months Ended June 30, 2016						
Carlin	$ 256	$ 184	$ 43	$ 4	$ 22	$ 43
Phoenix:						
Gold	62	39	12			
Copper	22	22	7			
Total Phoenix	84	61	19	1	3	3
Twin Creeks	144	58	13	2	70	14
Long Canyon	—	—	—	7	(7)	37
CC&V	144	58	28	1	55	15
Other North America	—	—	—	5	(6)	2
North America	628	361	103	20	137	114
Yanacocha	194	120	59	11	(19)	24
Merian	—	—	—	11	(10)	60
Other South America	—	—	4	10	(14)	—
South America	194	120	63	32	(43)	84
Boddington:						
Gold	250	141	29			
Copper	35	33	6			
Total Boddington	285	174	35	—	75	12
Tanami	179	64	23	3	89	33
Kalgoorlie	122	67	4	2	49	5
Other Australia	—	—	2	2	(10)	—
Australia	586	305	64	7	203	50
Ahafo	115	60	17	7	30	22
Akyem	146	56	32	3	55	3
Other Africa	—	—	—	—	(2)	—
Africa	261	116	49	10	83	25
Corporate and Other	—	—	2	13	(139)	2
Consolidated	$ 1,669	$ 902	$ 281	$ 82	$ 241	$ 275

(1)

Includes a decrease in accrued capital expenditures of $8; consolidated capital expenditures on a cash basis were $283.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

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

	Sales	Costs Applicable to Sales	Depreciation and Amortization	Advanced Projects, Research and Development and Exploration	Income (Loss) before Income and Mining Tax and Other Items	Capital Expenditures(1)
Six Months Ended June 30, 2017						
Carlin	$ 532	$ 363	$ 96	$ 8	$ 60	$ 96
Phoenix:						
Gold	120	89	23			
Copper	50	34	9			
Total Phoenix	170	123	32	4	7	10
Twin Creeks	249	108	30	4	103	17
Long Canyon	96	25	31	10	30	7
CC&V	312	144	62	7	96	8
Other North America	—	—	1	7	(10)	3
North America	1,359	763	252	40	286	141
Yanacocha	328	253	70	12	(52)	20
Merian	283	112	47	8	114	38
Other South America	—	—	7	19	(35)	—
South America	611	365	124	39	27	58
Boddington:						
Gold	490	269	55			
Copper	97	49	10			
Total Boddington	587	318	65	1	182	29
Tanami	215	108	31	9	75	52
Kalgoorlie	217	107	9	3	95	8
Other Australia	—	—	3	3	(20)	3
Australia	1,019	533	108	16	332	92
Ahafo	226	136	38	16	34	53
Akyem	319	135	74	6	100	12
Other Africa	—	—	—	2	(5)	—
Africa	545	271	112	24	129	65
Corporate and Other	—	—	5	26	(245)	4
Consolidated	$ 3,534	$ 1,932	$ 601	$ 145	$ 529	$ 360

(1)

Includes a decrease in accrued capital expenditures of $3; consolidated capital expenditures on a cash basis were $363.

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	Sales	Costs Applicable to Sales	Depreciation and Amortization	Advanced Projects, Research and Development and Exploration	Income (Loss) before Income and Mining Tax and Other Items	Capital Expenditures(1)
Six Months Ended June 30, 2016						
Carlin	$ 502	$ 373	$ 92	$ 7	$ 24	$ 79
Phoenix:						
Gold	126	88	27			
Copper	43	44	12			
Total Phoenix	169	132	39	1	(8)	7
Twin Creeks	303	118	26	4	153	20
Long Canyon	—	—	—	13	(13)	73
CC&V	209	91	46	4	65	36
Other North America	—	—	—	6	(9)	2
North America	1,183	714	203	35	212	217
Yanacocha	405	248	128	20	(30)	38
Merian	—	—	1	14	(14)	142
Other South America	—	—	7	16	(25)	—
South America	405	248	136	50	(69)	180
Boddington:						
Gold	454	252	52			
Copper	65	56	11			
Total Boddington	519	308	63	—	139	23
Tanami	299	123	42	6	127	57
Kalgoorlie	228	132	9	3	82	8
Other Australia	—	—	6	3	(15)	—
Australia	1,046	563	120	12	333	88
Ahafo	216	117	32	12	50	39
Akyem	281	111	61	4	102	10
Other Africa	—	—	—	1	(4)	—
Africa	497	228	93	17	148	49
Corporate and Other	—	—	5	25	(175)	4
Consolidated	$ 3,131	$ 1,753	$ 557	$ 139	$ 449	$ 538

(1) Includes a decrease in accrued capital expenditures of $25; consolidated capital expenditures on a cash basis were $563.

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.

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The Company is conducting a comprehensive study of the current Yanacocha long-term mining and closure plans as part of the requirement to submit an updated closure plan to Peruvian regulators every five years. The revised closure plan will be submitted to Peruvian regulators in the second half of 2017. The revised closure plan may require the Company to provide additional reclamation bonding for Yanacocha.

