

John Tumazos Very Independent Research, LLC
11 Yellow Brook Road, Holmdel, NJ 07733
732 444 1083 or 732 740 3574 (cellular)
john@veryindependentresearch.com or
johntumazos@comcast.net or tumazos@monmouth.com

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Registration Effective August 27th and Now Operational

NEWMONT MINNG (NEM \$50.90, Overweight) EARNINGS ESTIMATE RAISED

	2007E	2008E	2009E	2010E
Earnings per share revised 11-1	\$(2.98)*	\$2.69	\$2.94	\$1.67
Earnings per share revised 10-14	\$(3.56)	\$2.69	\$2.94	\$1.67
Earnings per share revised 9-18	\$(3.49)	\$2.71	\$2.91	\$1.68
Gold	\$685	\$800	\$750	\$650
Copper	\$3.20	\$3.25	\$3.00	\$2.00

**** Please note Franco-Nevada IPO or private sale could reverse goodwill charges if proceeds higher than NEM estimated as of June 30 at lower gold prices***

Third-quarter operating net earnings of \$0.57 per share excluding \$0.31 per share in gains exceeded our \$0.46 per share estimate. Two operational items “went right.” First, Batu Hijau on Sumbawa Island in Indonesia enjoyed dry weather permitting extraction of highest grades in the pit bottom, doubling gold output and increasing copper about 50% from the first-half 2007 rates worth about \$0.13 per share that was partly anticipated. Second, the Phoenix project in Nevada reduced its direct operating costs by \$300 to \$400 per oz to a continued unsatisfactory \$605 per oz worth about \$15 mm pretax or just over \$0.02 per share. These factors contributed to third-quarter unit costs improving to \$388 per oz.

Looking to the fourth-quarter, we estimate a \$0.55 per share quarterly earnings result, and raised our 2007 loss estimate including special items to (\$2.98) from (\$3.56). We expect three things to “go right,” including the October Midas mine restart worth about 15,000 to 20,000 oz or \$0.01 per share, more improvements at Phoenix worth \$0.01 per share, and 36,000 oz higher Peruvian output worth about \$0.02 per share.

Further, the gold price improvement to perhaps \$771+ from \$681 per oz in the September quarter, assuming price-linked costs or Australian currency negates 20% of the gain, should contribute \$0.15 per share. Higher income taxes and lower contributions from Batu Hijau will offset the benefit of higher gold prices.

Most of the \$0.13 per share benefit from “planned dry season high grade mining” at Batu Hijau should disappear, until the summer quarter next year, when it returns. Two mining engineering considerations seem operative here. First, Batu Hijau is richer at depth, making the pit bottom more desirable from both a grade and lesser hardness standpoint. Second, pit wall instability during high rain periods such as the March 2006 quarter pit

wall failure inclines NEM to mine the “upper pit rim” waste stripping during rainy periods from a safety and easier execution standpoint.

Looking into 2008, we expect many, many things to “go right” and reiterate our \$70 price target based on \$800 gold and \$3.25 copper prices next year. First, new power plants in Nevada and Ghana, the oxide mill in Peru, the new crusher at Phoenix and operational improvements at Phoenix, Leeville underground and Midas underground mines in Nevada should improve results. The finishing of the Carlin East underground mine will permit Newmont to move some experience veterans from Carlin East to the other mines.

We are not predicting a cost decline in 2008 owing to the A\$ at \$0.92 and crude oil near \$94 per oz, but we expect Newmont Mining’s costs to rise less than industry averages.

Looking into 2009, the Boddington startup should increase corporate gold output over 10%, and each of the major capital projects completed in 2008 should generate a full 12 rather than 6 to 9 months of benefits. The Aykem project in Ghana is NOT likely to make a contribution as soon as 2009.

SPECIFIC ITEMS

Newmont cut its guidance for depreciation by \$50 mm to a \$725 mm midpoint and cut capital spending by \$100 mm to a \$1.8 billion midpoint as it produces less quickly and executes projects more deliberately.

It cut its 2007 income tax rate guidance to a 27% from 44.5% midpoint owing to geographic mix, foreign tax credit and deferred tax issues. As gold prices rise and operations in each geographic region generate profits, a better “geographic match” of revenues and costs should develop to permit lower tax rates with fewer “stranded” pretax losses in particular nations.

