News Details

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Newmont Pours First Gold at Long Canyon Ahead of Schedule and Below Budget

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First phase of high grade oxide deposit to deliver strong returns and significant upside

DENVER--(BUSINESS WIRE)-- Newmont Mining Corporation (NYSE: NEM) (Newmont or the Company) poured first gold from Long Canyon ore on Tuesday, 8 November, and expects to declare commercial production next week. The operation is located 100 miles from Newmont's existing Nevada complex and was completed two months ahead of schedule for just under $225 million – about $50 million or 18 percent below budget.

This Smart News Release features multimedia. View the full release here: http://www.businesswire.com/news/home/20161111005346/en/

First gold poured at Newmont's Long Canyon mine in Nevada (Photo: Business Wire)

Long Canyon is the most significant oxide gold discovery in Nevada in more than a decade, with characteristics similar to the Carlin Trend where Newmont has been operating for more than 50 years. During the first phase, the Company will produce between 100,000 and 150,000 ounces of gold annually over an eight-year mine life at some of the lowest costs in its portfolio. Costs applicable to sales are expected to average between $400 and $500 per ounce and all-in sustaining costs are expected to average between $500 and $600 per ounce.[i]

"Our team built the first phase of Long Canyon safely, ahead of schedule and below budget. Taking a phased approach lowered initial development capital, helping to generate a 26 percent rate of return and reducing the payback period to just over four years," said Gary Goldberg, President and Chief Executive Officer. "The project was further optimized by using refurbished equipment instead of new, building a leach facility instead of a mill, and leveraging our established infrastructure, expertise and stakeholder relationships in Nevada. We appreciate the strong support we have received from neighboring communities and government leaders including Nevada Governor Brian Sandoval, who dedicated the site on 28 September. We also acknowledge and thank local Goshute Tribe and Wells Band members for their collaboration in guiding a culturally sensitive approach to developing our newest mine."

Newmont has grown the resource base at Long Canyon by 30 percent in two years; from an initial resource of 2.6 million ounces in 2013 to reserves and resources of 3.4 million ounces as of the end of 2015[ii]. Up to 11 drill rigs have been operating at Long Canyon this year. Newmont geologists have increased the mineralized strike by 70 percent to a length of more than five kilometers and oxide mineralization remains open in all directions.

Long Canyon is one of four profitable operations Newmont has added to its portfolio in the last three years, including Merian in Suriname in October 2016, Cripple Creek & Victor in Colorado in August 2015, and Akyem in Ghana in November 2013. The Company has also generated $2.8 billion in fairly valued asset sales in the same time frame. Taken together, these efforts have resulted in a lower cost, longer life asset portfolio, a stronger balance sheet, and among the highest free cash flow generation in the gold sector.

About Newmont

Sustainability World Index in 2015 and 2016. The Company is an industry leader in value creation, supported by its leading technical, environmental, social and safety performance. Newmont was founded in 1921 and has been publicly traded since 1925.

Cautionary Statement Regarding Forward Looking Statements:

This release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are intended to be covered by the safe harbor created by such sections and other applicable laws. Such forward-looking statements may include, without limitation, estimates of first commercial production and timing, estimates of annual gold production, estimates of mine life and development, estimates of future costs, including costs applicable to sales and all-in sustaining costs, expectations regarding future returns and upside. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, such statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by the "forward-looking statements." Such risks include, but are not limited to, gold and other metals price volatility, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, political and operational risks, community relations risks, changes in governmental and environmental regulations and judicial outcomes. For a more detailed discussion of other risks that may impact the Company's future performance, see the Company's 2015 Annual Report on Form 10-K, filed on February 17, 2016, with the Securities and Exchange Commission (SEC), Form 10-Q for the quarter ended September 30, 2016, filed with the SEC on October 26, 2016, and other SEC filings. The Company does not undertake any obligation to release publicly 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. Investors should not assume that any lack of update to a previously issued "forward-looking statement" constitutes a reaffirmation of that statement. Continued reliance on "forward-looking statements" is at investors' own risk.

[i] All-in sustaining costs (AISC) as used above is a forward-looking non-GAAP metric defined as the sum of costs applicable to sales (including all direct and indirect costs related to current gold production incurred to execute on the current mine plan), remediation costs (including operating accretion and amortization of asset retirement costs), G&A, exploration expense, advanced projects and R&D, treatment and refining costs, other expense, net of one-time adjustments and sustaining capital. Please refer to pages 14-20 of the Company's most recent earnings release for the quarter ended September 30, 2016, filed with the SEC, on Form 8-K on October 26, 2016, which is also available on www.newmont.com, for additional information regarding AISC and for reconciliations to the nearest GAAP metric of certain historical results and the Company's consolidated 2016 gold AISC outlook.

[ii] Reserves were 1.2 Moz (16.3Mt @ 2.3 g/t Au) as of December 31, 2015 and resources were 2.2 Moz (22.1Mt @ 3.1 g/t Au) as of December 31, 2015. Resources include measured and indicated (0.9Moz) and inferred (1.3Moz) resources. U.S. investors are reminded that reserves were prepared in compliance with Industry Guide 7 published by the SEC. Whereas, the terms resource, measured and indicated resource and inferred resource are not SEC recognized terms. Newmont has determined that such resources would be substantively the same as those prepared using the Guidelines established by the Society of Mining, Metallurgy and Exploration and defined as Mineral Resource. Estimates of resources are subject to further exploration and development, are subject to additional risks, and no assurance can be given that they will eventually convert to future reserves. Inferred resources, in particular, have a great amount of uncertainty as to their existence and their economic and legal feasibility. Investors are cautioned not to assume that any part or all of the inferred resource exists, or is economically or legally mineable. For more information regarding the Company's proven and probable reserves prepared in compliance with the SEC's Industry Guide 7, see the Company's 2015 Annual Report filed with the SEC on February 17, 2016, which is available at www.sec.gov or www.newmont.com. Additional information regarding the Company's resource estimates is available on the Company's website at http://www.newmont.com/investor-relations/reserves-and-resources.

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