The Company's Reclamation and remediation expense consisted of:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Reclamation	$ 15	$ —	$ 15	$ —
Reclamation accretion	25	19	50	38
	40	19	65	38
Remediation	2	1	6	2
Remediation accretion	2	1	3	2
	4	2	9	4
	$ 44	$ 21	$ 74	$ 42

Reclamation expense increased by $21 and $27 during the three and six months ended June 30, 2017, respectively, compared to the same periods in 2016, primarily due to updated reclamation liability assumptions at Yanacocha regarding water treatment costs on non-operating leach pads and higher reclamation accretion from an increase in Reclamation and remediation liabilities associated with revisions to Yanacocha's long-term mining and closure plans in December 2016.

The following are reconciliations of Reclamation and remediation liabilities:

	2017	2016
Reclamation balance at January 1,	$ 1,792	$ 1,300
Additions, changes in estimates and other	15	2
Payments and other	(11)	(6)
Accretion expense	50	38

Reclamation balance at June 30,	$ 1,846	$ 1,334

	2017	2016
Remediation balance at January 1,	$ 298	$ 318
Additions, changes in estimates and other	3	1
Payments and other	(21)	(10)
Accretion expense	3	2
Remediation balance at June 30,	$ 283	$ 311

The current portion of reclamation liabilities was $37 and $28 at June 30, 2017 and December 31, 2016, respectively, and was included in Other current liabilities. The current portion of remediation liabilities was $32 and $33 at June 30, 2017 and December 31, 2016, respectively, and was included in Other current liabilities. At June 30, 2017 and December 31, 2016, $1,846 and $1,792, respectively, were accrued for reclamation obligations relating to operating properties. In addition, the Company is 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 June 30, 2017 and December 31, 2016, $283 and $298, respectively, were accrued for such environmental remediation obligations.

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Non-current restricted assets held for purposes of settling reclamation and remediation obligations were $65 and $66 at June 30, 2017 and December 31, 2016, respectively. Of the amounts at June 30, 2017, $43 was related to the Midnite Mine in Washington State, $14 was related to the Ahafo and Akyem mines in Ghana, Africa and $8 was related to the Con mine in Yellowknife, NWT, Canada. Of the amount at December 31, 2016, $43 was related to the Midnite Mine, $14 was related to the Ahafo and Akyem mines and $9 was related to the Con mine.

Included in Investments at June 30, 2017 and December 31, 2016, was $21 and $20, respectively, of non-current equity securities, which are legally pledged for purposes of settling reclamation and remediation obligations related to the San Jose Reservoir in Yanacocha and for various locations in North America.

Refer to Note 24 for further discussion of reclamation and remediation matters.

NOTE 6 OTHER EXPENSE, NET

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Restructuring and other	$ 1	$ 6	$ 8	$ 19
Acquisition costs	3	2	5	2
Impairment of long-lived assets	—	4	3	4
Other	10	3	15	8
	$ 14	$ 15	$ 31	$ 33

NOTE 7 OTHER INCOME, NET

	Three Months Ended	Six Months Ended

	June 30, 2017	2016	June 30, 2017	2016
Foreign currency exchange, net	$ (4)	$ (4)	$ (21)	$ (20)
Gain on asset and investment sales, net	14	—	16	104
Tanami insurance proceeds	13	—	13	—
Other	8	5	14	13
	$ 31	$ 1	$ 22	$ 97

In March 2016, the Company sold its investment in Regis Resources Ltd. (“Regis”) for $184, resulting in a pre-tax gain of $103. The cost of the investment sold was determined using the specific identification method.

In June 2017, the Company exchanged its interest in the Fort á la Corne joint venture for equity ownership in Shore Gold Inc. (“Shore Gold”), resulting in a pre-tax gain of $15. For additional information regarding this transaction, see Note 15.

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.

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NOTE 8 INCOME AND MINING TAXES

The Company's Income and mining tax expense (benefit) differed from the amounts computed by applying the U.S. statutory corporate income tax rate for the following reasons:

	Three Months Ended June 30,						Six Months Ended June 30,					
	2017			2016			2017			2016		
Income (loss) before income and mining tax and other items			$ 336			$ 241			$ 529			$ 449
Tax at statutory rate	35	%	$ 118	35	%	$ 84	35	%	$ 185	35	%	$ 157
Reconciling items:												
Percentage depletion	(13)		(42)	45		109	(14)		(74)	(4)		(17)
Change in valuation allowance on deferred tax assets	21		72	42		101	26		139	74		333
Mining and other taxes	5		16	(20)		(47)	7		35	5		24
Tax impact on sale of assets	(1)		(5)	—		—	(1)		(5)	(7)		(35)
Other	3		8	(3)		(9)	(1)		(3)	1		3
Income and mining tax expense	50	%	$ 167	99	%	$ 238	52	%	$ 277	104	%	$ 465

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

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

During the second quarter of 2016, one of the Company's Canadian subsidiaries received a tax and interest assessment from the Canadian Revenue Authority for $54 relating to a pre-acquisition transaction of Fronteer Gold Inc. and subsidiaries. The taxing authority is disputing the tax attribute that was created as part of the pre-acquisition transaction claimed on Fronteer's tax return. Due to procedural requirements, the Company paid half of the assessment in the third quarter. The Company intends to vigorously defend its position through all processes available.

