

NEWMONT MINING CORP /DE/

Form 10-Q/A

April 11, 2003

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 10-Q/A

(Amendment No. 1)

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

FOR THE QUARTERLY PERIOD ENDED June 30, 2002

or

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 001-31240

NEWMONT MINING CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

84-1611629

(State or other jurisdiction

(I.R.S. Employer

incorporation or organization)

Identification No.)

1700 Lincoln Street, Denver, Colorado

80203

(Address of principal executive offices)

(Zip Code)

303-863-7414

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

There were 348,018,400 shares of common stock outstanding on August 9, 2002 (and 53,459,500 exchangeable shares).

Explanatory Note

This Amendment No. 1 on Form 10-Q/A (this Amendment) amends the Quarterly Report on Form 10-Q for the quarter ended June 30, 2002, filed on August 14, 2002. The Company has filed this Amendment to give effect to the restatement of the Company's financial statements as of and for the three months and six months ended June 30, 2002 and 2001 as discussed in Note 20 to the Consolidated Financial Statements. The Company is making the following adjustments relating to (1) the accounting for a prepaid forward gold sales contract and a forward gold purchase contract entered into in July 1999, (2) depreciation and deferred stripping calculations to exclude material other than proven and probable reserves, (3) depreciation on certain mining assets, (4) the amortization of acquired mineral interests and (5) including depreciation, depletion and amortization expense (DD&A) as a capitalized cost in inventory. The adjustments reflected in this filing are described in more detail in Note 20 to this filing. Supplementally effective January 1, 2002, the Company changed its accounting policy with respect to depreciation, depletion and amortization to exclude future estimated development costs expected to be incurred for certain underground operations. Although we have revised this Amendment to give effect to the adjustments, other information contained herein has not been updated. Therefore, you should read this Amendment together with our Annual Report on Form 10-K for the fiscal year ended December 31, 2002, our Amended Annual Report on Form 10-K/A for the fiscal year ended December 31, 2001 and our Amended Quarterly Reports on Form 10-Q/A for the quarters ended March 31 and September 30, 2002, as amended to the date hereof or as subsequently amended, as well as the other documents that we have filed with the Securities and Exchange Commission. Information in such reports and documents updates and supersedes certain information contained in this Amendment.

PART I FINANCIAL INFORMATION

ITEM 1. Financial Statements

NEWMONT MINING CORPORATION

STATEMENTS OF CONSOLIDATED OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

Unaudited. As Restated. See Note 20.

	Three Months Ended	
	June 30,	
	2002	2001
	(in thousands, except per share)	
Sales and other income		
Sales - gold	\$ 609,516	\$ 367,301
Sales - base metals, net	22,935	
Royalties	11,202	102
Gain on sale of marketable securities of Lihir	47,298	
Dividends, interest, foreign currency exchange and other income	14,843	3,348
	<u>705,794</u>	<u>370,751</u>
Costs and expenses		
Costs applicable to sales - gold	375,925	259,263
Costs applicable to sales - base metals	8,620	
Depreciation, depletion and amortization	123,602	66,742
Exploration and research	18,788	15,305
General and administrative	27,652	14,964
Interest, net of capitalized interest of \$1,223 and \$3,795, respectively	35,101	23,560
Write-down of assets	7,644	1,245
Other	(1,791)	1,707
	<u>595,541</u>	<u>382,786</u>
Operating income (loss)	110,253	(12,035)
Loss on derivative instruments	(9,478)	(14,719)
	<u>100,775</u>	<u>(26,754)</u>
Pre-tax income (loss) before minority interest and equity income of affiliates	100,775	(26,754)
Income tax expense	(29,821)	(1,364)
Minority interest in income of subsidiaries	(19,284)	(10,943)
Equity income of affiliates	17,320	8,289
	<u>68,990</u>	<u>(30,772)</u>
Net income (loss)	68,990	(30,772)
Preferred stock dividends	(1,869)	(1,868)

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Net income (loss) applicable to common shares	\$ 67,121	\$ (32,640)
Net income (loss)	\$ 68,990	\$ (30,772)
Other comprehensive income, net of tax	29,828	6,235
Comprehensive income (loss)	\$ 98,818	\$ (24,537)
Net income (loss) per common share, basic and diluted	\$ 0.17	\$ (0.17)
Basic weighted average common shares outstanding	397,532	195,637
Diluted weighted average common shares outstanding	399,468	195,854
Cash dividends declared per common share	\$ 0.03	\$ 0.03

See Notes to Consolidated Financial Statements

NEWMONT MINING CORPORATION

STATEMENTS OF CONSOLIDATED OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

Unaudited. As Restated. See Note 20.

