



MEMs Conference Presentation

Gold Industry M&A

**Paul Brink
Director, Newmont
Capital
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Gold Industry M&A



Gold Industry Overview

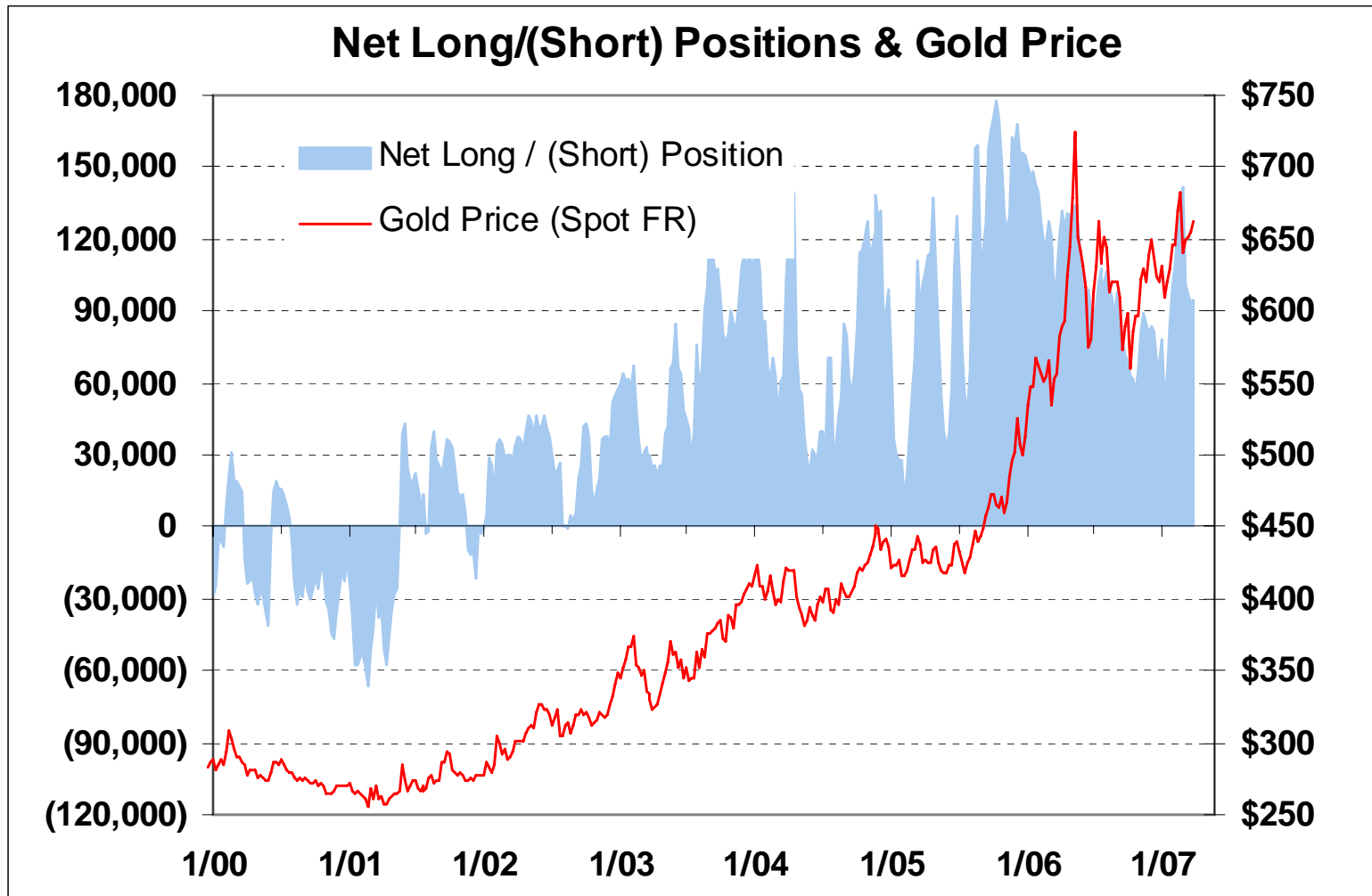
Gold Market Valuation

M&A Transactions

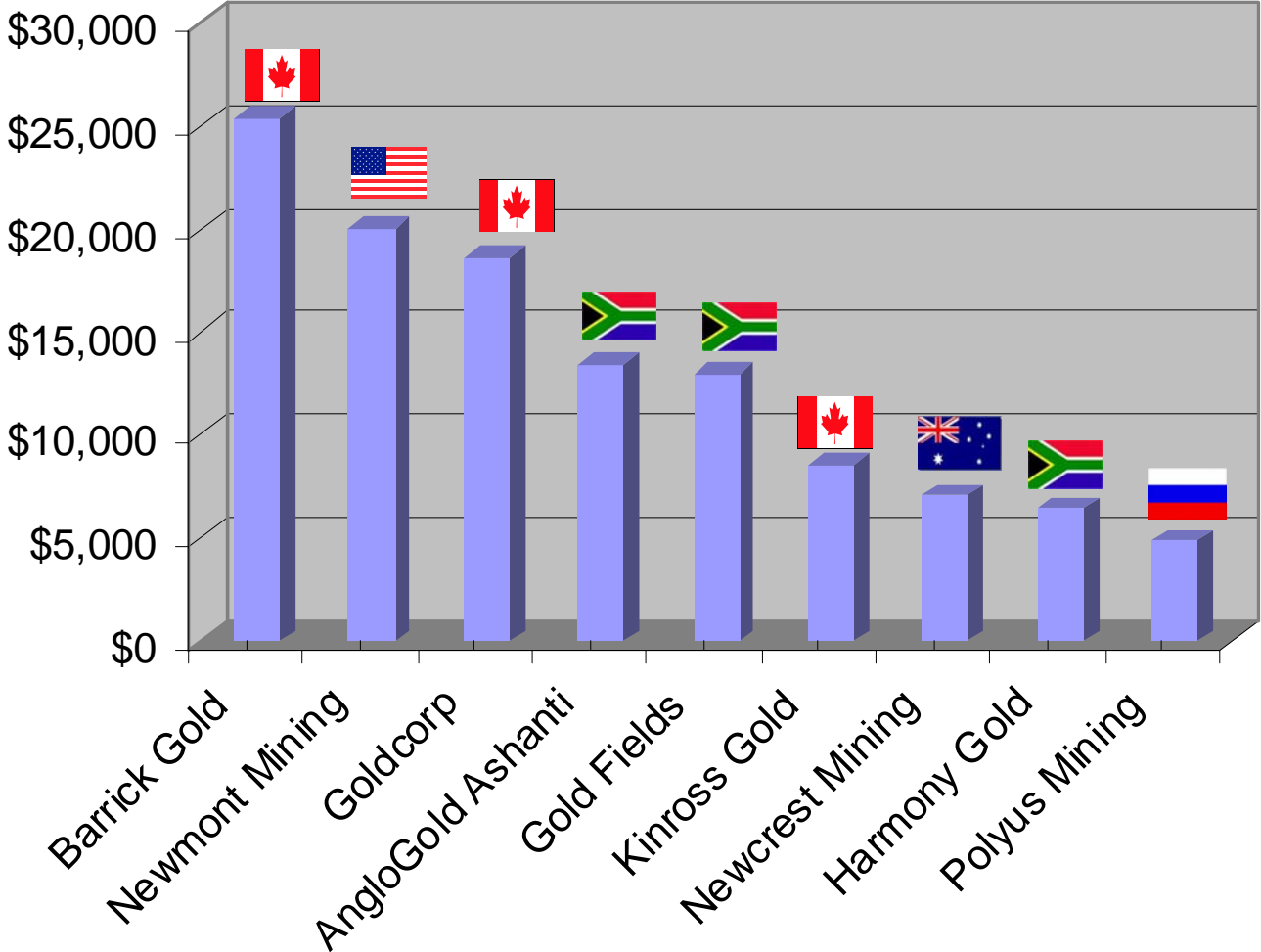
Transaction Challenges

Newmont M&A Approach

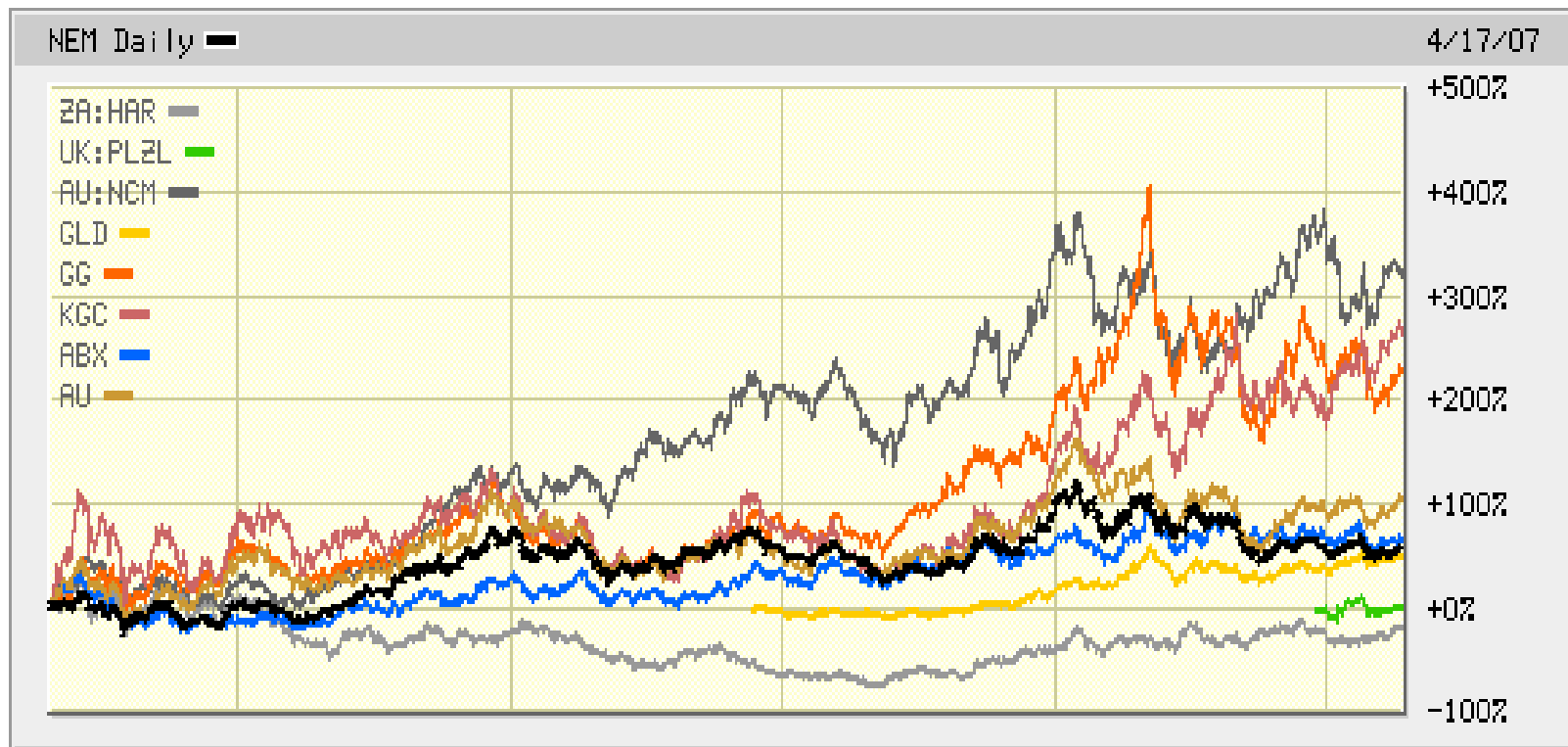
Gold Price



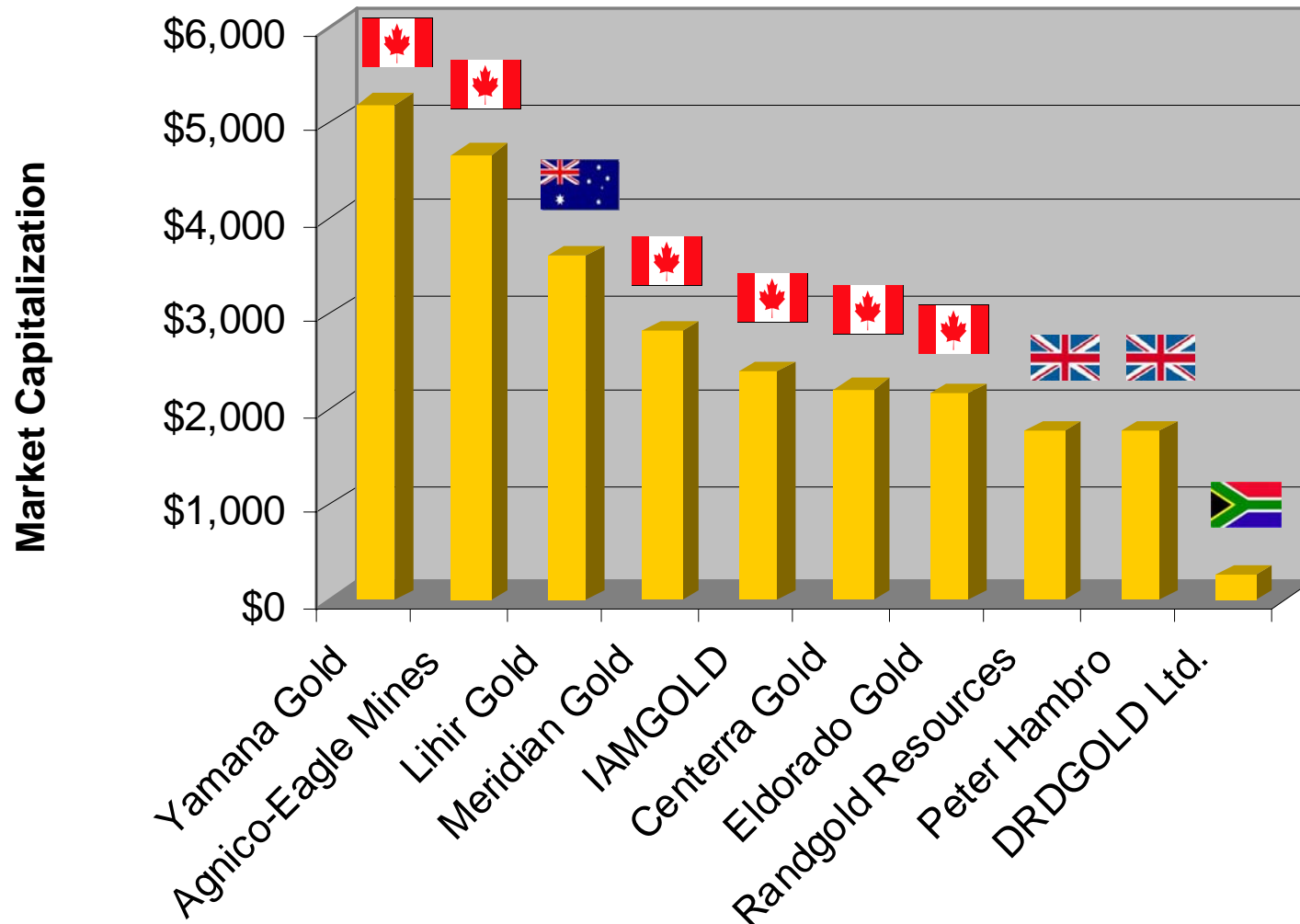
Senior Gold Producers



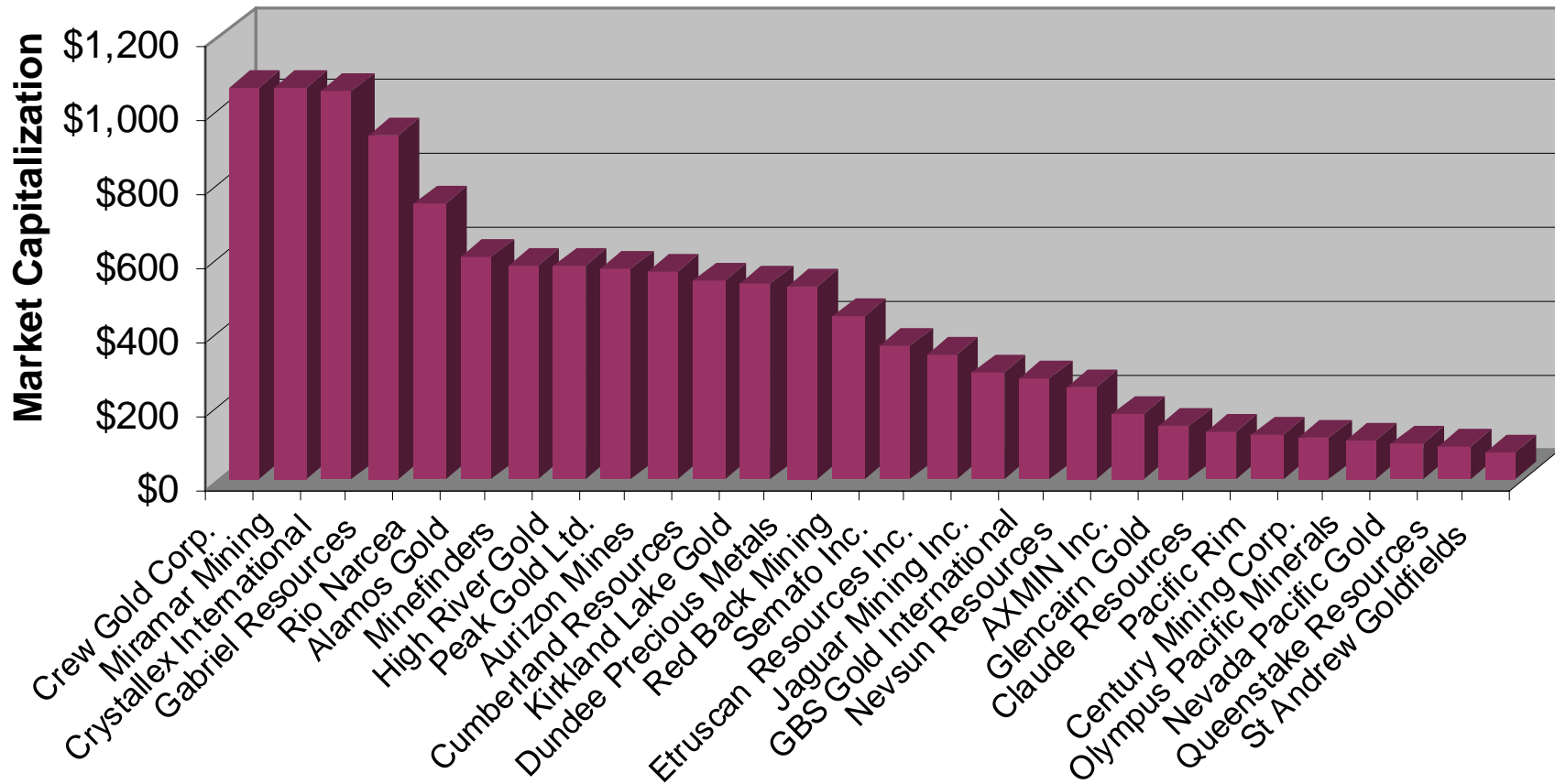
Senior Gold Producers – 5yr trading



Intermediate Gold Producers



Junior Gold Producers

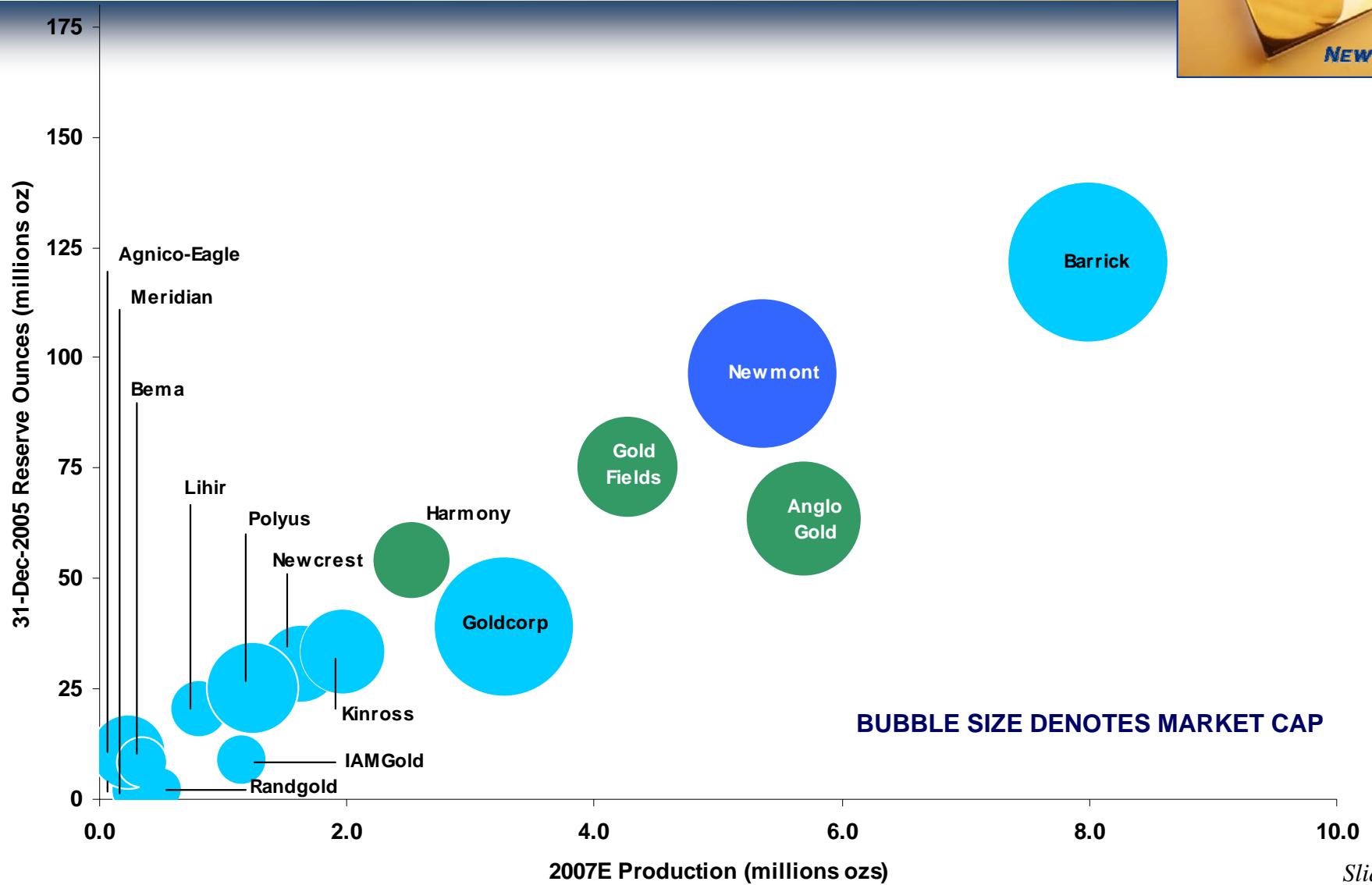


Exploration Companies



Company	Market Cap.	Company	Market Cap.	Company	Market Cap.	Company	Market Cap.
Silver Standard Resources	\$2,447	Gold Reserve Inc.	\$307	Acadian Gold	\$104	Canarc Resource Corp.	\$43
