

John Tumazos Very Independent Research, LLC

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Registration Effective August 27th and Now Operational

NEWMONT MINNG (NEM \$44.93, Overweight) CONSERVATIVE OUTLOOK STATEMENT

	2007E	2008E	2009E	2010E
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

It is unclear to us whether the conservative tone of CEO Richard T. O'Brien's September 26th webcast presentation to the Denver Gold Show was intended to build credibility with a deliberate, cautious tone or whether it was his intent to communicate a new deterioration.

NEM did file an 8K, but did not make a press release nor formally change its \$375-\$400 companywide operating cost or 5.2-5.6 mm oz 2007 output guidance. It did note that the A\$ appreciation, Midas idling and Phoenix weak performance could push costs to or slightly beyond the upper end of the guidance.

We do not believe the problems at the idled Midas or 180 hole "redrilling" program at Phoenix necessarily require a revaluation or writedown reserve.

It was noteworthy what NEM did NOT say. No problems were highlighted at Leeville underground in NV, Yanacocha in Peru or Ahafo in Ghana.

Media coverage of O'Brien's remarks dwelled on the negatives about current costs, and ignored a plethora of good things including (1) followup work to 26 surface holes near 15 grams of gold per ton in the "Turf" underground deposit near Leeville in NV, (2) a potentially 100 mm lb plus annual output or over 1 billion pound in situ heap leach copper deposit in Battle Mountain that could earn \$100-\$200 mm pretax after 2010, (3) ore grades at Ahafo in Ghana above plan, (4) conversion of resource to reserve at Boddington in Western Australia, (5) the Cahquiocacha sulphides in Peru, (6) an Aykem output decision in 2008 and (7) merchant banking royalty or shareholdings asset sale considerations.

We place less emphasis on the progress towards completion of power plants in Nevada and Ghana, the mill in Peru and Boddington mine construction progress as those well known investments are taken as "givens."

We maintained our \$70 price target for Newmont Mining along with our earnings estimate (including writedowns) of a \$3.49 loss for 2007 and \$2.71 profit for 2008, which implies a \$0.92 per share net profit in the 2007 second-half. The September 28th closing gold price of \$742.80 and copper price of \$3.63 per pound are above our \$685 per oz gold and \$3.20 per pound copper price average annual estimates for 2007 and our \$800 2008 and \$3.25 copper estimates leave room to be exceeded as the spot prices have been improving and copper inventories declining each recent week. Thus, a reasonable chance exists that extra revenues could exceed the cost rise. We presume that a reason why NEM did not formally revise cost guidance was that improvements were occurring in Ghana, where grades have been favorable, or Leeville, where underground miners will be transferred from the depleting Carlin East underground mine, or some other location.

CAUTION TOWARD RESERVE REPLACEMENT

Newmont Mining and several other companies expressed caution toward their reserve replacement outlooks at the Denver Gold Show this past week.

First, such statements lay a foundation for investor optimism toward the gold price. Difficulty locating or replacing reserves is a foundation for scarcity. Such corporate “cautions” create an investor optimism concerning the gold bullion commodity price.

Second, such “cautions” reduce future expectations, which make it slightly easier for a management team to please investors or exceed expectations in the future if the reserve and resource statements improve next February after geologists finish their annual data gatherings, statistical analyses and interpretations.

Third, we assume Newmont Mining’s reserve replacement outlook guidance does not include possible changes in gold prices, exchange rates, costs or other determinants of “economic cut-off” grades. That is, we presume the CEO spoke in terms of the economic constraints of year-end 2006, and the price-related sensitivities calculated at that time in an “other things held constant” or *ceteris paribus* framework.

RATIONALE FOR CAUTION TOWARDS RESERVE REPLACEMENT

We do not expect a declassification of a material (more than 10%) portion either of the Phoenix, Midas or Leeville mines in Nevada. While possible, we do not expect any “revisions” or downward restatements of reserves published at year-end 2006 exceeding 1 mm oz.

The much greater challenge involves replacing the 7 mm oz mined in 2007 in terms of refined output plus recovery loss. Any wholesale divestment of the former merchant banking portfolio, should it occur, would prevent Gabriel Resources, Miramar, Shore Gold or other passive investments from someday becoming producing mines under the Newmont banner.

Candidates for reserve addition in 2007 or 2008 or 2009, which we term important evaluations underway or “in progress,” include the Turf underground zone near Leeville in Nevada, depth expansions to the existing deposits, Ahafo, Aykem and regional satellite targets in Ghana, Minas Conga, Chaquiococha, Quelish, depth extensions or other targets in Peru, Boddington resource conversions to reserve, depth extensions to Batu Hijau and the dynamic copper heap leach targets in the Battle Mountain basin surrounding the Phoenix project.

We have not “given up hope” for reserve replacement or reserve gains in 2007, and would be surprised or disappointed if a reserve decline in 2007 exceeded 1.5 mm oz or 2% of the year-end 2006 total.

It is not clear if a \$50-\$75 per oz change in the year-end 2007 economic gold price assumption from the \$475 2006 level will exert much change in the reserve calculation. The A\$ assumption, energy costs, diesel and some other cost dynamics have grown adverse, and will offset a good portion of any benefit of a higher gold price.