	Six Months Ended June 30,	
	2002	2001
	(in thousands, except per share)	
Sales and other income		
Sales - gold	\$ 1,091,750	\$ 791,398
Sales - base metals, net	32,305	
Royalties	15,002	179
Gain on sale of marketable securities of Lihir	47,298	
Dividends, interest, foreign currency exchange and other income	15,258	6,699
	<u>1,201,613</u>	<u>798,276</u>
Costs and expenses		
Costs applicable to sales - gold	696,410	526,545
Costs applicable to sales - base metals	19,122	
Depreciation, depletion and amortization	225,788	156,673
Exploration and research	30,355	30,620
General and administrative	48,967	30,875
Interest, net of capitalized interest of \$2,294 and \$6,642, respectively	66,238	46,714
Merger and restructuring		60,510
Write-down of assets	15,897	7,144
Other	(921)	5,250
	<u>1,101,856</u>	<u>864,331</u>
Operating income (loss)	99,757	(66,055)
Gain (loss) on derivative instruments	(3,147)	854
Pre-tax income (loss) before minority interest, equity income of affiliates and cumulative effect of a change in accounting principle	96,610	(65,201)
Income tax (expense) benefit	(31,009)	3,955
Minority interest in income of subsidiaries	(29,834)	(23,416)
Equity income of affiliates	18,724	3,769
Net income (loss) before cumulative effect of a change in accounting principle	54,491	(80,893)
Cumulative effect of a change in accounting principle, net of tax of \$4,147	7,701	
Net income (loss)	62,192	(80,893)
Preferred stock dividends	(3,738)	(3,737)
Net income (loss) applicable to common shares	<u>\$ 58,454</u>	<u>\$ (84,630)</u>
Net income (loss)	\$ 62,192	\$ (80,893)
Other comprehensive income, net of tax	57,706	5,299

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Comprehensive income (loss)	\$ 119,898	\$ (75,594)
Net income (loss) per common share before cumulative effect of a change in accounting principle, basic and diluted	\$ 0.15	\$ (0.44)
Cumulative effect of a change in accounting principle per common share, basic and diluted	0.02	
Net income (loss) per common share, basic and diluted	\$ 0.17	\$ (0.44)
Basic weighted average common shares outstanding	339,817	194,131
Diluted weighted average common shares outstanding	341,262	194,701
Cash dividends declared per common share	\$ 0.06	\$ 0.06

See Notes to Consolidated Financial Statements

NEWMONT MINING CORPORATION

CONSOLIDATED BALANCE SHEETS

	June 30, 2002	December 31, 2001
	(unaudited) As Restated. See Note 20	
	(in thousands)	
ASSETS		
Cash and cash equivalents	\$ 285,405	\$ 149,431
Short-term investments	20,950	8,185
Accounts receivable	55,536	19,088
Inventories	591,839	452,114
Marketable securities of Lihir		66,918
Current portion of deferred stripping costs	73,877	71,486
Prepaid taxes	30,058	29,229
Current portion of deferred income tax assets	30,790	7,792
Other current assets	105,231	42,780
	<u>1,193,686</u>	<u>847,023</u>
Current assets	1,193,686	847,023
Property, plant and mine development, net	2,330,516	1,930,249
Mineral interests and other intangibles, net	1,911,972	176,998
Investments	1,008,768	543,324
Deferred stripping costs	8,851	20,145
Long-term inventories	119,251	117,692
Derivative instruments	4,536	
Deferred income tax assets	488,586	403,447
Other long-term assets	202,403	102,810
Goodwill	2,568,935	
	<u>\$ 9,837,504</u>	<u>\$ 4,141,688</u>
Total assets	\$ 9,837,504	\$ 4,141,688
LIABILITIES		
Current portion of long-term debt	\$ 120,684	\$ 192,151
Accounts payable	138,098	80,884
Current portion of deferred income tax liabilities	44,785	32,919
Derivative instruments	55,233	
Other accrued liabilities	301,119	214,065
	<u>659,919</u>	<u>520,019</u>
Current liabilities	659,919	520,019
Long-term debt	1,813,809	1,234,718
Reclamation and remediation liabilities	259,758	176,934
Deferred revenue from sale of future production	53,841	53,841
Derivative instruments	345,375	
Deferred income tax liabilities	566,149	140,800
Employee related benefits	159,406	159,542
Other long-term liabilities	204,224	93,220
	<u>4,062,481</u>	<u>2,379,074</u>
Total liabilities	4,062,481	2,379,074
Commitments and contingencies (Notes 8, 9 and 17)		
Minority interest in subsidiaries	318,101	262,848