NovaGold Resources	\$1,627	Bear Creek Mining	\$291	Northern Mining	\$98	African Gold Group	\$43
Aurelian Resources Inc.	\$1,046	Moto Goldmines Ltd	\$283	Alexis Minerals	\$88	Cassidy Gold	\$41
Fronteer Development	\$949	Orezone Resources	\$283	YGC Resources Ltd.	\$88	Merrex Gold Inc.	\$40
Palmarejo Gold Corp.	\$740	Fortuna Silver Mines	\$187	Atna Resources Ltd.	\$87	IMA Exploration Inc.	\$39
Gold Eagle Mines Ltd.	\$707	Chesapeake Gold	\$183	Keegan Resources Inc.	\$85	SearchGold Resources	\$32
Seabridge Gold	\$605	New Gold Inc.	\$180	Exeter Resource Corp.	\$81	Sulliden Exploration	\$31
Osisko Exploration	\$585	Andina Minerals	\$179	Pelangio Mines	\$81	North Atlantic Resources	\$28
Metallica Resources	\$504	Petaquilla Minerals	\$178	Kimber Resources Inc.	\$79	Radius Gold	\$25
Arizona Star	\$494	Lake Shore Gold	\$177	Capital Gold Corp.	\$73	Gateway Gold	\$22
International Minerals	\$479	San Anton Resource	\$171	StrataGold Corporation	\$73	Temex Resources	\$20
Banro Corporation	\$419	Detour Gold Corporati	\$155	Mines Management Inc	\$68	Robex Resources	\$18
Guyana Goldfields	\$413	Rubicon Minerals	\$153	Queenston Mining	\$63	Trade Winds Ventures	\$18
Aquiline Resources	\$410	Carpathian Gold	\$137	Goldbelt Resources	\$61	Maximus Ventures Ltd.	\$17
Rusoro Mining Ltd	\$408	San Gold Corporation	\$135	Reunion Gold Corp.	\$60	Tagish Lake Gold	\$17
Anatolia Minerals	\$393	Solitario Resources	\$131	Plexmar Resources	\$56	Goldcrest Resources	\$15
U.S. Gold Corporation	\$327	Linear Gold Corp.	\$129	Gold-Ore Resources	\$52	Portal Resources	\$15
Southwestern Resources	\$323	Dynasty Metals & Mini	\$126	Royal Standard Minerals	\$52	Alturas Minerals Corp.	\$14
Minera Andes Inc.	\$316	Mansfield Minerals Inc	\$125	Klondex	\$45	Pacific Comox	\$14
Greystar Resources	\$316	Marathon PGM Corp.	\$105	Committee Bay Resources	\$45	Goldrush Resources	\$14