A higher copper price basis for reserve estimation also is plausible at year-end.

COST GUIDANCE CAUTION

NEM appeared to warn that a \$15 per oz full year average cost variation from earlier indications was plausible, or that a risk of winding up above the \$375-\$400 range existed. This translates into a potential \$80 mm pretax or \$60 mm net or \$0.13 per share earnings risk to the second half.

Thus, the recent rises in gold and copper prices may not be additive to reported earnings to their full extent owing to exchange rate, energy or specific mine problem issues.

However, it does not appear that such problems would total \$0.25 per share equivalent to \$30 per oz cost variance. Gold prices have risen more than that level in recent weeks.

For the time being we are maintaining our earnings estimates, and will review the issues more carefully when NEM reports earnings on October 31st.

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

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	230.0	235.0	230.0	230.0
Interest Expense, net	97.6	98.0	97.0	101.8	127.1	112.7	100.4	120.9	106.4
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	(\$1,240.3)	\$2,338.4	\$2,311.2	\$1,431.4	\$1,478.5	\$1,490.7
Income Taxes	284.7	314.0	424.0	100.0	654.8	693.3	429.4	443.6	447.2
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	(1582.7)	1285.4	1383.7	767.8	800.8	809.3
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	(\$1,582.7)	\$1,285.4	\$1,382.7	\$767.8	\$800.8	\$809.3
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	(\$3.50)	\$2.73	\$2.94	\$1.70	\$1.77	\$1.72
Cash Flow Per Sh.	\$3.67	\$3.18	\$4.17	\$2.18	\$4.85	\$4.81	\$3.67	\$3.67	\$3.54
Free Cash Per Sh.	\$2.05	\$0.39	\$0.74	(\$1.58)	\$2.73	\$2.69	\$1.46	\$1.46	\$1.42
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	\$882	\$443	\$428	\$461	\$444	\$443
Net Profit (\$/OZ)	\$62	\$50	\$135	(\$287)	\$225	\$221	\$116	\$128	\$130
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	-1582.7	1285.4	1382.7	767.8	800.8	809.3
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	65.5	69.3	42.9	44.4	44.7
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	0.0	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	\$2,296.5	\$2,585.2	\$2,264.9	\$1,659.2	\$1,659.6	\$1,668.4
Uses:									
Capital Spending	718.0	1251.0	1551.0	1700.0	1000.0	1000.0	1000.0	1000.0	1000.0
Acquisitions/Investments	224.2	3301.0	-373.0						
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					
Change in W.C.	253.1	301.0	84.0	-539.1	1443.9	1123.6	523.6	524.0	527.1
Total Uses	\$1,582.2	\$5,250.0	\$1,553.0	\$2,296.5	\$2,585.2	\$2,264.9	\$1,659.2	\$1,659.6	\$1,668.4

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	735.9	2,179.8	3,303.3	1,259.5	2,703.7	3,830.4
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	2,217.9	3,947.5	5,095.7	2,952.8	4,274.7	5,401.3
Gross Plant, Prop. & Equip.	9,937.2	10,865.4	12,416.4	14,116.4	15,116.4	16,116.4	15,116.4	16,116.4	17,116.4
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	8,174.6	8,632.2	8,153.9	8,630.7	9,088.2
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	16,061.7	18,234.1	19,839.9	17,188.6	19,017.4	20,601.5
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	3,638.0	4,338.7	4,476.4	3,018.0	3,704.8	6,757.3
Total Current Liabilities	1,101.0	1,350.0	1,739.0	3,638.0	4,338.7	4,476.4	3,018.0	3,704.8	6,757.3
Long-Term Debt	1,311.3	1,733.0	1,752.0	2,061.0	2,061.0	2,061.0	2,061.0	2,061.0	2,061.0
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	465.5	534.8	442.9	509.8	579.5
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	7,508.1	8,652.2	9,893.5	8,897.6	9,891.6	8,176.1
Total Liabilities & Equity	12,761.9	13,992.0	15,601.0	16,061.7	18,234.1	19,839.9	17,188.6	19,017.4	20,601.5
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%	69.3%	67.1%	68.2%	52.1%	65.9%	120.1%
Long-term debt to Equity	16.5%	20.7%	18.8%	27.1%	23.5%	20.6%	22.9%	20.6%	24.9%

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

PENDULUM COULD SWING BACK TO SHARES

These many operational issues or questions or opportunities that NEM faces should be viewed as a “checklist of upside opportunities.” We are not seeking to kick our friends at NEM after a poor quarter. We sympathize with our financial or communications contacts, who cannot present positive information when operations fall short.

Investor psychology could shift favorably if NEM's breakeven improves to \$450-\$500 per oz gold or unit costs fall \$100-\$150 per oz in the 2008 second-half. It is hard for anything to be worse than mining virtually no ore in Indonesia or a 63% grade drop in Peru or a \$128 per oz increase in direct costs plus depreciation in Nevada.

We believe gold shares are more attractive than an ETF if costs fall, output rises or reserve delineation encourages investors. Odds favor new money flowing into shares since shares have lagged gold prices so badly in the past year or so.

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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