STOCKHOLDERS EQUITY		
Convertible preferred stock		11,500
Common stock	556,545	313,881
Additional paid-in capital	5,068,201	1,458,369
Accumulated other comprehensive income (loss)	48,258	(9,448)
Retained deficit	(216,082)	(274,536)
Total stockholders equity	5,456,922	1,499,766
Total liabilities and stockholders equity	\$ 9,837,504	\$ 4,141,688

See Notes to Consolidated Financial Statements

NEWMONT MINING CORPORATION

STATEMENTS OF CONSOLIDATED CASH FLOWS

Unaudited. As Restated. See Note 20.

	Six Months Ended June 30,	
	2002	2001
	(in thousands)	
Operating activities:		
Net income (loss)	\$ 62,192	\$ (80,893)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation, depletion and amortization	225,788	156,673
Amortization of deferred stripping costs, net	8,903	7,702
Deferred tax benefit	(10,403)	(35,735)
Foreign currency exchange loss	10,504	786
Minority interest, net of dividends	27,134	18,240
Undistributed earnings of affiliated companies	(14,859)	(3,769)
Write-down of assets	15,897	7,144
Cumulative effect of a change in accounting principle, net of tax	(7,701)	
Gain on sale of marketable securities of Lihir	(47,298)	
Noncash merger and restructuring expenses		14,667
(Gain) loss on sale of assets and other	(6,557)	(3,519)
(Increase) decrease in operating assets:		
Accounts receivable	14,413	6,657
Inventories	(5,441)	36,663
Other assets	14,881	30,791
Increase (decrease) in operating liabilities:		
Accounts payable and other accrued liabilities	(46,473)	(44,787)
Other liabilities	(42,896)	3,716
Net cash provided by operating activities	198,084	114,336
Investing activities:		
Additions to property, plant and mine development	(140,810)	(209,970)
Proceeds from sale of short-term investments	406,731	
Proceeds from sale of marketable securities of Lihir	84,002	
Proceeds from settlement of cross currency swaps	50,816	
Net cash effect of acquisitions	(87,885)	
Repayments from (advances to) joint ventures and affiliates	(24,750)	343
Proceeds from asset sales and other	19,888	(42)
Net cash provided by (used in) investing activities	307,992	(209,669)
Financing activities:		
Repayment of short-term debt		(10,000)
Proceeds from long-term debt	489,131	989,100
Repayment of long-term debt	(911,817)	(907,627)
Dividends paid on common and preferred stock	(25,871)	(15,473)
Decrease in restricted cash		40,000
Proceeds from stock issuances	62,898	4,381
Other	(691)	(3,272)

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Net cash provided by (used in) financing activities	(386,350)	97,109
Effect of exchange rate changes on cash	16,248	(2,588)
Net change in cash and cash equivalents	135,974	(812)
Cash and cash equivalents at beginning of period	149,431	77,558
Cash and cash equivalents at end of period	\$ 285,405	\$ 76,746
Supplemental information:		
Interest paid, net of amounts capitalized of \$2,294 and \$6,642, respectively	\$ 61,668	\$ 44,137
Income taxes paid	\$ 45,700	\$ 42,598

See Notes to Consolidated Financial Statements

NEWMONT MINING CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(1) Basis of Preparation of Financial Statements and Supplemental Accounting Policy Information