A 14% income tax rate inflated third-quarter earnings, but a 33% minority interest rate was an offset. We believe the large minority interest reflected the large profit contributions from Batu Hijau in Indonesia and Peruvian operations in the third-quarter, and it should fall as ore grades fall in Indonesia in the fourth-quarter.

ROYALTY COMPANY SPINOFF

We do not have guidance as to how much administrative costs will fall in 2008 with the divestiture of royalty revenue streams.

Further, it is necessary to know the gross proceeds and tax consequences to estimate how much NEM’s interest expense will decline. It is conceivable the royalty spinoff generates over \$1.5 billion in proceeds without any tax consequence as NEM assigned goodwill to it from the 2002 acquisition, and NEM should have written down the goodwill to realizable values in its June 2007 results.

Table 1 Income Statement	2004	2005	2006	2007E	2008E	2009E	2010E	2011E	2012E
Gold Sales	3,653.6	3,501.9	4,273.0	4,200.2	5,246.1	5,377.5	4,931.8	4,671.8	4,671.8
Copper Sales	565.9	440.2	370.8	708.9	999.4	982.5	655.0	750.0	750.0
Silver Sales	11.4	11.9	18.7	24.0	20.4	18.7	17.0	17.0	17.0
Zinc Sales	227.6	54.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Royalties/Gains on Asset Sales/Other Inco	65.8	397.6	324.4	434.0	196.8	188.8	188.8	186.5	186.2
Total Sales	\$4,524.2	\$4,406.0	\$4,987.0	\$5,367.0	\$6,462.7	\$6,567.5	\$5,792.6	\$5,625.3	\$5,625.0
Cost of Sales	2,291.8	2,308.3	2,501.5	2,876.3	2,874.4	3,064.1	3,143.8	2,947.9	2,949.9
Nevada Gold Tax	4.4	4.7	6.5	7.4	8.6	8.1	7.0	7.0	7.0
Carlin Royalties	7.0	7.0	7.0	7.0	7.0	8.0	7.0	7.0	7.0
Depreciation	696.5	644.0	636.0	725.0	672.2	657.5	692.9	658.9	658.9
SG&A	115.8	134.0	149.0	165.0	155.0	155.0	155.0	155.0	155.0
Exploration	192.4	220.0	264.0	250.0	260.0	250.0	235.0	230.0	230.0
Interest Expense, net	97.6	98.0	97.0	108.3	123.6	88.9	119.2	147.5	82.8
Other Expense, net	19.6	(74.0)	(299.0)	20.0	20.0	21.0	20.0	20.0	20.0
Charges				\$2,133.0					
Pretax Income	\$1,099.0	\$1,064.0	\$1,625.0	(\$924.9)	\$2,341.9	\$2,315.0	\$1,412.6	\$1,451.9	\$1,514.3
Income Taxes	284.7	314.0	424.0	16.0	655.7	694.5	423.8	435.6	454.3
Tax Rate	25.9%	26.0%	26.0%	NM	28.0%	30.0%	30.0%	30.0%	30.0%
Equity loss (income) of affiliates	(2.6)	(4.0)	(2.0)	(6.0)	(5.0)	(5.0)	(5.0)	(5.0)	(5.0)
Minority Interest	335.3	380.0	363.0	410.0	403.2	239.2	239.2	239.2	239.2
Non-Cash Charges/Disc. Operations	(47.1)	(52.0)	(49.0)						
Net Income	434.5	322.0	791.0	(1345.0)	1287.9	1386.3	754.7	782.2	825.8
Preferred Dividend	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0	0.0
Net Income to Common	\$434.5	\$322.0	\$791.0	(\$1,345.0)	\$1,287.9	\$1,385.3	\$754.7	\$782.2	\$825.8
Share Outstg.	443.5	449.0	452.0	452.0	471.1	471.1	452.0	452.0	471.1
Earnings Per Share	\$0.98	\$0.72	\$1.75	(\$2.98)	\$2.73	\$2.94	\$1.67	\$1.73	\$1.75
Cash Flow Per Sh.	\$3.67	\$3.18	\$4.17	\$2.61	\$4.86	\$4.81	\$3.64	\$3.63	\$3.58
Free Cash Per Sh.	\$2.05	\$0.39	\$0.74	(\$1.37)	\$1.67	\$2.69	\$1.43	\$1.42	\$1.46
Estimated open market Gold Price	410	440	600	685	800	750	650	650	650
Avg. Realized Gold Pr.	\$410	\$432	\$600	\$685	\$800	\$750	\$650	\$650	\$650
Avg. Realized Copper Price	\$1.34	\$1.60	\$3.00	\$3.20	\$3.25	\$3.00	\$2.00	\$2.00	\$2.00
Avg. Silver Price	\$6.69	\$7.00	\$11.00	\$12.00	\$12.00	\$11.00	\$10.00	\$10.00	\$10.00
Pretax Cost (\$/OZ)	\$280	\$301	\$372	\$836	\$443	\$427	\$464	\$448	\$439
Net Profit (\$/OZ)	\$62	\$50	\$135	(\$251)	\$226	\$221	\$114	\$125	\$132
Reserves (000 OZ)	74,481	75,524	76,070	73,395	70,543	67,408	64,088	60,968	57,848
Reserve Life (yrs)	10.7	11.6	13.0	13.7	12.4	10.8	9.7	9.8	9.3
Gold Sensitivity*	11.8	10.8	9.7	8.9	9.1	10.0	11.0	10.4	9.9