M&A Universe



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Valuation Factors



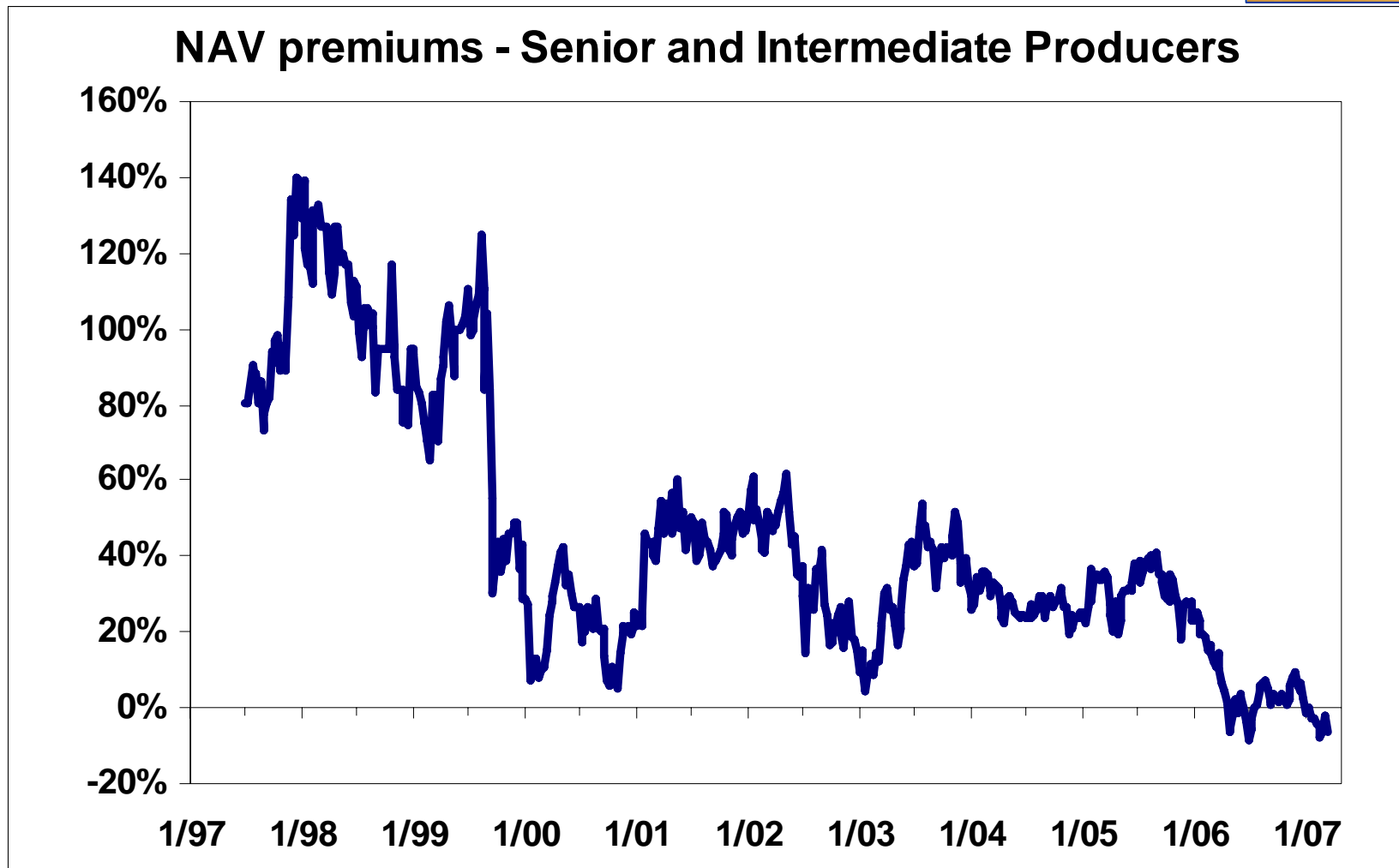
- Financials
- NAV
- CF
- Free Cash Flow

- Growth
- CFPS
- Reserves/Share
- Production/Share

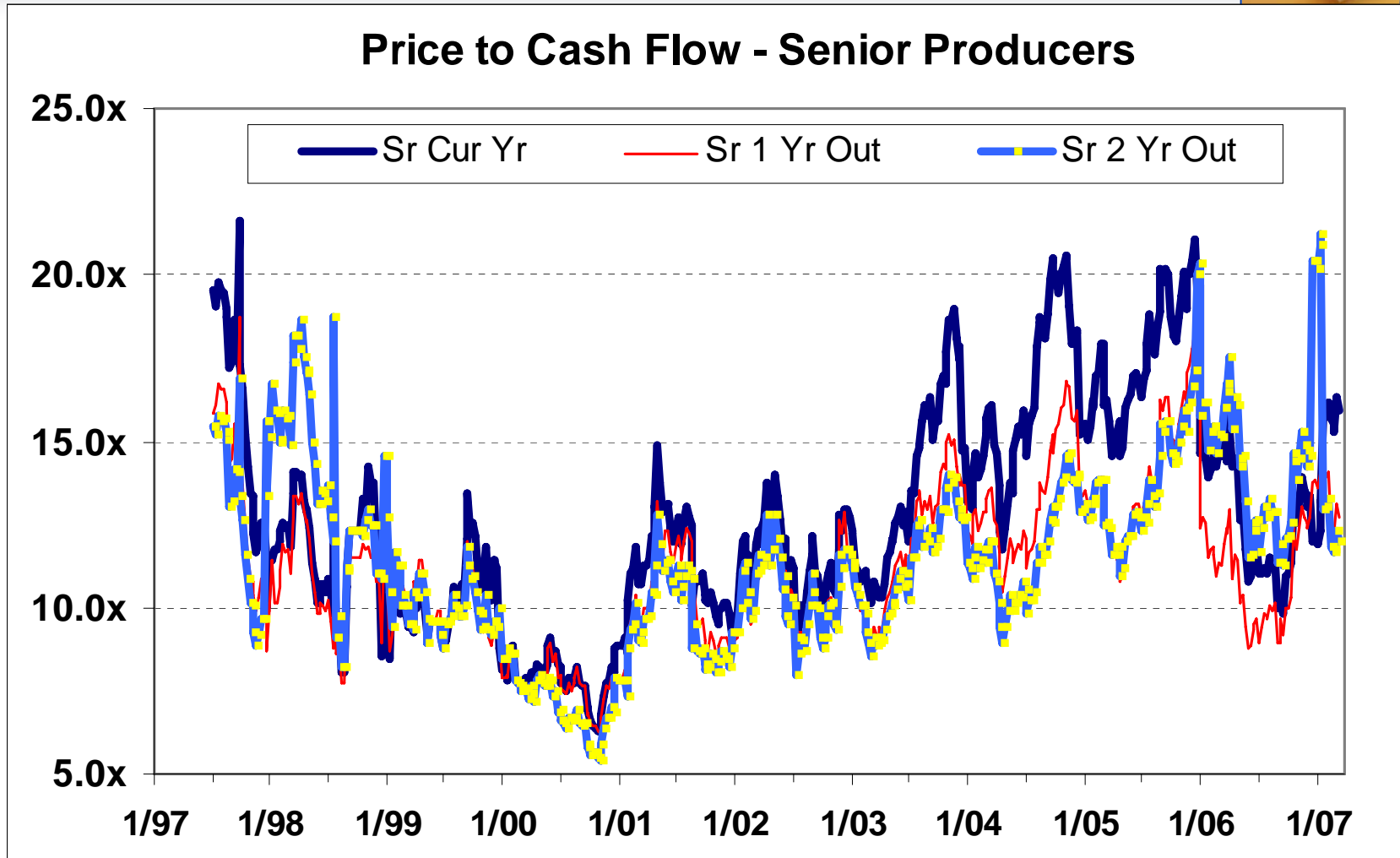
- Option Value
- Leverage
- Reserves/Share
- Production/Share