These unaudited interim consolidated financial statements of Newmont Mining Corporation and its subsidiaries (collectively, Newmont or the Company) have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission. Such rules and regulations allow the omission of certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles as long as the statements are not misleading. In the opinion of management, all adjustments necessary for a fair presentation of these interim statements have been included, including adjustments designed to capture the restatements described below. These adjustments are of a normal recurring nature except for the restatement adjustments described below. These interim financial statements should be read in conjunction with the consolidated financial statements of Newmont included in its 2002 Annual Report on Form 10-K filed March 27, 2003, its 2001 Annual Report on Form 10-K, including Amendment No. 1, filed March 20, 2003 and information on Form 8-K dated February 15, 2002, including Amendment No.1, filed on April 16, 2002.

The preparation of Newmont's Consolidated Financial Statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the Consolidated Financial Statements, as well as the reported amount of revenues and expenses during the reporting period. The most critical accounting principles upon which Newmont's financial position and results of operations depend are those requiring estimates of proven and probable reserves, recoverable ounces therefrom, Newmont's ability to renew the mining leases upon which certain of those reserves are located, and/or assumptions of future gold prices. Such estimates and assumptions affect the value of inventories (which are stated at the lower of average cost or net realizable value), the potential impairment of long-lived assets and the ability to realize income tax benefits associated with deferred tax assets. These estimates and assumptions also affect the rate at which depreciation, depletion and amortization (DD&A) are charged to earnings. As noted above, commodity prices significantly affect Newmont's profitability and cash flow. In addition, management estimates costs associated with reclamation of mining properties as well as remediation costs for inactive properties as described below. On an ongoing basis, management evaluates its estimates and assumptions; however, actual amounts could differ from those based on such estimates and assumptions.

On February 13, 2002, Newmont stockholders approved adoption of an Agreement and Plan of Merger that provided for a restructuring of Newmont to facilitate the February 2002 acquisitions described below and to create a flexible corporate structure. Newmont merged with an indirect, wholly-owned subsidiary that resulted in Newmont (or Old Newmont) becoming a direct, wholly-owned subsidiary of a newly formed holding company. The new holding company, previously a direct, wholly-owned subsidiary of Old Newmont, was renamed Newmont Mining Corporation. There was no impact to the Consolidated Financial Statements of Newmont as a result of this restructuring and former stockholders of Old Newmont became stockholders of the new holding company. Old Newmont was subsequently renamed Newmont USA Limited.

Restatements

As further discussed in Note 20, Newmont has determined that certain adjustments are required to restate the Consolidated Financial Statements for the three-month and six-month periods ended June 30, 2002 and 2001 and at June 30, 2002. Overall the adjustments decreased net income by \$6.0 million, or \$0.02 per share, and increased net loss by \$12.0 million, or \$0.07 per share for the six months ended June 30, 2002 and 2001, respectively. The adjustments also increased the Stockholders' equity of the Company at June 30, 2002 by \$9.2 million. The adjustments were

necessary (i) to account for a prepaid forward sales contract and a forward purchase contract as a single borrowing; (ii) to correct depreciation rates on certain mining assets at the

Company's subsidiary, Minera Yanacocha; (iii) to properly amortize acquired mineral interests; (iv) to record the impact in the Company's investment in Batu Hijau, accounted for under the equity method, for correcting its depreciation and deferred stripping calculations so as to exclude material other than proven and probable reserves; and, (v) to include depreciation, depletion and amortization expense as a capitalized cost in inventory. All amounts in the accompanying footnotes have been adjusted for these restatements as appropriate.

Inventories

In general, costs that are incurred in or benefit the productive process are inventoried. Inventories are carried at the lower of cost or net realizable value. The current portion of inventories is determined based on the expected amounts to be processed within the next twelve months. Inventories not expected to be processed within the next twelve months are classified as long-term.