* Gold sensitivity is defined as the cents per share change in aftertax earnings due to a \$10 per ounce swing in gold prices after considering taxes, royalties and other expenses that vary with prices.

Source: Company reports; John Tumazos Very Independent Research, LLC Estimates

Table 2: Cash Flows

Sources:	2004	2005	2006	2007E	2008E	2009E	2010E	2010E	2010E
Net Income	434.5	322.0	791.0	-1345.0	1287.9	1385.3	754.7	782.2	825.8
Depreciation	696.5	644.0	636.0	725.0	672.2	657.5	692.9	658.9	658.9
Deferred Taxes	33.6	-12.0	-55.0	1.6	65.6	69.4	42.4	43.6	45.4
Other Noncash Items	461.1	473.0	513.0	1800.0	262.1	155.5	155.5	155.5	155.5
Debt	55.9	583.0	198.0	812.0	0.0	0.0	0.0	0.0	0.0
Common Stock	77.5	43.0	78.0	1150.0	0.0	0.0	0.0	0.0	0.0
Asset Sales	56.0	3482.0	6.0	161.0	300.0				
Ore Stockpiles	-23.3								
Other, net	-209.7	-285.0	-614.0						
Total Sources	\$1,582.2	\$5,250.0	\$1,553.0	\$3,304.6	\$2,587.8	\$2,267.7	\$1,645.4	\$1,640.1	\$1,685.7
Uses:									
Capital Spending	718.0	1251.0	1551.0	1800.0	1500.0	1000.0	1000.0	1000.0	1000.0
Acquisitions/Investments	224.2	3301.0	-373.0	1520.0					
Dividends	133.3	179.0	180.0	135.6	141.3	141.3	135.6	135.6	141.3
Debt Repayment	253.7	218.0	111.0	1000.0	1000.0	1000.0			
Change in W.C.	253.1	301.0	84.0	-1151.0	-53.5	126.3	509.8	504.5	544.3
Total Uses	\$1,582.2	\$5,250.0	\$1,553.0	\$3,304.6	\$2,587.8	\$2,267.7	\$1,645.4	\$1,640.1	\$1,685.7