As a result of the statute of limitations that expire in the next 12 months in various jurisdictions and possible settlements of audit-related issues with taxing authorities in various jurisdictions, none of which are individually significant, the Company believes that it is reasonably possible that the total amount of its net unrecognized income tax benefits will decrease by approximately $10 to $15 in the next 12 months.

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NOTE 9 NET INCOME (LOSS) ATTRIBUTABLE TO NONCONTROLLING INTERESTS FROM CONTINUING OPERATIONS

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Yanacocha	$ (38)	$ (13)	$ (39)	$ (24)
Merian	12	(3)	26	(4)
Other	—	—	(1)	—
	$ (26)	$ (16)	$ (14)	$ (28)

Newmont has a 51.35% ownership interest in Minera Yanacocha S.R.L., with the remaining interests held by Compañia de Minas Buenaventura, S.A.A. (43.65%) and the International Finance Corporation (5%). Newmont consolidates Minera Yanacocha S.R.L. in its Condensed Consolidated Financial Statements due to a majority voting interest.

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. Merian reached commercial production on October 1, 2016.

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

	At June 30, 2017	At December 31, 2016
Current assets:		
Cash and cash equivalents	$ 20	$ 50
Inventories	64	57
Stockpiles and ore on leach pads	7	23
Other current assets (1)	35	37
	126	167

Non-current assets:				
Property, plant and mine development, net		741		746
Other non-current assets (2)		23		8
Total assets	$	890	$	921
Current liabilities:				
Other current liabilities (3)	$	38	$	43
		38		43
Non-current liabilities:				
Reclamation and remediation liabilities		12		11
Total liabilities	$	50	$	54

(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 accounts payable, employee-related benefits and other current liabilities.

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NOTE 10 INCOME (LOSS) PER COMMON SHARE

Basic 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 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 income per share are included in the calculation.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Net income (loss) attributable to Newmont stockholders:				
Continuing operations	$ 192	$ 14	$ 261	$ 2
Discontinued operations	(15)	9	(38)	73
	$ 177	$ 23	$ 223	$ 75
Weighted average common shares (millions):				
Basic	533	531	533	530
Effect of employee stock-based awards	2	2	1	2
Diluted	535	533	534	532
Net income (loss) per common share attributable to Newmont stockholders:				
Basic:				
Continuing operations	$ 0.36	$ 0.02	$ 0.49	$ —
Discontinued operations	(0.03)	0.02	(0.07)	0.14
	$ 0.33	$ 0.04	$ 0.42	$ 0.14
Diluted:				
Continuing operations	$ 0.36	$ 0.02	$ 0.49	$ —
Discontinued operations	(0.03)	0.02	(0.07)	0.14
	$ 0.33	$ 0.04	$ 0.42	$ 0.14

Employee stock options to purchase 1 million and 2 million shares of common stock at weighted average exercise prices of $51.85 and $51.00 were outstanding at June 30, 2017 and 2016, respectively, but were not included in the computation of diluted weighted average common shares because their exercise prices exceeded the average price of the Company's common stock for the respective periods presented.

NOTE 11 EMPLOYEE PENSION AND OTHER BENEFIT PLANS

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Pension benefit costs, net:				
Service cost	$ 8	$ 8	$ 15	$ 15
Interest cost	11	12	22	23
Expected return on plan assets	(16)	(15)	(31)	(29)
Amortization, net	7	6	14	12
Settlements	—	—	4	—
	$ 10	$ 11	$ 24	$ 21

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Other benefit costs, net:				
Service cost	$ 1	$ 1	$ 1	$ 1
Interest cost	1	1	2	2
Amortization, net	(3)	(2)	(4)	(3)
	$ (1)	$ —	$ (1)	$ —

NOTE 12   STOCK-BASED COMPENSATION

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Stock-based compensation:				
Performance leveraged stock units	$ 9	$ 11	$ 17	$ 19
Restricted stock units	10	9	17	15
Strategic stock units	—	1	1	3
	$ 19	$ 21	$ 35	$ 37

NOTE 13   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 1Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

Level 3Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

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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.