The major classifications of inventory are as follows:

Stockpiles

Stockpiles represent coarse ore that has been extracted from the mine and is available for further processing. Stockpiles are measured by estimating the number of tons (via truck counts and/or in-pit surveys of the ore before stockpiling) added and removed from the stockpile, the number of contained ounces (based on assay data) and the recovery percentage (based on the process for which the ore is destined). Stockpile tonnages are verified by periodic surveys. Stockpiles are valued based on mining costs incurred up to the point of stockpiling the ore, including applicable depreciation, depletion and amortization relating to mining operations. Value is added to a stockpile based on the current mining cost per ton plus applicable depreciation, depletion and amortization and removed at the average cost per recoverable ounce of gold in the stockpile.

Ore on Leach Pads

The recovery of gold from certain oxide ores is best achieved through the heap leaching process. Under this method, ore is placed on leach pads where it is permeated with a chemical solution, which dissolves the gold contained in the ore. The resulting pregnant solution is further processed in a leach plant where the gold-in-solution is recovered. For accounting purposes, value is added to leach pads based on current mining costs, including applicable depreciation, depletion and amortization relating to mining operations. Value is removed from the leach pad as ounces are recovered in circuit at the leach plant based on the average cost per recoverable ounce of gold on the leach pad.

The engineering estimates of recoverable gold on the leach pads are calculated from the quantities of ore placed on the pads (measured tons added to the leach pads), the grade of ore placed on the leach pads (based on assay data) and a recovery percentage (based on the leach process and ore type). In general, the leach pad production cycles project recoveries of approximately 50% to 70% of the placed recoverable ounces in the first year of leaching, declining each year thereafter until the leaching process is complete.

Although the quantities of recoverable gold placed on the leach pads are reconciled by comparing the grades of ore placed on pads to the quantities of gold actually recovered (metallurgical balancing), the nature of the leaching process inherently limits the ability to precisely monitor inventory levels. As a result, the metallurgical balancing process is constantly monitored and the engineering estimates are refined based on actual results over time. The ultimate recovery of gold from a pad will not be known until the leaching process is terminated.

The current portion of leach pad inventories is determined based on engineering estimates of the quantities of gold at the balance sheet date that are expected to be recovered during the next twelve months.

In-process

In-process inventories represent materials that are currently in the process of being converted to a saleable product. Conversion processes vary depending on the nature of the ore and the specific mining operation, but

include mill in-circuit, leach in-circuit, flotation and column cells, and carbon in-pulp inventories. In-process material is measured based on assays of the material fed to process and the projected recoveries of the respective plants. In-process inventories are valued at the average cost of the material fed to process attributable to the source material coming from the mine, stockpile or leach pad plus the in-process conversion costs, including applicable depreciation relating to the process facility, incurred to that point in the process.

Precious Metals

Precious metals inventories represent saleable gold doré or gold bullion and are valued at the average cost of the respective in-process inventories incurred prior to the refining the process, plus refining costs.

Deferred Stripping Costs

In general, mining costs are charged to *Costs applicable to sales* as incurred. However, at open-pit mines, which have diverse grades and waste-to-ore ratios over the mine life, the Company defers and amortizes certain mining costs on a units-of-production (UOP) basis over the life of the mine. These mining costs, which are commonly referred to as deferred stripping costs, are incurred in mining activities that are normally associated with the removal of waste rock. The deferred stripping accounting method is generally accepted in the mining industry where mining operations have diverse grades and waste-to-ore ratios; however industry practice does vary. Deferred stripping matches the costs of production with the sale of such production at the Company's operations where it is employed, by assigning each ounce of gold with an equivalent amount of waste removal cost. If the Company were to expense stripping costs as incurred, there may be greater volatility in the Company's period-to-period results of operations.

At the Company's gold mining operations, deferred stripping costs are charged to *Costs applicable to sales* as gold is produced and sold using the UOP method based on estimated recoverable ounces of proven and probable gold reserves, using a stripping ratio calculated as the ratio of total tons to be moved to total proven and probable ore reserves, and result in the recognition of the costs of waste removal activities over the life of the mine as gold is produced and sold. The application of the deferred stripping accounting method generally results in an asset on the balance sheet (*Deferred stripping costs*), although a liability will arise if amortization exceeds costs deferred.