Table 3: Consolidated Balance Sheet

	2004	2005	2006	2007E	2008E	2009E	2010E	2011E	2012E
Assets									
Cash and equivalents	1,567.2	1,899.0	1,275.0	124.0	70.5	196.9	633.9	575.1	741.2
Accounts receivable	210.5	230.0	358.0	187.8	226.2	229.9	202.7	196.9	196.9
Total Inventories	496.0	575.0	760.0	1,073.4	1,292.5	1,313.5	1,158.5	1,125.1	1,125.0
Other current assets	447.5	332.0	249.0	249.0	249.0	249.0	332.0	249.0	249.0
Total Current Assets	2,721.1	3,036.0	2,642.0	1,634.3	1,838.3	1,989.2	2,327.2	2,146.0	2,312.1
Gross Plant, Prop. & Equip.	9,937.2	10,865.4	12,416.4	14,216.4	15,716.4	16,716.4	15,216.4	16,716.4	17,716.4
Less Accum. Depreciation	4,576.4	5,220.4	5,741.4	6,351.4	6,908.6	7,451.0	6,929.3	7,452.5	7,994.9
Net PP&E	5,360.9	5,645.0	6,847.0	7,865.0	8,807.8	9,265.3	8,287.1	9,263.9	9,721.4
Investment in Batu Hijau	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Investments	386.2	955.0	1,319.0	1,319.0	1,319.0	1,319.0	1,319.0	1,319.0	1,319.0
Mineral interests, intangible assets and oth	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Goodwill	3,025.9	2,879.0	3,004.0	3,004.0	3,004.0	3,004.0	3,004.0	3,004.0	3,004.0
Deferred tax assets	482.9	517.0	799.0	799.0	799.0	799.0	799.0	799.0	799.0
Other long-term assets	784.8	960.0	990.0	990.0	990.0	990.0	960.0	990.0	990.0
Total Assets	12,761.9	13,992.0	15,601.0	15,611.3	16,758.1	17,366.6	16,696.2	17,521.9	18,145.5
Short-Term Debt	285.5	196.0	159.0	0.0	0.0	0.0	0.0	0.0	0.0
Acct. Payable & Other C.L.	815.5	1,154.0	1,580.0	2,137.9	2,810.3	2,948.0	1,727.3	2,416.6	5,234.1
Total Current Liabilities	1,101.0	1,350.0	1,739.0	2,137.9	2,810.3	2,948.0	1,727.3	2,416.6	5,234.1
Long-Term Debt	1,311.3	1,733.0	1,752.0	2,873.0	1,873.0	873.0	2,873.0	1,873.0	873.0
Reclamation Liabilities	431.5	445.0	528.0	550.0	550.0	550.0	445.0	528.0	550.0
Deferred Revenue/Hedge Gain	46.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Derivatives/Fair value of written call option:	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0	0.0
Other Long-term Liabilities	691.2	708.0	444.0	444.0	444.0	444.0	708.0	444.0	444.0
Deferred Taxes	476.1	449.0	703.0	400.0	465.6	535.0	442.4	509.1	580.5
Minority Interest	775.1	931.0	1,098.0	1,350.0	1,612.1	1,767.5	1,505.5	1,767.5	1,923.0
Convertible Stock	110.6	110.6	110.6	110.6	110.6	111.6	110.6	110.6	110.6
Common Equity	7,818.3	8,265.4	9,226.4	7,745.8	8,892.5	10,136.4	8,884.5	9,873.0	8,430.4
Total Liabilities & Equity	12,761.9	13,992.0	15,601.0	15,611.3	16,758.1	17,366.6	16,696.2	17,521.9	18,145.5
Accounts Receivable / Sales	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Inventories / Sales	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
AP & Other CL / Sales	18.0%	26.2%	31.7%	39.8%	43.5%	44.9%	29.8%	43.0%	93.1%
Long-term debt to Equity	16.5%	20.7%	18.8%	36.6%	20.8%	8.5%	31.9%	18.8%	10.2%

Source: Company reports; John Tumazos Very Independent Research, LLC Estimates

A scenario exists in which NEM enjoys better than expected royalty sale proceeds, reverses a portion of the June 2007 goodwill writedown and owes no taxes unless NEM sells the unit for more than \$2.5 billion.

These issues are very sensitive to specific royalties that NEM chooses to retain or divest via the new spinoff.

MIRAMAR OVERVIEW

We did not incorporate the likely 150,000 oz of 2009 and again 2010 high grade output at “Doris North” as we were not sure how to allocate the \$1.6 billion purchase cost among much more than 2.5 mm high grade recoverable ounces of the year-end 2006 10.7 mm oz “indicated” or “inferred resource” and subsequent successful drilling. It might be reasonable to allocate more purchase cost per oz to the Doris or Boston zone ounces that are five or more times richer than the larger “Madrid” zones.