	Fair Value at June 30, 2017			
	Total	Level 1	Level 2	Level 3
Assets:				
Cash and cash equivalents	$ 3,105	$ 3,105	$ —	$ —
Restricted assets	68	68	—	—
Marketable equity securities:				
Extractive industries	174	174	—	—
Other	22	22	—	—
Trade receivable from provisional copper and gold concentrate sales, net	151	151	—	—
Batu Hijau contingent consideration	13	—	—	13
	$ 3,533	$ 3,520	$ —	$ 13
Liabilities:				
Debt (1)	$ 5,159	$ —	$ 5,159	$ —
Derivative instruments, net:				
Foreign exchange forward contracts	8	—	8	—
Diesel forward contracts	3	—	3	—
Boddington contingent consideration	13	—	—	13
Holt royalty obligation	240	—	—	240
	$ 5,423	$ —	$ 5,170	$ 253

	Fair Value at December 31, 2016			
	Total	Level 1	Level 2	Level 3
Assets:				
Cash and cash equivalents	$ 2,756	$ 2,756	$ —	$ —
Restricted assets	68	68	—	—
Marketable equity securities:				
Extractive industries	60	60	—	—
Other	16	16	—	—
Marketable debt securities:				
Asset backed commercial paper	18	—	—	18
Trade receivable from provisional copper and gold concentrate sales, net	113	113	—	—
Batu Hijau contingent consideration	13	—	—	13

	$ 3,044	$ 3,013	$ —	$ 31
Liabilities:				
Debt (1)	$ 4,882	$ —	$ 4,882	$ —
Derivative instruments, net:				
Foreign exchange forward contracts	24	—	24	—
Boddington contingent consideration	14	—	—	14
Holt royalty obligation	187	—	—	187
	$ 5,107	$ —	$ 4,906	$ 201

(1) Debt, exclusive of capital leases, is carried at amortized cost. The outstanding carrying value was $4,608 and $4,599 at June 30, 2017 and December 31, 2016, respectively. The fair value measurement of debt was based on an independent third party pricing source.

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The fair values of the derivative instruments in the table above are presented on a net basis. The gross amounts related to the fair value of the derivatives instruments above are included in Note 14. All other fair value disclosures in the above table are presented on a gross basis.

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

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

The Company's marketable equity securities are valued using quoted market prices in active markets and as such are classified within Level 1 of the fair value hierarchy. The securities are segregated based on industry. The fair value of the marketable equity securities is calculated as the quoted market price of the marketable equity security multiplied by the quantity of shares held by the Company.

The Company's net trade receivable from provisional copper and gold concentrate sales, subject to final pricing, is valued using quoted market prices based on forward curves and, as such, is classified within Level 1 of the fair value hierarchy.

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 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 estimated value of the Boddington contingent royalty was determined using (i) a discounted cash flow model, (ii) a Monte Carlo valuation model to simulate future gold and copper prices, using the Company's long-term gold and copper prices, and (iii) a Monte Carlo valuation model to simulate costs applicable to sales using the Company's Australian to U.S. dollar exchange rate. This contingent royalty is capped at $100, of which $84 has been paid to date. The contingent royalty 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.

The Company's marketable debt securities included investments in auction rate securities and asset backed commercial paper. The Company reviewed the fair value of the auction rate securities and asset backed commercial paper on a quarterly basis prior to the investments being redeemed in November 2016 and January 2017, respectively. The marketable debt securities were traded in markets that were not active, traded infrequently and had little price transparency. Therefore, the investments were classified as Level 3 of the fair value hierarchy.

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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 June 30, 2017 and December 31, 2016:

Description	At June 30, 2017	Valuation technique	Unobservable input	Range/Weighted average	
Batu Hijau contingent consideration	$ 13	Monte Carlo	Discount rate	17.10	%
			Short-term copper price	$ 2.57	
			Long-term copper price	$ 3.00	
Boddington contingent consideration	$ 13	Monte Carlo	Discount rate	2.97	%
			Short-term gold price	$ 1,257	
			Long-term gold price	$ 1,300	
			Short-term copper price	$ 2.57	
			Long-term copper price	$ 3.00	
			Long-term Australian to U.S. dollar exchange rate	$ 0.80	
Holt royalty obligation	$ 240	Monte Carlo	Discount rate	3.01	%
			Short-term gold price	$ 1,257	
			Long-term gold price	$ 1,300	
			Gold production scenarios (in 000's of ounces)	438 - 1,814	

Description	At December 31, 2016	Valuation technique	Unobservable input	Range/Weighted average	
Asset backed commercial paper	$ 18	Risk-adjusted indicative price	Recoverability rate	97	%
Batu Hijau contingent consideration	$ 13	Monte Carlo	Discount rate	17.10	%
			Short-term copper price	$ 2.39	
			Long-term copper price	$ 3.00	

Boddington contingent consideration	$	14	Monte Carlo	Discount rate	3.36	%
				Short-term gold price	$ 1,221	
				Long-term gold price	$ 1,300	
				Short-term copper price	$ 2.39	
				Long-term copper price	$ 3.00	
				Long-term Australian to U.S. dollar exchange rate	$ 0.80	
Holt royalty obligation	$	187	Monte Carlo	Discount rate	3.36	%
				Short-term gold price	$ 1,221	
				Long-term gold price	$ 1,300	
				Gold production scenarios (in 000's of ounces)	332 - 1,570	