At the Company's equity accounted Batu Hijau operation, deferred stripping costs are charged to *Production costs* as copper and gold are produced and sold using the UOP method based on estimated recoverable pounds and ounces, respectively, of proven and probable ore reserves, using a stripping ratio based on total tons to be moved to total pounds of copper and ounces of gold to be recovered over the life of the mine. In the fourth quarter of 2002, NTP determined that PTNNT had incorrectly included material other than proven and probable reserves in its deferred stripping calculations. As a result, NTP restated its financial statements beginning with the fourth quarter 1999 through third quarter of 2002. (See Note 20.)

The average remaining life of the open-pit mine operations where the Company defers mining costs is six years, which represents the average time period over which the deferred stripping costs will be amortized. The amortization of deferred stripping costs is reflected in the income statement over the remaining life of the open-pit mine operations so that no unamortized balance remains at mine closure. Cash flows from the Company's individual mining operations are reviewed regularly, and at least annually, for the purpose of assessing whether any write downs to the deferred stripping cost balances are required.

Historically, Newmont classified deferred stripping costs as a component of *Property, Plant and Mine Development* on the *Consolidated Balance Sheets*. Effective January 1, 1999, Newmont has classified these costs as separate line items, *Deferred stripping costs* and *Current*

portion of deferred stripping costs, on the Consolidated Balance Sheets. Total deferred stripping costs as of June 30, 2002 and December 31, 2001 of \$82.7 million and \$91.6 million, respectively, include current portions of \$73.9 million and \$71.5 million, respectively.

In addition, Newmont has historically classified additions to deferred stripping costs as a component of *Additions to property, plant and mine development* in *Investing activities* in the *Statements of Consolidated Cash Flows*. Effective January 1, 1999, Newmont also has classified additions to deferred stripping costs as a component of *Amortization of deferred stripping costs, net* in *Operating activities* in the *Statements of Consolidated Cash Flows*. Additions to deferred stripping costs for the six-month periods ended June 30, 2002 and 2001 of \$8.1 million and \$10.9 million, respectively, have been reclassified to conform to the current presentation. The foregoing changes, which have no impact to reported earnings, have been made to more accurately reflect the operating nature of the deferred stripping method.

Property, Plant and Mine Development

Expenditures for new facilities or expenditures that extend the useful lives of existing facilities are capitalized and depreciated using the straight-line method at rates sufficient to depreciate such costs over the estimated productive lives of such facilities. Productive lives range from 2 to 21 years, but do not exceed the related estimated mine life based on proven and probable reserves.

Mineral exploration costs are expensed as incurred. When it has been determined that a mineral property can be economically developed as a result of establishing proven and probable reserves, costs incurred prospectively to develop the property are capitalized as incurred and are amortized using the UOP method over the estimated life of the ore body based on estimated recoverable ounces mined from proven and probable reserves. At the Company's surface mines, these costs include costs to further delineate the ore body and remove overburden to initially expose the ore body. At the Company's underground mines, these costs include the building of access ways, shaft sinking and access, lateral development, drift development, ramps and infrastructure development.

Major development costs incurred after the commencement of production, including estimated costs to be incurred during the calendar year at certain underground mining operations, are amortized using the UOP method based on estimated recoverable ounces mined from proven and probable reserves. To the extent that these costs benefit the entire ore body, they are amortized over the estimated life of the ore body. Costs incurred to access specific ore blocks or areas that only provide benefit over the life of that area are amortized over the specific ore area.

Ongoing development expenditures to maintain production are charged to operations as incurred.

During the third quarter of 2002, Newmont changed its accounting policy, retroactive to January 1, 2002, with respect to DD&A of Property, Plant and Mine Development to exclude future estimated development costs expected to be incurred for certain underground operations. Previously, the Company had included these costs and associated reserves in its DD&A calculations at certain of its underground mining operations. In addition, the Company further revised its policy such that costs incurred to access specific ore blocks or areas that only provide benefit over the life of that area are depreciated, depleted or amortized over the reserves associated with the specific ore area. These changes were made to better match DD&A with the associated ounces of gold sold and to remove the inherent uncertainty in estimating future development costs in arriving at DD&A rates. See discussion of accounting changes in Note 13.

Interest expense allocable to the cost of developing mining properties and to constructing new facilities is capitalized until assets are ready for their intended use.

Mineral Interests and Other Intangible Assets

Mineral interests and other intangible assets include acquired proven and probable reserves, undeveloped mineral interests and royalty interests.