We estimate the recoverable gold in the deposit probably needs to be in the range of 13 mm oz in order to justify the purchase cost of the deposit plus likely capital spending to earn a robust return assuming moderate gold prices near \$500-\$600 per oz and \$200-\$300 per oz direct production costs. We estimate total development costs near \$1 billion of development investment or \$200 per oz with \$1.6 billion total acquisition and development cost.

Key unknowns include (a) the portion of the total Hope Bay resource that is both mineable and recoverable, (b) mine development capital needs, (c) regional infrastructure costs, (d) mining scale rates and (e) the timing of the first full year of production. The “belt” consists of more than five deposits of which a first, “Doris North,” should produce at least 150,000 oz in 2009. Of course, the final size of the deposits and future gold prices are unknown always.

It will take a couple years to know enough about this family of deposits to estimate clearly the returns involved.

Roughly 3 mm oz of the 10.7 mm oz “indicated” or “inferred” resources are high grade. Assuming a 90% mineability rate and 94% mill recovery rate, there is a high likelihood that at least 2.5 mm oz of those 3 mm oz can be profitably mined in the Doris and Boston deposits based on a minimum interpretation of 2006 data.

Miramar Mining’s Hope Bay deposits had excellent drilling in 2007 including numerous drill intercepts of 100 to 200 feet grading 0.15 to 0.25 oz per ton between 100 and 1,000 feet from the surface. There is every reason to expect the deposits to become larger. Miramar interrupted the preparation of feasibility studies and further environmental permits in 2007 to incorporate the new data becoming available.

AT LEAST NINE MINERAL RESOURCES OR DEPOSITS, AND FIVE MORE KNOWN TARGETS

Miramar Mining has drilled out at least nine deposits or pods or zones that appear promising. Some are very near one another, and might be termed “clusters.” These include Doris North, which is slated for 2009 underground mining at an 800 metric tonne per day rate, Madrid, Boston, BN Connector, Suluk North, Suluk South, Naartok East, Naartok West and Rand. Patch 7, Patch 14, Nexus, South Nexus and Kink are other deposits among that have limited information at this time.

Miramar Mining has completed initial tests of the metallurgy estimating 93% to 95% recoveries. These deposits are complex as they are so many and their depths vary. Some regional literature discusses arsenic wastes from former mining, which raises the possibility of some complex ores requiring special processing.

A LIKELY GRADUAL PACE - - NEWMONT MAY POSTPONE MIRAMAR'S SCHEDULES

The presence of over ten deposits and targets suggests that much data must be collected and interpreted to determine the ideal production mix. It is possible that more than three open pit and underground shaft systems may develop over a more than 50 kilometer wide east-west trend. It is possible that more than one type of metallurgy must be treated.

We envision a series of two or three smaller scale efforts initially such as two years at 150,000 oz each for Doris North, followed by one or two similar small, high grade, easy-to-manage efforts. In parallel we expect Newmont to gather much information about exploration, geology, metallurgy, operating costs and capital costs.

The options are large and many, and we expect NEM to evaluate prior to spending large amounts of money. Some observers believe NEM might halt the effort for 2009 output, and continue exploration, analysis and optimization. As late as 2013 output could be an option should NEM choose to plan and evaluate alternatives longer.

INDICATED AND INFERRED RESOURCES AS OF YEAR-END 2006

Thus far Miramar Mining has not classified proven reserves, probable reserves or "measured" resources, which is the more defined category among noncommercial "resources."

It defined 10.7 mm oz of "indicated" or "inferred" resources as of year-end 2006 in three deposits.

It defined 726,000 oz of "indicated" resources grading 19.3 grams per metric tonne (0.6 oz per ton) and 766,000 oz of "inferred" resources grading 14.5 grams per metric tonne (0.5 oz per ton) in the "Doris" deposit, whose "Doris North" underground zone will be mined in 2009. These are very high grade indeed.

The Madrid lower grade deposit contains 7.65 mm oz, and is the largest and most important definition to date. These include 3.7 mm oz "indicated resources" at 3.5 grams per metric tonne (just more than 0.1 oz per ton) and 3.95 mm oz "inferred resources" at 2.9 grams per metric tonne (just under 0.1 oz per ton). The returns from such zones depends on gold prices, capital costs, logistics, operating costs, recovery rates, the amount mineable and satisfactory strip ratios.