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

	Asset Backed Commercial Paper (1)	Batu Hijau Contingent Consideration (2)	Total Assets	Boddington Contingent Consideration (3)	Holt Royalty Obligation (2)	Total Liabilities
Fair value at December 31, 2016	$ 18	$ 13	$ 31	$ 14	$ 187	$ 201
Settlements	(18)	—	(18)	(6)	(6)	(12)
Revaluation	—	—	—	5	59	64
Fair value at June 30, 2017	$ —	$ 13	$ 13	$ 13	$ 240	$ 253

	Auction Rate Securities (1)	Asset Backed Commercial Paper (1)	Total Assets	Boddington Contingent Consideration (3)	Holt Royalty Obligation (2)	Total Liabilities
Fair value at December 31, 2015	$ 7	$ 18	$ 25	$ 10	$ 129	$ 139
Settlements	—	—	—	—	(5)	(5)
Revaluation	—	2	2	2	76	78
Fair value at June 30, 2016	$ 7	$ 20	$ 27	$ 12	$ 200	$ 212

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

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NOTE 14 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 following foreign currency and diesel contracts were transacted for risk management purposes and qualify as cash flow hedges. The effective portion of unrealized changes in market value have been recorded in Accumulated other comprehensive income (loss) and are reclassified to income during the period in which the hedged transaction affects earnings. Gains and losses from hedge ineffectiveness are recognized in current earnings.

Foreign Currency Contracts

The Company had the following foreign currency derivative contracts in Australia outstanding at June 30, 2017:

	Expected Maturity Date		
	2017	2018	Total/Average
A$ Operating Fixed Forward Contracts:			
A$ notional (millions)	46	6	52
Average rate ($/A$)	0.93	0.92	0.93
Expected hedge ratio	7 %	4 %	

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Newmont utilizes foreign currency contracts to reduce the variability of the U.S. dollar amount of forecasted foreign currency expenditures caused by changes in exchange rates. The A$ hedges run through the first quarter of 2018.

Diesel Fixed Forward Contracts

The Company had the following diesel derivative contracts in Nevada, within North America, outstanding at June 30, 2017:

	Expected Maturity Date		
	2017	2018	Total/Average
Diesel Fixed Forward Contracts:			
Diesel gallons (millions)	12	9	21
Average rate ($/gallon)	1.58	1.60	1.59
Expected hedge ratio	54 %	22 %	

Newmont hedges a portion of its operating cost exposure related to diesel consumed at its Nevada operations to reduce the variability in diesel prices. The hedging instruments consist of a series of financially settled fixed forward contracts, which run through the fourth quarter of 2018.

Derivative Instrument Fair Values

The Company had the following derivative instruments designated as hedges at June 30, 2017 and December 31, 2016:

	Fair Values of Derivative Instruments			
	At June 30, 2017			
	Other Current	Other Non-current	Other Current	Other Non-current

	Assets	Assets	Liabilities	Liabilities
Foreign currency exchange contracts:				
A$ operating fixed forwards	$ —	$ —	$ 8	$ —
Diesel fixed forwards	—	—	3	—
Total derivative instruments	$ —	$ —	$ 11	$ —

	Fair Values of Derivative Instruments At December 31, 2016			
	Other Current Assets	Other Non-current Assets	Other Current Liabilities	Other Non-current Liabilities
Foreign currency exchange contracts:				
A$ operating fixed forwards	$ —	$ —	$ 23	$ 1
Diesel fixed forwards	4	—	4	—
Total derivative instruments	$ 4	$ —	$ 27	$ 1

As of June 30, 2017 and December 31, 2016, 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

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positions in its accompanying balance sheets. As of June 30, 2017 and December 31, 2016, the potential effect of netting derivative assets against liabilities due to the master netting agreement was not significant.

The following tables show 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	
	2017	2016	2017	2016	2017	2016
For the three months ended June 30,						
Cash flow hedging relationships:						
Gain (loss) recognized in Other comprehensive income (loss) (effective portion)	$ —	$ (3)	$ (3)	$ 7	$ —	$ —
Gain (loss) reclassified from Accumulated other comprehensive income (loss) into income (loss) (effective portion) (1)	$ (7)	$ (10)	$ (1)	$ (5)	$ (3)	$ (5)
Gain (loss) reclassified from Accumulated other comprehensive income (loss) into income (loss) (ineffective portion) (2)	$ —	$ —	$ —	$ 1	$ —	$ —
For the six months ended June 30,						
Cash flow hedging relationships:						
Gain (loss) recognized in Other comprehensive income (loss) (effective portion)	$ 4	$ 4	$ (6)	$ 5	$ —	$ —
Gain (loss) reclassified from Accumulated other comprehensive income (loss) into income (loss) (effective portion) (1)	$ (15)	$ (20)	$ (3)	$ (14)	$ (5)	$ (8)
Gain (loss) reclassified from Accumulated other comprehensive income (loss) into income (loss) (ineffective portion) (2)	$ —	$ —	$ —	$ 1	$ —	$ —

(1) The gain (loss) recognized for the effective portion of cash flow hedges is included in Costs applicable to sales and Interest expense, net.