Mineral Interests

Undeveloped mineral interests include: (i) *Other mineralized material* includes primarily inferred material within pits; measured, indicated and inferred material with insufficient drill spacing to qualify as proven and probable reserves; and inferred material in close proximity to proven and probable reserves; (ii) *Around-mine exploration potential* includes primarily inferred material not immediately adjacent to existing reserves and mineralization but located within the immediate mine infrastructure; and (iii) *Other exploration potential* is not part of measured, indicated or inferred material and is comprised mainly of material outside of the immediate mine area.

Proven and probable reserves are amortized on a UOP basis over the respective mine lives. Undeveloped mineral interests are amortized on a straight-line basis over their estimated useful lives taking into account residual values. At such time as an undeveloped mineral interest is converted to proven and probable reserves, the remaining unamortized basis is amortized on a UOP basis as described above.

Royalty Interests

Royalty interests associated with proven and probable reserves are amortized on a UOP basis over the respective mine lives based on proven and probable reserves. Royalty interests associated with undeveloped mineral interests are amortized on a straight-line basis over their estimated useful lives. At such time as the associated undeveloped mineral interest is converted to proven and probable reserves, the remaining unamortized basis in the royalty interest is amortized on a UOP basis as described above.

Residual Values

Residual values for undeveloped mineral interests represent the expected fair value of the interests at the time the Company plans to convert, develop, further explore or dispose of the interests. The residual values range from zero to 90% of the gross carrying value of the respective undeveloped mineral interests.

Expected Useful Lives

Determination of expected useful lives for amortization calculations are made on a property-by-property basis. Mineral interests associated with operating mines and royalty interests are amortized over the estimated life of the mine. Mineral interests, not associated with operating mines, generally greenfields exploration properties, would normally be cycled through Newmont's exploration process in 3 to 5 years and accordingly, the Company's amortization period for greenfields exploration properties is the period in which the Company expects to complete its exploration process.

The range of useful lives currently associated with assets amortized on a straight-line basis is from 3 to 35 years. The range of useful lives currently associated with assets amortized on a UOP basis is from 3 to 35 years.

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The Company evaluates the residual value and the associated remaining amortization period on a property-by-property basis at least annually. Any changes in estimates of useful lives and residual values are accounted for prospectively from the date of the change in accordance with Accounting Principles Board (APB) Opinion No. 20 Accounting Changes. See Note 6 for additional disclosures associated with *Mineral interests and other intangible assets, net*.

Accounting for Merchant Banking Activities

Newmont accounts for its merchant banking activities on a historical cost basis in a separate wholly-owned subsidiary, which is included in the consolidated financial statements. Merchant banking activities include the development of value optimization strategies for operating and non-operating assets, managing the equity

investment portfolio, business development activities related to potential merger and acquisition analysis and negotiations, managing and building the royalty business, mobilizing and monetizing inactive exploration properties, capitalizing on Newmont's proprietary technology know-how and acting as an internal resource for other corporate divisions to improve and maximize business outcomes. For segment reporting purposes, the merchant banking business is considered to be a separate operating segment because it engages in activities from which it earns revenues and incurs expenses and its operating results are regularly and separately reviewed by the Chief Operating Decision Maker.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

Foreign Currency Translation

The functional currency for the majority of the Company's operations, including the Australian operations, is the U.S. dollar. The functional currency of the Canadian operations is the Canadian dollar. All assets and liabilities recorded in functional currencies other than U.S. dollars are translated at current exchange rates. The resulting adjustments are charged or credited directly to *Accumulated other comprehensive income (loss) in Stockholders' equity*. Revenues and expenses in foreign currencies are translated at the weighted average exchange rates for the period. All realized and unrealized transaction gains and losses are included in income in *Dividends, interest, foreign currency exchange and other income*. References to A\$ refers to Australian currency, CDN \$ to Canadian currency and \$ or US\$, to United States currency.

(2) Acquisitions of Normandy and Franco-Nevada

In November 2001, Newmont announced proposed acquisitions of Normandy Mining Limited (Normandy), an Australian company, and Franco-Nevada Mining Corporation Limited (Franco-Nevada), a Canadian company.