The Boston deposit is much higher grade, much like Doris, containing 798,000 oz of “indicated resources” at 10.7 grams per metric tonne (over one-third oz per ton) and 741,000 oz of “inferred resources” at 9.5 grams per ton (0.3 oz per ton).

LOCATION OF HOPE BAY, NUNAVUT

Nunavut is the third “Territory” of Canada created in 1999. It formerly was the eastern portion of the Northwest Territories. Nunavut is the fifth largest province, state or territory of any nation in the world, and would rank as the thirteenth largest nation in land mass behind Congo were it a standalone nation.

Hope Bay lies on the south shore of the Arctic Sea, southwest of Victoria Island. It appears to lie 1 to 2 degrees north of the Arctic Circle, which is 66.56 degrees north. Each “degree” north appears to be almost 100 miles.

Hope Bay lies in the southwest of the Nunavut Territory, very near its border with the Northwest Territories. It could be thought of as the “Northeast” side of the NWT.

It appears to be about 200 miles or 300 km from the Diavik and Ekati diamond mines currently serviced with winter ice road supplies delivery. The NWT provincial capital Yellowknife contains the Giant and Con Mines. Winter road or a one hour flight links Yellowknife to the former Lupin mine of Kinross and Echo Bay Mines or the Ekati or Diavik diamond mines of BHP Billiton and Rio Tinto.

NEAREST TOWNS

It is impossible to get a Yahoo or Mapquest description of Hope Bay or nearby towns Cambridge Bay or Kugluktuk (called Coppermine prior to 1996). Cambridge Bay is the seventh and Kugluktuk the ninth largest population in the territory each boasting over 1,000 inhabitants.

TRANSPORT LINK ALTERNATIVES TO HOPE BAY, NUNAVUT SUGGEST NO EASY OPTION

Four physical alternatives exist - - ocean transportation, air strip, winter road or someday in the very distant future a permanent all weather road. None appear outstanding. “Global warming” certainly would improve alternatives.

Ocean freight via the Arctic Sea passages between the “mainland” and Victoria Island appear passable for maybe two or three months of the year. Hope Bay is about 200 miles west of Bathurst Inlet. It is possible that someday in the next generation a passage from the east will open with sufficient global warming. We do not know enough about current or future climate conditions to estimate whether it would be shorter, easier or cheaper to approach from the west via the Bering Sea and around the north slope of Alaska to enter the Arctic Sea or via the east via Hudson Bay if such a “Northwest Passage” ever exists. The link below gives a bit of detail of the local coast.

http://upload.wikimedia.org/wikipedia/commons/2/23/Lambert_Projection_of_Western_Nunavut.png.

Bulk air freight to a custom air strip would be desirable, but much of the year the arctic weather would not make air travel easy or safe. It probably would be most practical in the two or three months before and after the seagoing season.

Winter roads are common to support mining towns in the Northwest Territories. However, this location appears over 250 miles (maybe 500) from any established winter road point such as the diamond mines in the Northwest Territories. We do not know whether construction of a winter road this far of a distance from other mines would be cost-effective.

The first 800 tonne per day underground mine planned in the Doris North zone is small by industry standards. Such a 300,000 annual tonne underground mine is unlikely to justify roadbuilding. The odds of justifying a winter or permanent road would improve over time as Newmont Mining delineates more gold in the Hope Bay region, or other explorers find other deposits in various minerals to justify development.

MIRAMAR VERSUS SHORE GOLD VERSUS GABRIEL RESOURCES

We believe NEM chose to acquire Miramar because successful 2007 drilling suggests its 10.7 mm oz indicated and inferred resources will grow. It has no ferocious environmental enemy or objector.

Shore Gold, for which NEM shares 40% working interest in its Star diamond projects, has less dollar value per ton. Shore Gold's past bulk sample of 45,000 metric tonnes averaged about 0.15 carat per tonne or \$20 to \$25 per tonne. Miramar's ores between 0.1 oz per ton and 0.6 oz per ton gold contain between \$50 and \$400 per ton of payable revenue.

Gabriel Resources' 24 mm oz resource in Transylvania may be the largest undeveloped gold deposit in the world. A quick web search of the "Rosia Montana" property name brings up about 125 worldwide environmental groups opposing it. Most local residents do support it, however.

