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NEWMONT MINNG (NEM \$46.14, Overweight) MANAGEMENT VACANCIES
SUGGEST NEWMONT COULD LEND SUPPORT TO HOPE BAY DEVELOPMENT;
MEADOWBANK PROJECT ALSO IN NUNAVUT FURTHER ALONG

	2007E	2008E	2009E	2010E
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

Some of our clients asked us what were the odds of Miramar Mining shareholders rejecting Newmont Mining's \$1.52 billion offer, or holding out for perhaps a sweetener to the C\$6.25 bid.

We expect the friendly transaction unanimously approved by the Miramar board to close as agreed.

Newmont Mining has unique resources, its global organization, to lend human capital to Miramar at critical early development phases to minimize inevitable delays to the remote Hope Bay gold projects in the current tight labor market.

At least a half dozen key positions, such as underground mine, mill, accounting, exploration and regulatory affairs manager for the Doris North initial mine or entire project are vacant at Miramar. The time frame for 150,000 oz-plus output in 2009 from the Doris North underground mine depends on key executives, and staffing to complete the 1,000 foot ramp, underground workings and other development requires leadership.

It appears that Miramar turned to its 15.5% shareholder for help, and NEM was honorable and reasonable in paying a 29% market premium in a friendly manner.

Yes, one could argue such staffing or potential output delays do not reduce the future value of the gold in the ground. Yes, Miramar had some excellent 2007 drilling very likely to drive an increase to the 10.7 mm oz resource at year-end 2006. Yes, metallurgical recovery tests have gone well with 93% to 95% recoveries in most cases. But the remote Hope Bay location appears a big hurdle in terms of capital, logistics and staffing, and Miramar will be more successful with help.

We do not believe it is appropriate to compare Miramar to Agnico-Eagle's Meadowbank deposit in a more accessible part of Nunavut. A mining company might be inclined to pay a different multiple for a simpler project and a greater discount for the remoteness of Hope Bay.

COMPARISON AND CONTRAST OF MIRAMAR "HOPE BAY" TO AGNICO-EAGLE "MEADOWBANK" PROJECT

We do not believe that metrics such as NPV or enterprise value per oz of reserves can create a reasonable evaluation of Miramar or comparison to the Meadowbank project Agnico-Eagle Mines is completing in a more accessible part of Nunavut Territory.

Hope Bay has 3 mm oz of resource in the Doris and Boston areas that are very high grade, which might generate 2 mm oz of recoverable gold at a 75% mineability and 90% recovery assumption or just over 2.5 mm oz of recoverable gold if 90% mineable and a 94% recovery rate.

The remaining 7.7 mm oz of indicated and inferred resources and the likely ounces to be added in 2007 drilling are lower grade, and depend more on infrastructure capital costs, plant capital and operating cost issues yet to be determined. Enough data is not yet available to value Miramar's larger zones with precision.

"NO COMPARISON" ISSUES MEADOWBANK OVER HOPE BAY

#1 The first 80 km of the "all-weather road" to Meadowbank are completed, and Agnico-Eagle expects to complete the final 30 km within a month. Full year round road access will permit easier mine supply, which lowers operating costs and reduces working capital requirements to carry as large inventories of fuel, food, mine supplies or spare parts on site.

While AEM plays a fly-in, fly-out 14 day schedule from Val d'Or, the evolution of a true city or village at the mine site is made possible. It is very significant that a road access to the site exists, which permits the employees to "receive family visits," "go hunting or fishing," visit relatives, take vacations by car or otherwise access the outside world. The existence of an "all-weather road" counteracts any psychological feeling of "claustrophobia" or "isolation" employees might feel.

We expect Hope Bay to have only two means of access, its own air strip and a roughly three month ocean transport around the Bering Sea, Alaskan North Slope, Arctic Sea and east towards Bathurst Inlet. Employee morale may suffer if the 14 day in, 1 day transit home, 12 days true leisure and 1 day for mine return cycle suffers with winter weather air strip issues.

#2 Meadowbank has staffed key management positions. Dan Kibari joined AEM to be general mgr. from former position as Executive VP operations of Yamana Gold in Brazil, which may have been a "plum job" as the manager's dollars might buy a five

times larger standard of living in rural, warm, lush Brazil. Martin Bergeron is Meadowbank mine mgr. who joined AEM from Iamgold, where he worked at the Gros Rosebel mine in Suriname. Larry Connel LEFT MIRAMAR MINING in a similar capacity in recent weeks to join AEM's Meadowbank project as "Head of Regulatory Affairs." It is very significant that Miramar's key person for First Nations and permitting moved to the other large gold mine project in Nunavut Territory, Meadowbank.

The Miramar web site advertises job openings for Mine Mgr for the 800 mtpd Doris North underground mine to be in production in 12 months or so, Mill Mgr. for the 800 mtpd Doris North mill, Mrg. Project Development in Yellowknife, Senior Geologist Advanced Explo., Senior Geologist, Geologist and Superintendent Acctg & Admin. We believe that Miramar has been very straightforward legally in its disclosure obligations, even if it misses public timetables, because it listed these vacancies publicly on its web site. Miramar has been open and transparent publicly.