- Quality
- Management
- Premium deposits
- Margins
- Reserve Life

NAV Premiums – Spot Gold



Price to Cash Flow



Gold Industry M&A



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Gold Industry Transactions



Precedent Transaction Premiums



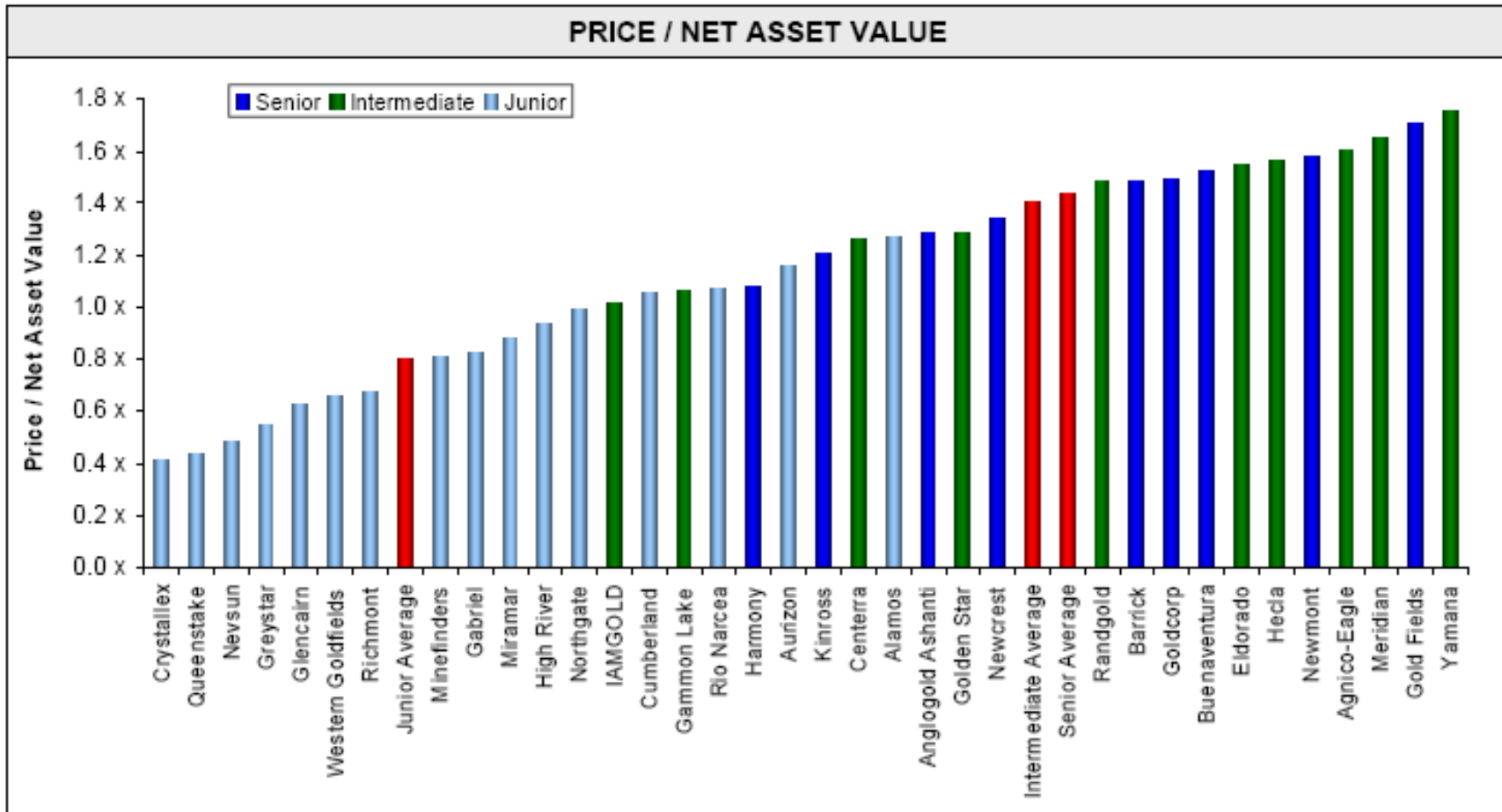
Announcement Date ¹	Acquirer	Target	Approach	Target Stage	Premium		
					1-Day	1-Week	1-Month
5-Mar-07	Royal Gold	Battle Mountain Gold Exploration	Friendly	Production	43%	31%	31%
14-Feb-07	Agnico-Eagle	Cumberland	Friendly	Development	29%	25%	42%
6-Nov-06	Kinross	Bema	Friendly	Production	22%	37%	41%
13-Oct-06	Lihir Gold	Ballarat Goldfields	Friendly	Development	23%	48%	40%
14-Sep-06	IAMGOLD	Cambior	Friendly	Production	31%	24%	41%
11-Sep-06	Gold Fields	Western Areas	Friendly	Production	13%	16%	15%
31-Aug-06	Goldcorp	Glamis Gold	Friendly	Production	33%	34%	37%
16-Aug-06	Yamana	Viceroy	Friendly	Development	25%	16%	26%
19-Jun-06	Barrick	Pioneer Metals	Friendly	Development	133%	144%	122%
29-May-06	Gammon Lake	Mexgold Resources	Friendly	Production	17%	21%	(3%)
6-Mar-06	US Gold Corp	Nevada Pacific	Unsolicited	Production	23%	73%	39%
22-Feb-06	Yamana	Desert Sun Mining	Friendly	Production	19%	46%	40%
13-Dec-05	NuStar	Intrepid	Friendly	Development	14%	16%	20%
5-Dec-05	Iamgold	Gallery Gold	Friendly	Production	37%	44%	72%
5-Dec-05	Yamana	RNC Gold	Friendly	Production	5%	20%	24%
5-Dec-05	Goldcorp	Virginia Gold	Friendly	Development	29%	40%	65%
21-Nov-05	Gold Fields	Bolivar	Friendly	Production	26%	45%	56%
31-Oct-05	Barrick	Placer Dome	Unsolicited	Production	35%	39%	33%
17-Oct-05	Crew Gold	Gulnor	Friendly	Production	3%	7%	36%
27-Sep-05	Golden Star	St. Jude	Friendly	Development	29%	26%	47%
20-Jun-05	High River	Jilbey	Friendly	Development	30%	45%	80%
31-May-05	Eldorado	Afcan Mining	Friendly	Development	7%	34%	20%
12-May-05	Agnico-Eagle	Riddarhyttan	Friendly	Development	28%	27%	25%
20-Oct-04	Lake Shore Gold	Holmer Gold	Friendly	Development	40%	51%	89%
21-Apr-04	Cambior	Sequoia Minerals	Friendly	Production	25%	24%	43%
30-Mar-04	Goldcorp	Wheaton River	Friendly	Production	4%	3%	16%
30-Jun-04	Rio Narcea	Defiance Mining	Friendly	Development	37%	52%	33%
25-Jun-04	Crystallex	El Callao Mining	Friendly	Development	55%	55%	4%
30-Mar-04	NovaGold	SpectrumGold	Friendly	Development	43%	45%	34%
Average					30%	38%	40%

Source: Bloomberg and Company Reports

1. Announcement date is the date at which the stock price was unaffected and not necessarily the date at which the acquirer announced a bid