(For more information, please see our September 19th research report raising our investment rating, price target and earnings estimates owing to higher metals prices).

NEWMONT MINING PRICE OBJECTIVE AND INVESTMENT POSITION

We raised our price target to \$70 from \$40 on September 18th because the dramatic macro stimuli in the world monetary system benefits future gold and copper prices, which could exceed expectations to break new records. We raised earnings forecasts and expect much higher P/E levels. Our approach is both intuitive and specific.

Our past price target is a “hybrid blend” of positive and negative considerations. High gold and copper prices, cost initiatives, capital spending to cut costs and raise revenue and exploration are upsides, while the March 2007 cost inflation to \$600 per oz breakeven illustrates the negatives. On January 7, 2007, we cut our price target to \$40 from \$50 per share owing to the poor earnings outlook at historically high gold and copper prices, and the generous \$17 billion market cap that anticipates some combination of exploration and development success. We do not think investors expect the current mine system to generate the earnings necessary to sustain the current stock price.

BUSINESS RISKS

Risks to our thesis include cost inflation that could erode mine profitability and various other macroeconomic factors that affect gold prices such as dollar fluctuations, interest rates, inflation, political risks, investment demand, central bank sales, or jewelry demand versus mine supply issues.

For copper, various macroeconomic fluctuations particularly in auto, construction and capital goods markets globally, exchange rates, unanticipated changes in mine performance from mining or political issues, new capacity, demand substitution or changes in investment fund flows or psychology could exert large price or volume swings in either direction.

Some of Newmont’s operations involve large specific mine risks related to reserve replacement, host country, environmental issues, mine planning or logistics inherent to substantial earthmoving operations.

We think it is a healthy thing when NEM shareholders understand the country risks, environmental politics and many specific practical aspects of mining. It is important that investors understand the risks of the businesses and not merely trade the stock “like gold bugs.”

CHANGE IN THIS RESEARCH OPERATION

This report reflects research coverage by JTVIR, LLC. In no way shape or form should it be misconstrued as involving Prudential Equities Group (PEG), which shut down on June 6, 2007 as noted. The continuation of that same quarterly or full year earnings estimate for 2007 as JTVIR, LLC should not be construed or mistaken to involve PEG, which shut down on June 6, 2007. Certain data, such as the logic of the earnings model, are similar owing to the same primary author, but this coverage initiation herein involves a different entity and no employment or affiliation with the former Prudential Equity Group, LLC.

DISCLOSURES

“John Tumazos Very Independent Research, LLC” (JTVIR) is a Delaware Corporation with registration effective on August 27, 2007 as an investment advisor in the state of New Jersey owing to our place of business in New Jersey.

JTVIR is not a broker-dealer, and conducts no trades. Its primary business is to provide “unbundled” metals and paper industry securities and market research to institutions or corporations in a zero commission, electronic execution, electronic dissemination, unbundled format for a specified annual fee structure.

Our investment rating system for securities recommendations is Overweight, Neutral Weight or Underweight. Overweight or Underweight recommendations are estimated to vary from the relative performance of the S&P 500 by more than 10% annually, and the intended time horizon is up to 24 months. Our securities research is intended for institutional investors that might buy up to 10% of a given company, and as such focuses more towards longer-term dynamics impacting the net present value of future cash flows rather than “day trading” sorts of near-term issues.

Neither JTVIR, its members or its employees own or have a financial interest in any securities discussed in this report. Our policy is full disclosure.

Our policy permits personal trading in the metals or paper industries, though no positions were taken in companies within regular research coverage after July 2001 after joining Prudential Financial and until after one month of completed New Jersey registration of JTVIR. Our policy is that any personal trading must be consistent with our recommendation, made two business days or more AFTER a recommendation or change in recommendation and held for a minimum of 30 days or one month. We believe it is virtuous for a securities analyst to “put his or her money where his mouth is” to invest consistent with the recommendation to clients after such recommendation has been made, and we disagree with some restrictions made upon broker-dealer employees after 2000 era scandals.