It does not seem certain to us that the Doris North project will produce 150,000+ oz in 2009 at its 800 mtpd design given the nature of the management vacancies. It is most unusual that geologists do not "rush to build resume" by helping to discover millions of ounces, and geologists are very accustomed to living in very unusual places to find minerals.

We note that **Miramar HAS NOT RETAINED AN OUTSIDE CONTRACTOR** to sink a shaft or ramp at Doris North. Given the nature of the management job vacancies, mining industrywide boomtime skilled employee shortages and the difficulty recruiting to the Arctic Sea vicinity, delays are possible. Miramar Mining awarded the EPCM (Engineering, Procurement, Construction and Management) contract to SNC-Lavalin, general contractor is Clark Builders, major equipment has been ordered and final remaining permits are expected in November 2007 and early 2008.

It is noteworthy that Miramar Mining has not posted the recently vacant "Head of Regulatory Affairs" job post, and put itself up for sale selling to shareholder and probable sole bidder Newmont Mining.

#3 AEM bought Meadowbank with 2.9 mm oz of proven and probable reserves at nearly 4 grams per metric tonne, and most of the 1.1 mm oz "resource" was "measured" rather than the less well-documented "indicated" or "inferred resource" categories.

The Hope Bay 10.7 mm oz of resources are either "indicated" or "inferred," which suggests a much less tight density of drilling and potential reconciliation differences after infill drilling occurs. Conservative geologists may choose to "dilute" the area of influence of drill holes or apply "nil values" to "blocks" or zones more than a certain distance from a drill hole. Thus, a possibility exists that the tonnage or grade of the Miramar resources will rise, depending on their methodology, or fall depending on the subsequent infill drill assay results.

#4 We believe Tony Walsh, the Miramar CEO, and Sean Boyd, the Agnico-Eagle CEO, are both fine and outstanding managers. We first met Tony Walsh in the mid-

1980s in his capacity as treasurer of International Corona. Under no circumstances should any shareholder question or criticize Tony Walsh's leadership, and we sympathize that employee recruitment or retention is very difficult for any company during the current mining boom climate.

#5 AEM enjoys a 35 year continuous production history and wonderful, unique internal culture under the prior CEO, the late Paul Penna. Paul Penna was kind and generous to his employees, encouraging geologists to keep drilling after barren holes or helping out an employee in need from his own funds. AEM's chief operating officer previous worked over 20 years ago for Camflo Mines at a time with the original Barrick Gold chief operating officer, Bob Smith, and key technical people like Brian Meikle or Alan Hill worked there. In the bear market prior to 2003 AEM steadily acquired land positions around Val d'Or, growing to dominate the northwestern Quebec exploration camps.

It is unfair to Miramar Mining to compare it with Agnico-Eagle Mines, whose esprit de corps is very high and internal culture very unique.

#6 Newmont Mining is uniquely positioned to benefit Miramar Mining and the Hope Bay district. NEM's multinational status permits it to rotate managers among remote locations. NEM managers might willingly transfer from Sumbawa Island, Indonesia to avoid any vagaries of the Indonesian legal system such as NEM manager Richard Ness experienced. NEM managers work at high elevations near 14,000 feet outside of Cajamarca, Peru or in gold mining camps in Ghana or other isolated places having some similarities to the remote mining camps that Hope Bay spawns.

#7 Agnico-Eagle's construction capital cost at Meadowbank should be near C\$400 mm after C\$500 mm for acquisition, or about C\$225 per oz before recovery losses or C\$240 per oz net recovery loss in total. It expects an 8,500 metric tonne per day operation to begin in mid-2010.

Miramar will cost NEM about \$1.6 billion, and its capital cost is unknown. We guess \$2.6 billion including capital, maybe more, and do not know what the operating costs will be or the amount of the indicated and inferred resource that will be mineable and recoverable.

If Miramar grows the deposit to 13 mm oz from 10.7 mm oz, for example, but only 9 mm oz prove mineable and recoverable, NEM will have paid almost US \$300 per oz. Much depends on subsequent drilling and how much of the 0.1 to 0.2 oz per ton open pit material falls into an optimal mine plan.

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 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.

EARNINGS ESTIMATE REVISIONS OCTOBER 14TH

We cut our earnings estimates by \$0.06-\$0.07 per share per year simply due to the reduction in interest income or increase in interest expense due to the \$1.52 billion outlay for Miramar. Capitalized interest related to capital spending during construction is a separate likely account with definitive feasibility study and proven and probable reserves. We provided for NEM to have fewer idle cash balances or sell some securities to reduce borrowings in a partial offset.

We cut 2007 to a \$3.56 from a \$3.49 loss including second-quarter goodwill writeoffs, 2008 to \$2.69 from \$2.71 at \$800 gold and \$3.25 copper, raised 2009 to \$2.94 from \$2.91, 2010 to \$1.617 from \$1.68, 2011 to \$1.73 from \$1.77 and raised 2012 to \$1.76 from \$1.72. We estimated NEM applies some cash quickly to repay debt.