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

Based on fair values at June 30, 2017, the amount to be reclassified from Accumulated other comprehensive income (loss), net of tax, to income for derivative instruments during the next 12 months is a loss of approximately $16.

Batu Hijau Contingent Consideration

Consideration received by the Company in conjunction with the sale of PTNNT 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 13 for additional information. Contingent consideration of $13 was included in Other non-current assets in the Company's Consolidated Balance Sheets as of June 30, 2017 and December 31, 2016. There was no change in the value of the contingent consideration during the three or six months ended June 30, 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.

At June 30, 2017, Newmont had gold and copper sales of 92,000 ounces and 24 million pounds priced at an average of $1,244 per ounce and $2.68 per pound, respectively, subject to final pricing over the next several months.

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NOTE 15 INVESTMENTS

	At June 30, 2017			
	Cost/Equity	Unrealized		Fair/Equity
	Basis	Gain	Loss	Basis
Current:				
Marketable equity securities	$ 48	$ 19	$ (6)	$ 61
Non-current:				
Marketable equity securities:				
Continental Gold Inc.	$ 109	$ 1	$ —	$ 110
Other marketable equity securities	23	3	(1)	25
	132	4	(1)	135
Other investments, at cost	7	—	—	7
Equity method investments:				
TMAC Resources Inc. (28.80%)	104	—	—	104
Minera La Zanja S.R.L. (46.94%)	54	—	—	54
Euronimba Ltd. (43.50%)	6	—	—	6
	164	—	—	164
	$ 303	$ 4	$ (1)	$ 306

	At December 31, 2016			
	Cost/Equity	Unrealized		Fair/Equity
	Basis	Gain	Loss	Basis
Current:				
Marketable equity securities	$ 33	$ 27	$ (4)	$ 56
Non-current:				
Marketable debt securities:				
Asset backed commercial paper	$ 16	$ 2	$ —	$ 18
Marketable equity securities	18	2	—	20
Other investments, at cost	6	—	—	6
Equity method investments:				
TMAC Resources Inc. (29.00%)	108	—	—	108

Minera La Zanja S.R.L. (46.94%)	71	—	—	71
Euronimba Ltd. (43.50%)	4	—	—	4
	183	—	—	183
	$ 223	$ 4	$ —	$ 227

In June 2017, Newmont exchanged its 31% interest in the Fort á la Corne joint venture in consideration for 54 million common shares and 1 million common share warrants in Shore Gold, valued at $15. Following the transaction, Newmont held a 19.9% equity ownership in Shore Gold. This investment has been classified as current.

In May 2017, Newmont purchased 37 million common shares of Continental Gold Inc. (“Continental”) at C$4.00 per share. Continental is developing the high-grade Buriticá gold project in Colombia. Total consideration paid by Newmont was $109 for a 19.9% equity ownership in Continental.

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In April 2017, Newmont purchased 13 million units (one common share and one warrant per unit) of Goldstrike Resources Ltd. ("Goldstrike") at a price of C$0.47 per share for $4. The investment secures rights to explore and develop the Plateau property located in a highly prospective mineralized trend in Canada's Yukon Territory with Goldstrike, with the ability to earn additional ownership in the project through exploration investment. This investment has been classified as non-current.

In January 2017, the Company's remaining asset backed commercial paper was called at par resulting in no realized gain or loss.

There were no investment impairments for other-than-temporary declines in value or significant changes in fair value on those available-for-sale securities previously impaired during the three and six months ended June 30, 2017. During the three and six months ended June 30, 2016, the Company recognized no investment impairments for other-than-temporary declines in value. During the three months ended June 30, 2016, there was a $17 increase in the fair value of available-for-sale securities previously impaired, primarily due to an $11 increase in Gabriel Resources Ltd. and a $3 increase in Pilot Gold. During the six months ended June 30, 2016, there was a $60 decrease in the fair value of available-for-sale securities previously impaired, primarily due to an $83 decrease in Regis, which was sold in March 2016.

NOTE 16 INVENTORIES

	At June 30, 2017	At December 31, 2016
Materials and supplies	$ 410	$ 391
In-process	139	130
Concentrate and copper cathode	83	67
Precious metals	33	29
	$ 665	$ 617

NOTE 17 STOCKPILES AND ORE ON LEACH PADS

	At June 30, 2017	At December 31, 2016
Current:		
Stockpiles	$ 409	$ 393
Ore on leach pads	412	370
	$ 821	$ 763
Non-current:		
Stockpiles	$ 1,454	$ 1,506
Ore on leach pads	327	358
	$ 1,781	$ 1,864

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	At June 30, 2017	At December 31, 2016
Stockpiles and ore on leach pads:		
Carlin	$ 463	$ 421
Phoenix	71	80
Twin Creeks	338	328
Long Canyon	37	9
CC&V	331	369
Yanacocha	309	367
Merian	26	27
Boddington	408	394
Tanami	14	19
Kalgoorlie	120	113
Ahafo	392	386
Akyem	93	114
	$ 2,602	$ 2,627