Our policy permits up to three directorships and up to five consulting projects, advisory assignments or financial advice to corporations that might supplement, backcheck or substitute for certain services of a large investment banking firm. For example, we would accept an engagement to evaluate investment banking advice on behalf of a manufacturing company concerned whether advice is sincere or intended to maximize fees. Currently no such relationships exist.

Our policy is full disclosure of any advisory relationship or conflict going back three years. None currently exist.

Numerous prior investment banking relationships existed prior to three years history to the pre-1997 time frame under the employment of Donaldson, Lufkin and Jenrette or Oppenheimer & Co., Inc. Some of these we can recollect included 14 different gold mine valuations or sales for Barrick Gold, LAC Minerals (later acquired by Barrick), Addington Resources (gold assets in Montana acquired by Canyon Resources), Westworld Industries (Bolivian assets acquired by Battle Mountain Gold later acquired by Newmont Mining), Coeur d’Alene Mines, Crown Resources (acquired by Kinross Gold), Freeport-McMoRan Gold (acquired by Minorco later AngloGold later Queenstake Resources), FMC Gold (later renamed Meridian Gold) and others. Sole managed initial public offerings included Reliance Steel & Aluminum and Huntco. Lead-managed initial public offerings included American Steel & Wire (later acquired by Birmingham Steel) and lead-managed underwritings included Quanex. Co-managed underwritings included the IPO of Century Aluminum and offerings for AK Steel, Kaiser Aluminum, Agnico-

Eagle Mines, Cameco and others. Asset sales or purchase advisories, fairness opinion or trusteeships were done for Thyphin Steel (sold to Ryerson Tull), Cyclops Corp. (sold to Armco later sold to AK Steel), Allegheny Corp., Bethlehem Steel, the U.S. Dept. of Justice pursuant to the June 1984 merger of LTV and Republic Steel to sell the Gadsden, AL integrated flat-rolled mill, Cobre Copper, and others. Typically more than five investment banking assignments were evaluated, partly executed or “due diligenced” for any completed transaction. Some examples we can recall for which a prospectus was either drafted or partly drafted indicating much work included stock underwritings not completed for Wheeling-Pittsburgh Steel, Steel Dynamics, Atlas Corp., Webco, Sharon Steel, IPSCO, Co-Steel Inc., and others.

ANALYST UNIVERSE COVERAGE:

John C. Tumazos, CFA: Rio Tinto, Louisiana-Pacific, Nucor Corp., Newmont Mining, U.S. Steel, International Paper, BHP Billiton, MeadWestvaco Corp., Antofagasta PLC, Allegheny Technologies, Alcoa Inc., Inco Limited, Bowater, Inc., Temple-Inland, Barrick Gold, Abitibi-Consolidated, Weyerhaeuser Co., Alcan Inc., Smurfit-Stone Container, Plum Creek Timber, Worthington Industries, Goldcorp Inc., AngloGold Ashanti, Freeport McMoRan Copper & Gold, Novelis Inc., FNX Mining.

Dynatec is a company not continued in the research coverage of JTVIR, LLC that was previously included in the prior June 6, 2007 Prudential Equities Group universe owing to a pending takeover by Sherritt International.

In accordance with applicable rules and regulations, we note above parenthetically that our stock ratings of “Overweight,” “Neutral Weight,” and “Underweight” most closely correspond with the more traditional ratings of “Buy,” “Hold,” and “Sell,” respectively; however, please note that their meanings are not the same. (See the definitions above.) We believe that an investor’s decision to buy or sell a security should always take into account, among other things, that the investor’s particular investment objectives and experience, risk tolerance, and financial circumstances. Rather than being based on an expected deviation from a given benchmark (as buy, hold and sell recommendations often are), our stock ratings are determined on a relative basis (see the foregoing definitions).

There is no intention to “balance” the number of Overweight or Underweight ratings, as instances of broad over- or under-performance among basic industrials may occur. JTVIR makes each investment judgment in a “bottoms up” manner based on the assets of each individual company.

Price Target – Methods/Risks

The methods used to determine the price target generally are based on future earning estimates, product performance expectations, cash flow methodology, historical and/or relative valuation multiples. The risks associated with achieving the price target generally include customer spending, industry competition and overall market conditions.

Additional risk factors as they pertain to the analyst's specific investment thesis can be found within the report.

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