Compiled by: BMO Capital Markets

Premium to NAV



Source: Based on research analyst consensus estimates

NAV Accretion



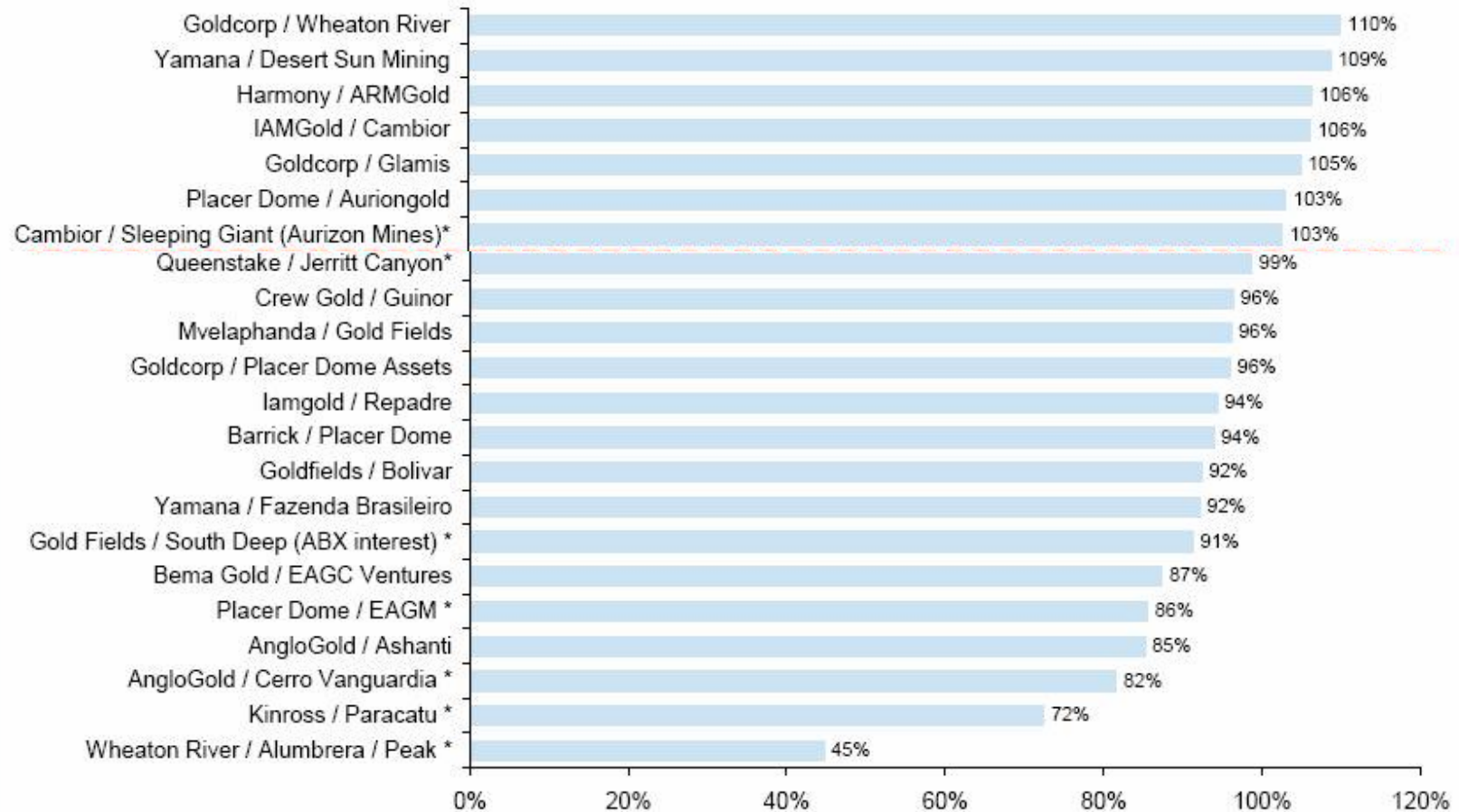
Precedent Transactions

Target	Acquiror	Date	Bid Premium to 0% NAV ⁽¹⁾	Acquiror Premium to 0% NAV ⁽¹⁾	Discount to Acquiror's Premium ⁽¹⁾
Cumberland	Agnico-Eagle	Feb 13, 2007	0.8x	1.5x	(28%)
Agincourt	Oxiana	Jan 29, 2007	0.9x	1.4x	(19%)
Viceroy	Yamana	Aug 16, 2006	1.1x	1.3x	(12%)
Boddinton	Newmont	Feb 13, 2006	1.0x	1.4x	(17%)
Eléonore	Goldcorp	Dec 05, 2005	0.8x	1.6x	(30%)
Bolivar	Goldfields	Nov 21, 2005	1.1x	1.7x	(22%)
St. Judes	Golden Star	Sep 24, 2005	0.7x	0.9x	(13%)
Afcan Mining	Eldorado	May 31, 2005	0.5x	1.0x	(26%)
Riddarhyttan	Agnico	May 12, 2005	0.9x	1.3x	(17%)
Amapari	Wheaton River	Nov 06, 2003	0.7x	1.3x	(26%)
Ariane Gold	Cambior	Sep 26, 2003	0.7x	1.5x	(32%)
Los Filos	Wheaton River	Sep 03, 2003	0.4x	1.3x	(37%)
Brancote Holdings	Meridian Gold	Apr 04, 2002	1.2x	1.4x	(11%)
Francisco Gold	Glamis Gold	Mar 06, 2002	1.0x	1.4x	(19%)
Pangea	Barrick	Jun 30, 2000	1.1x	1.5x	(16%)
Argetina Gold	Homestake	Mar 09, 1999	1.6x	1.6x	0%
Sutton	Barrick	Feb 18, 1999	1.6x	2.1x	(16%)
Getchell	Placer Dome	Dec 13, 1998	1.6x	2.5x	(24%)
Arequipa	Barrick	Jul 11, 1996	1.0x	1.6x	(21%)
Average			1.0x	1.5x	(20%)

Total Acquisition Cost



Implied Break-even as a % of Spot Gold - Producers 2002 - Present



* Denotes asset transaction

US/Canada Deal Structure Considerations



	Tender Offer	Plan of Arrangement
Cash	<ul style="list-style-type: none"> ✓ In the market for min. 40-50 days ✓ Ability to control the transaction documentation and transaction timing ✓ Ability to respond fast to competing bid ✗ 90% threshold for compulsory acquisition of remainder or 2nd stage "squeeze-out" transaction (additional 45 days) 	<ul style="list-style-type: none"> ✓ 66.7% threshold, single process ✓ In the market for min. 50-60 days ✗ Target controls transaction documentation and timing to a greater degree
Shares	<ul style="list-style-type: none"> ✓ In the market for min. 40-50 days ✓ Ability to control the transaction documentation and transaction timing ✓ Ability to respond fast to competing bid ✓ Tax free roll for shareholder ✗ 90% threshold for compulsory acquisition of remainder or 2nd stage "squeeze-out" transaction (additional 45 days) ✗ SEC review and 43-101 compliance required ✗ Fairness opinion valuing acquiror 	<ul style="list-style-type: none"> ✓ 66.7% threshold, single process ✓ May be exempt from SEC review ✗ In the market for min. 60-70 days ✗ Target controls transaction documentation and timing to a greater degree ✗ 43-101 compliance required ✗ Fairness opinion valuing acquirer

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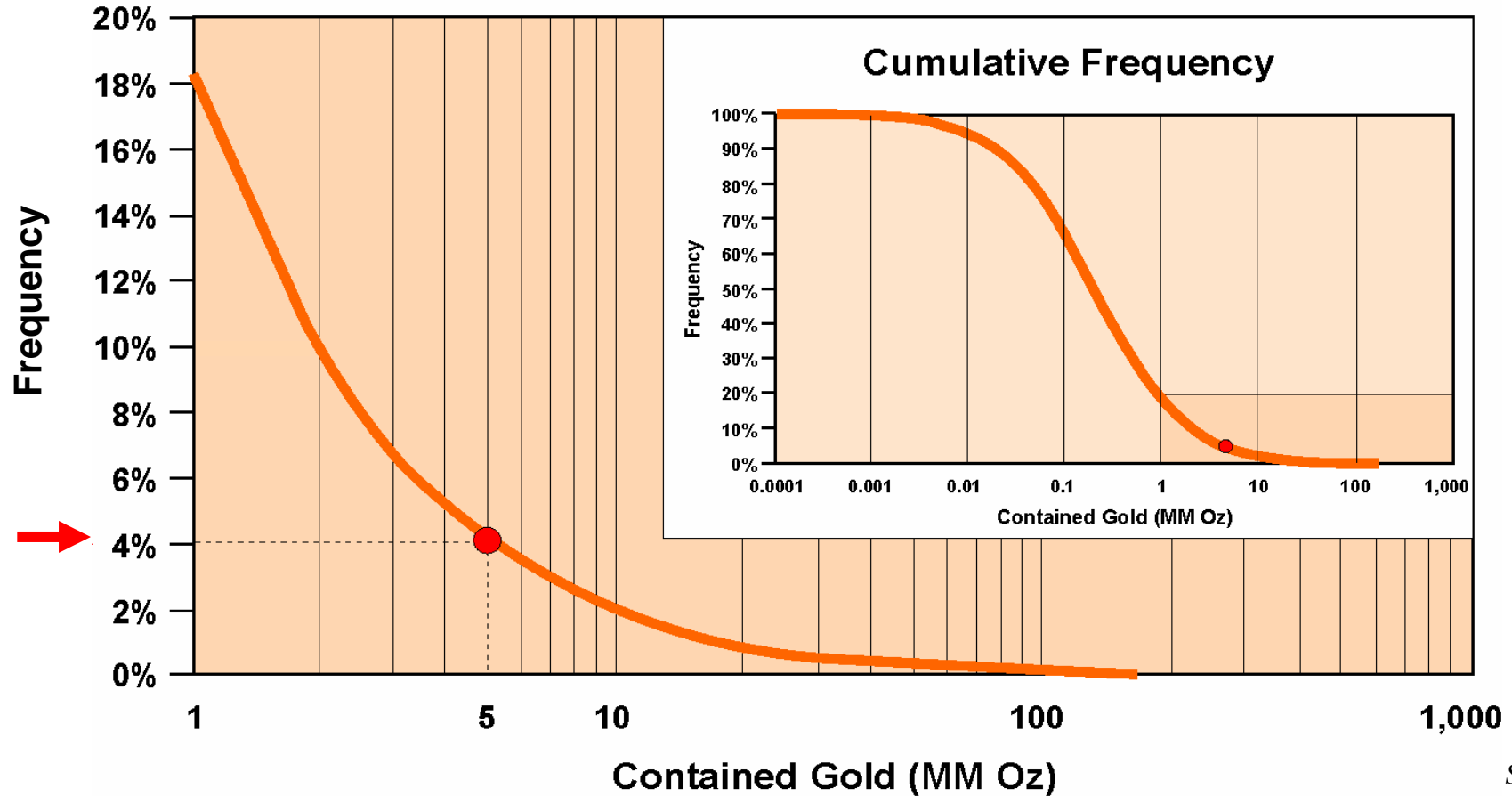
Transaction Challenges