During the three and six months ended June 30, 2017, the Company recorded write-downs of $46 and $86, respectively, classified as components of Costs applicable to sales, and write-downs of $18 and $31, respectively, classified as components of Depreciation and amortization to reduce the carrying value of stockpiles and ore on leach pads to net realizable value. Adjustments to net realizable value are primarily a result of stripping campaigns driving lower grade and lower recovery resulting in higher costs per unit in North America, higher future processing costs from leach pads in South America and lower grades in Africa. Of the write-downs during the three months ended June 30, 2017, $11 is related to Carlin, $13 to Twin Creeks, $32 to Yanacocha and $8 to Akyem. Of the write-downs during the six months ended June 30, 2017, $34 is related to Carlin, $16 to Twin Creeks, $41 to Yanacocha, $18 to Ahafo and $8 to Akyem.

During the three and six months ended June 30, 2016, the Company recorded write-downs of $57 and $107, respectively, classified as components of Costs applicable to sales, and write-downs of $26 and $50, respectively, classified as components of Depreciation and amortization to reduce the carrying value of stockpiles and ore on leach pads to net realizable value. Adjustments to net realizable value are a result of higher future processing costs in addition to stripping campaigns driving lower grade and lower recovery resulting in higher costs per unit. Of the write-downs during the three months ended June 30, 2016, $31 was related to Carlin, $10 to Twin Creeks and $42 to Yanacocha. Of the write-downs during the six months ended June 30, 2016, $58 was related to Carlin, $12 to Twin Creeks and $87 to Yanacocha.

NOTE 18 DEBT

The only scheduled minimum debt repayment for 2017 of $575 related to the convertible senior notes was repaid with cash on hand in July. Remaining scheduled minimum debt repayments are $- in 2018, $626 in 2019, $- in 2020, $- in 2021 and $3,466 thereafter. Scheduled minimum capital lease repayments are $4 in 2017, $4 in 2018, $3 in 2019, $1 in 2020, $1 in 2021 and $2 thereafter.

In May 2017, the Company amended its $3,000 Corporate Revolving Credit Facility to extend the facility to May 2022.

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NOTE 19 OTHER LIABILITIES

	At June 30, 2017	At December 31, 2016
Other current liabilities:		
Reclamation and remediation liabilities	$ 69	$ 61
Accrued operating costs	68	99
Accrued interest	56	57
Accrued capital expenditures	50	53
Royalties	35	52
Holt royalty obligation	14	13
Derivative instruments	11	27
Taxes other than income and mining	7	8
Boddington contingent consideration	5	3
Other	26	34
	$ 341	$ 407
Other non-current liabilities:		
Holt royalty obligation	$ 226	$ 174
Income and mining taxes	52	50
Power supply agreements	31	31
Social development obligations	24	25
Boddington contingent consideration	8	11
Derivative instruments	—	1
Other	35	34
	$ 376	$ 326

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NOTE 20 CHANGES IN EQUITY

	Six Months Ended June 30,	
	2017	2016
Common stock:		
At beginning of period	$ 849	$ 847
Stock-based awards	4	2
At end of period	853	849
Additional paid-in capital:		
At beginning of period	9,490	9,427
Stock-based awards	18	30
At end of period	9,508	9,457
Accumulated other comprehensive income (loss):		
At beginning of period	(334)	(334)
Other comprehensive income (loss)	16	(7)
At end of period	(318)	(341)
Retained earnings:		
At beginning of period	716	1,410
Net income (loss) attributable to Newmont stockholders	223	75
Dividends paid	(54)	(27)
At end of period	885	1,458
Noncontrolling interests:		
At beginning of period	1,153	2,942
Net income (loss) attributable to noncontrolling interests	(14)	122
Distributions declared to noncontrolling interests (1)	(71)	—
Cash calls requested from noncontrolling interests (2)	46	43
Dividends paid to noncontrolling interests	—	(146)
Other	(2)	(1)
At end of period	1,112	2,960
Total equity	$ 12,040	$ 14,383

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(1) Distributions declared to noncontrolling interests of $71 for the six months ended June 30, 2017 represents distributions declared to Staatsolie from Merian. The Company paid $80 in distributions during the six months ended June 30, 2017 related to current and prior period distributions declared.

(2) Cash calls requested from noncontrolling interests of $46 and $43 for the six months ended June 30, 2017 and 2016, respectively, represents cash calls requested and paid from Staatsolie for the Merian mine. Staatsolie prepaid an additional $7 as of June 30, 2016.