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 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.

Table 1 Income Statement

	2004	2005	2006	2007E	2008E	2009E	2010E	2011E	2012E
Gold Sales	3,653.6	3,501.9	4,273.0	4,309.8	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	204.0	196.8	188.8	188.8	186.5	186.2
Total Sales	\$4,524.2	\$4,406.0	\$4,987.0	\$5,246.6	\$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	3,005.5	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	758.2	672.2	657.5	692.9	658.9	658.9
SG&A	115.8	134.0	149.0	150.0	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	128.3	154.8	86.3	116.7	148.7	80.3
Other Expense, net	19.6	(74.0)	(299.0)	20.0	20.0	21.0	20.0	20.0	20.0
Charges				\$2,187.0					
Pretax Income	\$1,099.0	\$1,064.0	\$1,625.0	(\$1,266.8)	\$2,310.7	\$2,317.5	\$1,415.2	\$1,450.7	\$1,516.8
Income Taxes	284.7	314.0	424.0	100.0	647.0	695.2	424.6	435.2	455.0
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	248.4	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	(1609.2)	1265.5	1388.1	756.5	781.3	827.6
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	(\$1,609.2)	\$1,265.5	\$1,387.1	\$756.5	\$781.3	\$827.6
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	(\$3.56)	\$2.69	\$2.94	\$1.67	\$1.73	\$1.76
Cash Flow Per Sh.	\$3.67	\$3.18	\$4.17	\$2.12	\$4.81	\$4.82	\$3.64	\$3.63	\$3.58
Free Cash Per Sh.	\$2.05	\$0.39	\$0.74	(\$1.64)	\$2.47	\$2.69	\$1.43	\$1.41	\$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	\$886	\$448	\$427	\$463	\$448	\$439
Net Profit (\$/OZ)	\$62	\$50	\$135	(\$292)	\$222	\$221	\$114	\$125	\$133
Reserves (000 OZ)	74,481	75,524	76,070	73,315	70,463	67,328	64,008	60,888	57,768
Reserve Life (yrs)	10.7	11.6	13.0	13.3	12.4	10.7	9.6	9.8	9.3
Gold Sensitivity*	11.8	10.8	9.7	9.1	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	-1609.2	1265.5	1401.1	756.6	781.3	827.6
Depreciation	696.5	644.0	636.0	758.2	672.2	657.5	692.9	658.9	658.9
Deferred Taxes	33.6	-12.0	-55.0	10.0	64.7	70.1	42.5	43.5	45.5
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	\$3,082.0	\$2,564.5	\$2,284.1	\$1,647.4	\$1,639.2	\$1,687.5
Uses:									
Capital Spending	718.0	1251.0	1551.0	1700.0	1100.0	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	-1273.6	323.1	142.8	511.8	503.6	546.2
Total Uses	\$1,582.2	\$5,250.0	\$1,553.0	\$3,082.0	\$2,564.5	\$2,284.1	\$1,647.4	\$1,639.2	\$1,687.5

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	1.4	324.6	467.4	513.3	828.2	1,013.5
Accounts receivable	210.5	230.0	358.0	183.6	226.2	229.9	202.7	196.9	196.9
Total Inventories	496.0	575.0	760.0	1,049.3	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	1,483.4	2,092.3	2,259.7	2,206.5	2,399.2	2,584.4
Gross Plant, Prop. & Equip.	9,937.2	10,865.4	12,416.4	14,116.4	15,216.4	16,216.4	15,116.4	16,216.4	17,216.4
Less Accum. Depreciation	4,576.4	5,220.4	5,741.4	6,384.5	6,941.7	7,484.2	6,962.5	7,485.7	8,028.1
Net PP&E	5,360.9	5,645.0	6,847.0	7,731.8	8,274.6	8,732.2	8,153.9	8,730.7	9,188.2
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	15,327.2	16,478.9	17,103.9	16,442.4	17,241.8	17,884.6
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	2,118.0	2,818.7	2,956.4	1,471.5	2,138.3	5,235.8
Total Current Liabilities	1,101.0	1,350.0	1,739.0	2,118.0	2,818.7	2,956.4	1,471.5	2,138.3	5,235.8
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	464.7	534.8	442.5	508.2	580.3
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	7,481.6	8,605.8	9,865.5	8,886.4	9,872.1	8,167.9
Total Liabilities & Equity	12,761.9	13,992.0	15,601.0	15,327.2	16,478.9	17,103.9	16,442.4	17,241.8	17,884.6
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%	40.4%	43.6%	45.0%	25.4%	38.0%	93.1%
Long-term debt to Equity	16.5%	20.7%	18.8%	37.8%	21.5%	8.8%	31.9%	18.8%	10.5%

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

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.

METALLURGICAL TESTS

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

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.

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“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 Thypin 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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