Newmont M&A Approach

Scarcity of Large Deposits



**Actual Distribution of Gold Deposits
Total Resource and Reserves (Oz)**

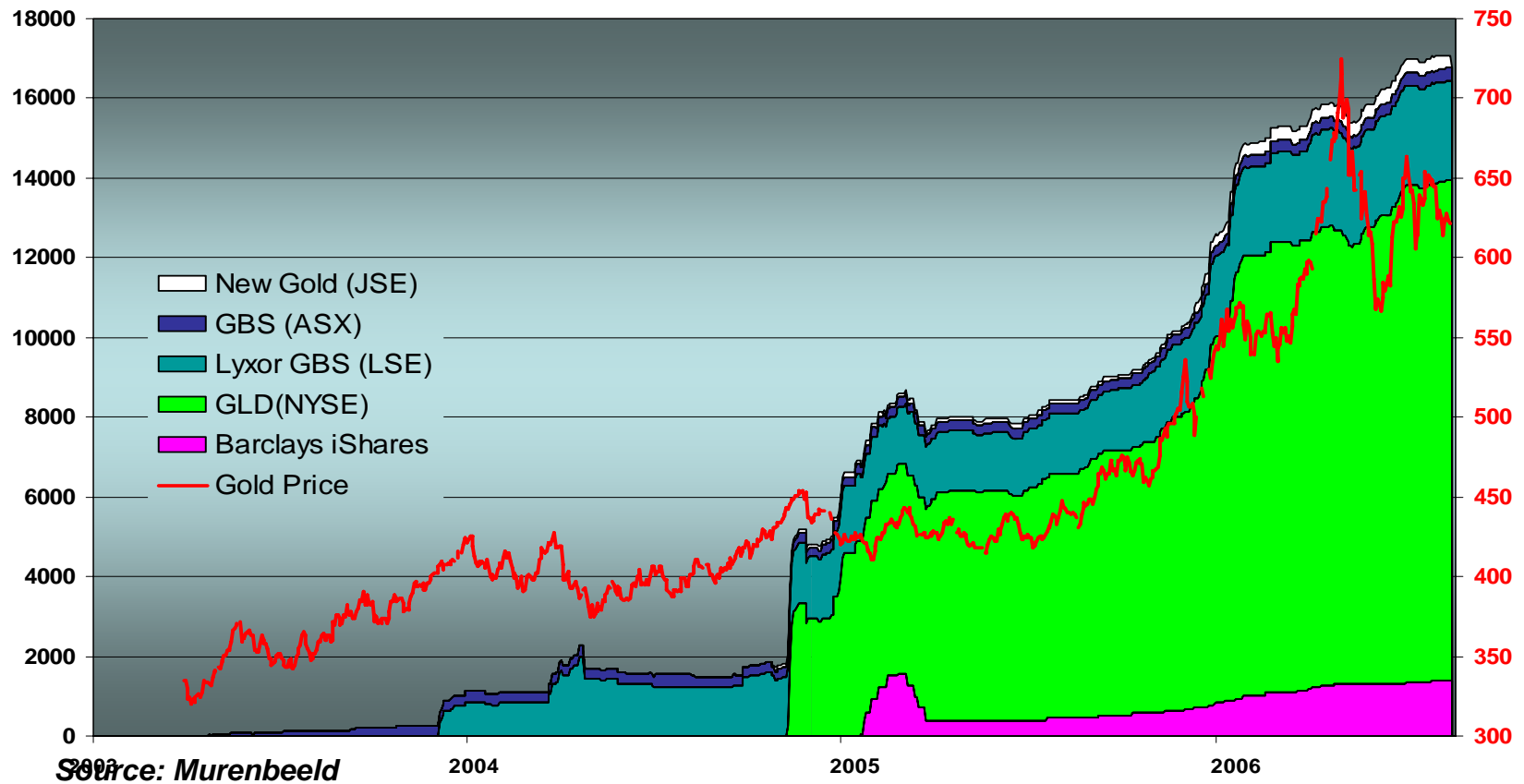


Scarcity of Large Deposits



- Industry Data from Schodde (1985-2003)
 - 190 deposits > 1 Moz containing 895 Moz discovered
 - Discovery rate is about 10 deposits > 1Moz per year
 - Approximately 5 of 10 are >3Moz
 - Only 14 of the total 190 deposits are >10 Moz

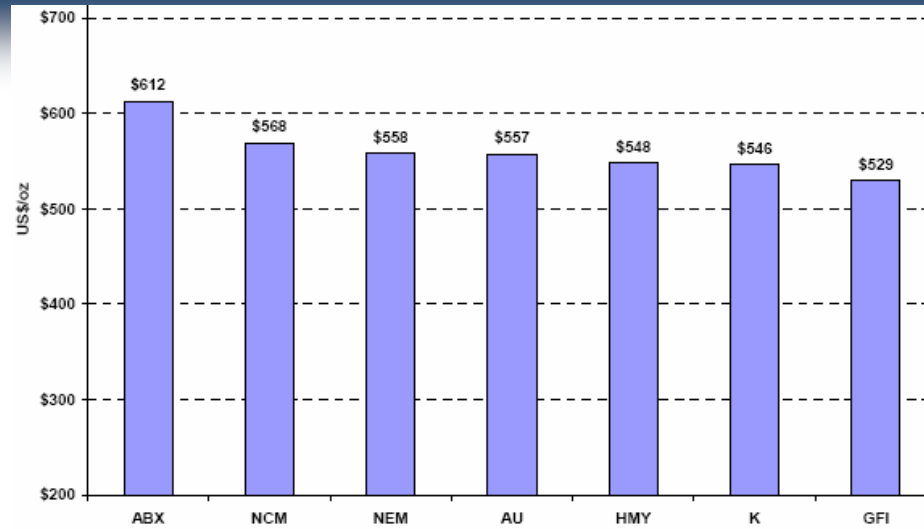
ETF – Double Edged Sword



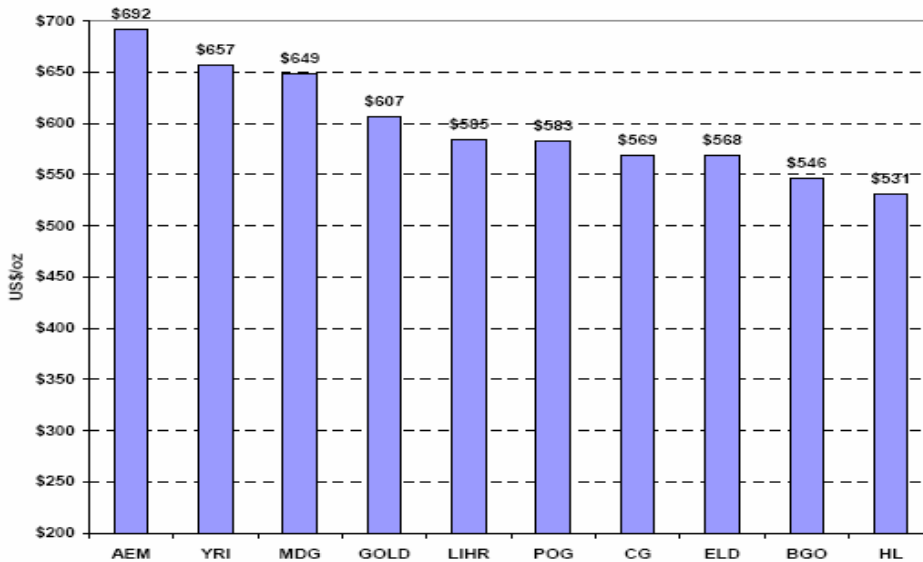
Intermediates at Senior Multiples



Gold Price Discounted by Seniors

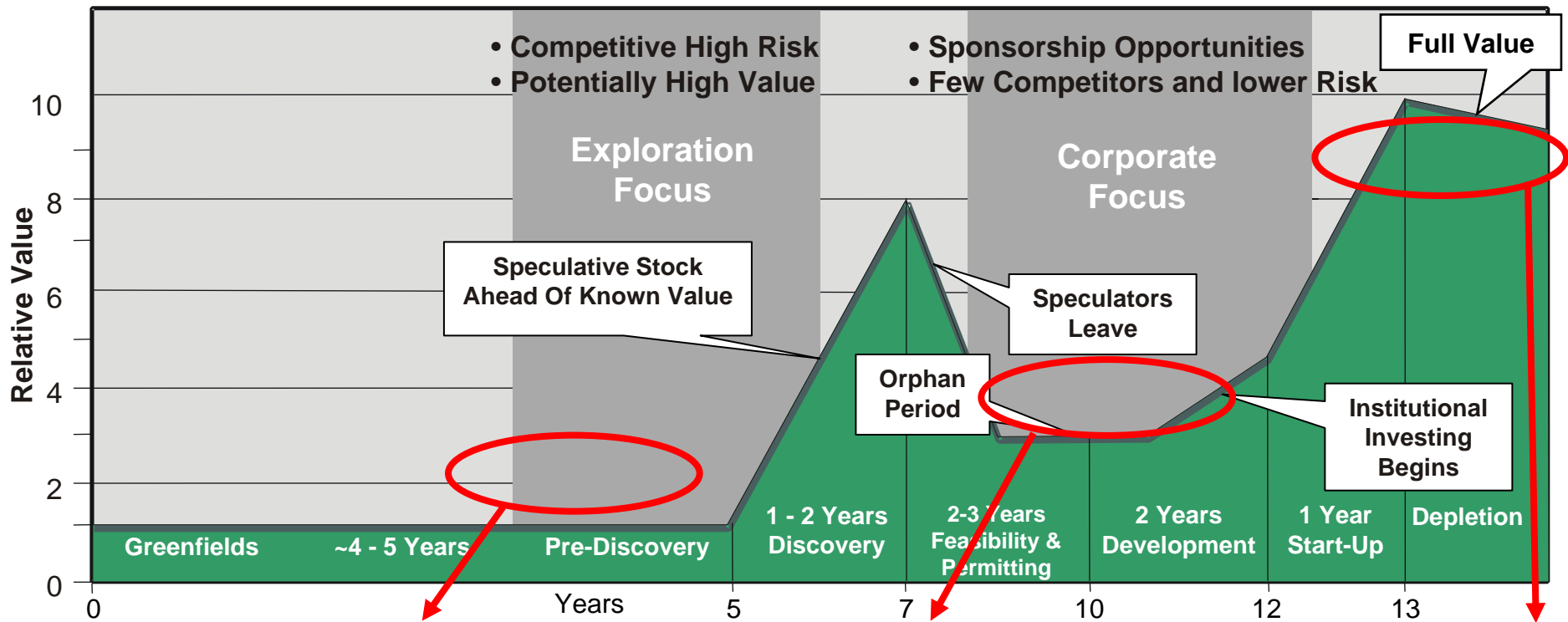


Gold Price Discounted by Intermediates



Source: BMO Nesbitt Burns

Life Cycle of a Project



Early Mover Advantage

- Limited Information
- Portfolio Approach

Development Projects

- Permitting Issues
- Lack of Operating/Technical Skills
- Capital Constraints

Mergers/Acquisitions:

- Strategic,
- Synergistic

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M&A Transaction Valuation

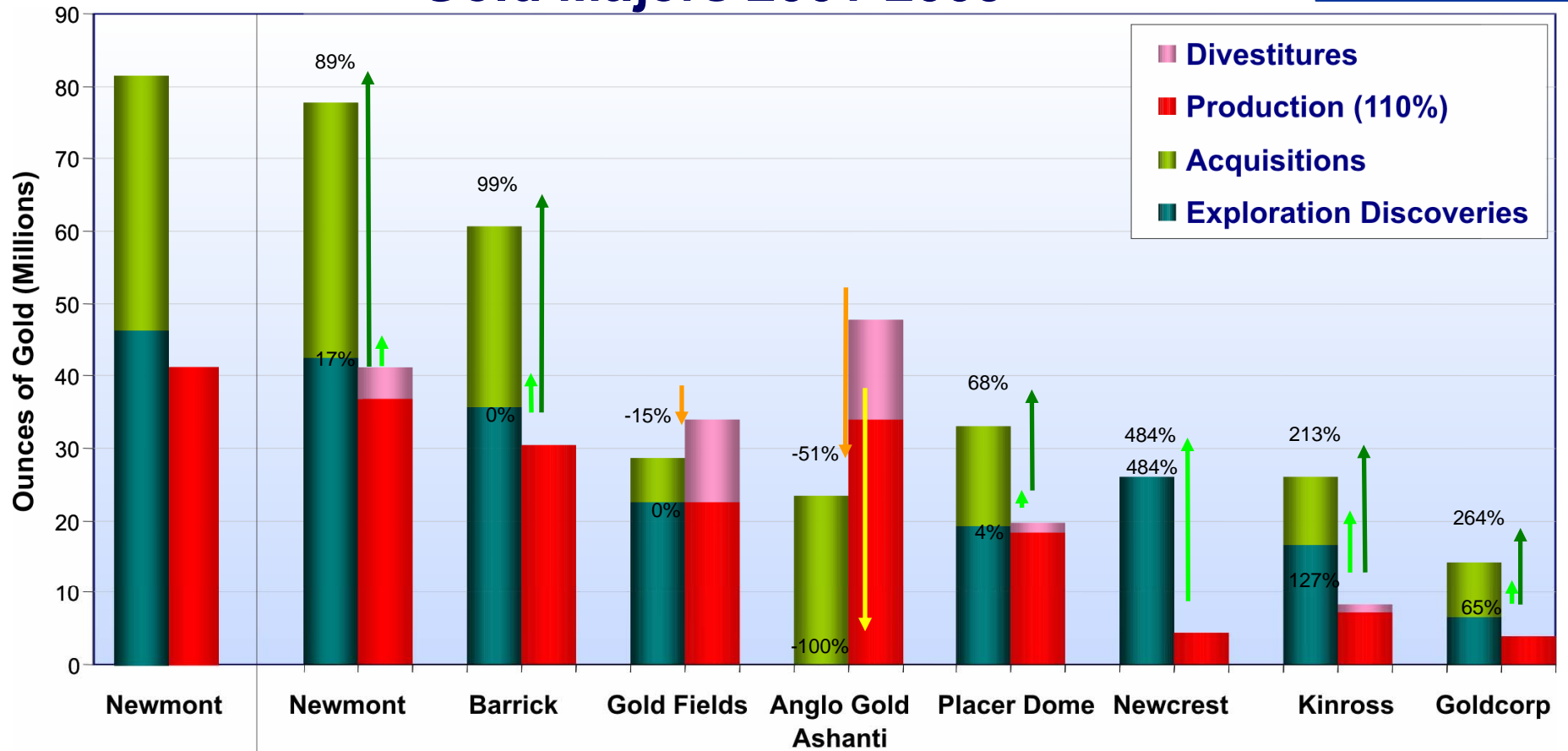
Transaction Challenges

Newmont Growth Strategies

Reserve Additions and Depletions



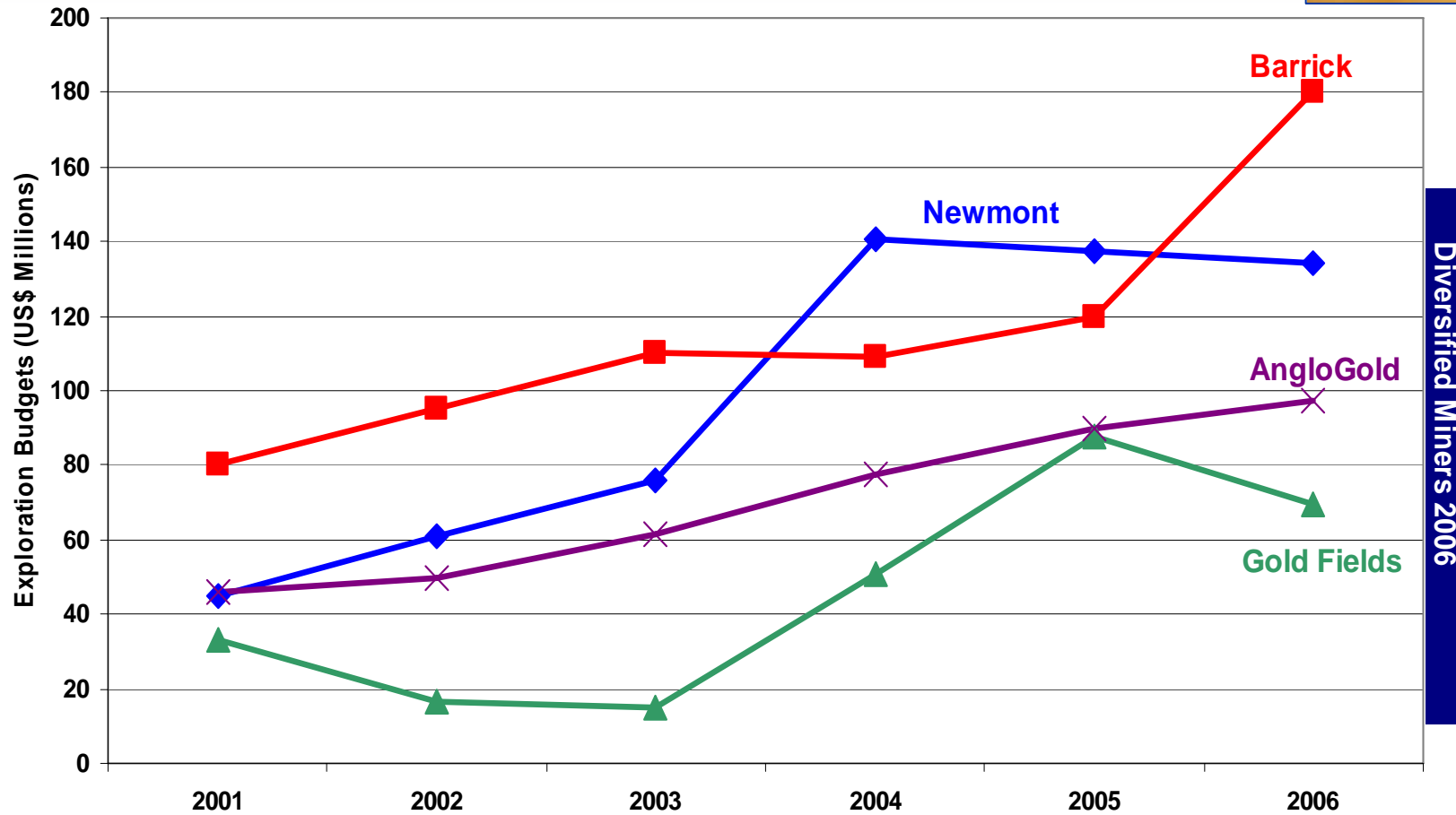
Gold Majors 2001-2005



Newmont
Internal
Data

Source: Metals Economics Group

Exploration Spend Gold Majors



Source: Corporate Exploration Strategies (Metals Economics Group, October 2006)

Growth Strategies



- **Core Operations**
- **Regional Operating Units**
- **Partnering Strategy**
- **Stake in future large deposits**
- **Investment/Diversification**
- **Non-core assets**

Gold Industry M&A



Thank You