NOTE 21 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	Changes in Fair value of Cash flow Hedge Instruments	Total
Balance at December 31, 2016	$ (101)	$ 118	$ (223)	$ (128)	$ (334)
Change in other comprehensive income (loss) before reclassifications	(11)	4	—	(1)	(8)
Reclassifications from accumulated other comprehensive income (loss)	—	—	9	15	24
Net current-period other comprehensive income (loss)	(11)	4	9	14	16
Balance at June 30, 2017	$ (112)	$ 122	$ (214)	$ (114)	$ (318)

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Details about Accumulated Other Comprehensive Income (Loss) Components	Amount Reclassified from Accumulated Other Comprehensive Income (Loss)				Affected Line Item in the Condensed Consolidated Statements of Operations
	Three Months Ended June 30,		Six Months Ended June 30,		
	2017	2016	2017	2016	
Marketable securities adjustments:					
Sale of marketable securities	$ —	$ —	$ —	$ (103)	Other income, net
Total before tax	—	—	—	(103)	
Tax benefit (expense)	—	—	—	—	
Net of tax	$ —	$ —	$ —	$ (103)	
Pension and other post-retirement benefit adjustments:					
Amortization	$ 4	$ 4	$ 10	$ 9	(1)
Settlements	—	—	4	—	Other expense, net
Total before tax	4	4	14	9	
Tax benefit (expense)	(1)	(1)	(5)	(3)	
Net of tax	$ 3	$ 3	$ 9	$ 6	
Hedge instruments adjustments:					
Operating cash flow hedges (effective portion)	$ 8	$ 15	$ 18	$ 34	Costs applicable to sales
Operating cash flow hedges (ineffective portion)	—	(1)	—	(1)	Other income, net
Interest rate contracts	3	5	5	8	Interest expense, net
Total before tax	11	19	23	41	
Tax benefit (expense)	(4)	(5)	(8)	(13)	
Net of tax	$ 7	$ 14	$ 15	$ 28	
Total reclassifications for the period, net of tax	$ 10	$ 17	$ 24	$ (69)	

(1) This accumulated other comprehensive income (loss) component is included in General and administrative and costs that benefit the inventory/production process. Refer to Note 2 to the Consolidated Financial Statements for the year ended December 31, 2016 filed February 21, 2017 on Form 10-K for information on costs that benefit the

inventory/production process.

NOTE 22 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:

	Six Months Ended June 30,	
	2017	2016
Decrease (increase) in operating assets:		
Trade and other accounts receivables	$ 9	$ 79
Inventories, stockpiles and ore on leach pads	(135)	(193)
Other assets	—	(23)
Increase (decrease) in operating liabilities:		
Accounts payable	(21)	(13)
Reclamation and remediation liabilities	(32)	(16)
Other accrued liabilities	(76)	(65)
	$ (255)	$ (231)

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NEWMONT MINING CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

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

NOTE 23 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 Operations	Three Months Ended June 30, 2017 (Issuer) Newmont Mining Corporation	(Guarantor) Newmont USA	(Non-Guarantor) Other Subsidiaries	Eliminations	Newmont Mining Corporation Consolidated
Sales	$ —	$ 517	$ 1,358	$ —	$ 1,875
Costs and expenses					
Costs applicable to sales (1)	—	280	719	—	999
Depreciation and amortization	1	82	225	—	308
Reclamation and remediation	—	3	41	—	44
Exploration	—	13	38	—	51
Advanced projects, research and development	—	2	30	—	32
General and administrative	—	18	40	—	58
Other expense, net	—	2	12	—	14
	1	400	1,105	—	1,506
Other income (expense)					
Other income, net	23	3	5	—	31
Interest income - intercompany	23	24	15	(62)	—
Interest expense - intercompany	(14)	(4)	(44)	62	—
Interest expense, net	(59)	(1)	(4)	—	(64)
	(27)	22	(28)	—	(33)
Income (loss) before income and mining tax and other items	(28)	139	225	—	336
Income and mining tax benefit (expense)	9	(22)	(154)	—	(167)

Equity income (loss) of affiliates	196	(150)	(13)	(36)	(3)
Net income (loss) from continuing operations	177	(33)	58	(36)	166
Net income (loss) from discontinued operations	—	—	(15)	—	(15)
Net income (loss)	177	(33)	43	(36)	151
Net loss (income) attributable to noncontrolling interests					
Continuing operations	—	—	26	—	26
Discontinued operations	—	—	—	—	—
	—	—	26	—	26
Net income (loss) attributable to Newmont stockholders	$ 177	$ (33)	69	(36)	177
Comprehensive income (loss)	$ 181	$ (31)	41	(36)	155
Comprehensive loss (income) attributable to noncontrolling interests	—	—	26	—	26
Comprehensive income (loss) attributable to Newmont stockholders	$ 181	$ (31)	67	(36)	181

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

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NEWMONT MINING CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

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

	Three Months Ended June 30, 2016				
Condensed Consolidating Statement of Operations	(Issuer) Newmont Mining Corporation	(Guarantor) Newmont USA	(Non-Guarantor) Other Subsidiaries	Eliminations	Newmont Mining Corporation Consolidated
Sales	$ —	$ 459	$ 1,210	$ —	$ 1,669
Costs and expenses					
Costs applicable to sales (1)	—	284	618	—	902
Depreciation and amortization	2	76	203	—	281
Reclamation and remediation	—	4	17	—	21
Exploration	—	10	28	—	38
Advanced projects, research and development	—	3	41	—	44
General and administrative	—	23	39	—	62
Other expense, net	—	9	6	—	15
	2				