On February 16, 2002, pursuant to a Canadian Plan of Arrangement, Newmont acquired 100% of Franco-Nevada in a stock-for-stock transaction in which Franco-Nevada common stockholders received 0.8 of a share of Newmont common stock, or 0.8 of a Canadian exchangeable share (exchangeable for Newmont common), for each common share of Franco-Nevada. The exchangeable shares are substantially equivalent to Newmont common shares. On February 20, 2002, Newmont obtained control of Normandy through a tender offer for all of the ordinary shares in the capital of Normandy. For accounting purposes, the effective date of the Normandy acquisition was the close of business on February 15, 2002, when Newmont received the irrevocable tender from shareholders for more than 50% of the outstanding shares of Normandy. Accordingly, the results of operations of Normandy and Franco-Nevada have been included in the accompanying financial statements from February 16, 2002 forward. On February 26, 2002, when the tender offer for Normandy expired, Newmont controlled more than 96% of Normandy's outstanding shares. Newmont exercised its rights to acquire the remaining shares of Normandy in April 2002. Consideration paid for Normandy included 3.85 shares of Newmont common stock for every 100 ordinary shares of Normandy (including ordinary shares represented by American depository receipts) plus A\$0.50 per Normandy share, or the U.S. dollar equivalent of that amount for Normandy stockholders outside Australia.

Normandy was Australia's largest gold company with interests in 16 development-stage or operating mining properties worldwide. Franco-Nevada was the world's leading precious minerals royalty company and had interests in other investments in the Mining Industry. Following the February 2002 acquisitions, Normandy was renamed Newmont Australia Limited and Franco-Nevada was renamed Newmont Mining Corporation of Canada Limited.

The purchase price for these acquisitions totaled \$4.4 billion, composed of 197.4 million Newmont shares (or share equivalents), \$462.1 million in cash and approximately \$90 million of direct costs. The value of

Newmont shares (or share equivalents) was \$19.01 per share based on the average market price of the shares over the two-day period before and after January 2, 2002, the last trading day before the final and revised terms for the Normandy and Franco-Nevada acquisitions were announced.

The combination of Newmont, Normandy and Franco-Nevada was designed to create a platform for rational growth and for delivering superior returns to shareholders. With a larger global operating base, a broad and balanced portfolio of development projects and a stable income stream from mineral royalties and investments, the combined company will have opportunities to optimize returns, realize synergies through rationalization of corporate overhead and exploration programs, realize operating efficiencies, reduce operating and procurement costs and reduce interest expense and income taxes. The acquisitions resulted in approximately \$2.6 billion of goodwill primarily related to the Merchant Banking business, the combined global exploration expertise and the synergies discussed above.

The acquisitions were accounted for using the purchase method of accounting whereby assets acquired and liabilities assumed were recorded at their fair market values as of the date of acquisition. The excess of the purchase price over such fair value was recorded as goodwill. In accordance with SFAS No. 142, Goodwill and Other Intangible Assets, goodwill was assigned to specific reporting units. Goodwill and other identifiable intangibles not subject to amortization will be reviewed for possible impairment at least annually or more frequently when an event or change in circumstances indicates that a reporting unit's carrying amount is greater than its fair value.

The following reflects the preliminary purchase allocation for the acquisition of 100% of Normandy (in millions, except per share data):

	(unaudited)
Shares of Newmont common stock issued to Normandy stockholders, including shares attributable to Franco-Nevada's 19.8% investment in Normandy	86.8
Value of Newmont stock per share	\$ 19.01
	<hr/>
Fair value of Newmont common stock issued	\$ 1,649.9
Plus-Cash consideration of A\$0.50 per share	462.1
Plus-Fair value of Normandy stock options cancelled by Newmont	6.0
Plus-Estimated direct acquisition costs incurred by Newmont	60.0
Plus-Other	1.0
	<hr/>
Total Purchase Price	2,179.0
Plus-Fair value of liabilities assumed by Newmont:	
Current liabilities, excluding accrued acquisition costs and settlement of stock options	195.7
Long-term debt, including current portion	935.7
Derivative instrument liabilities	414.5
Other long-term liabilities	453.1
Minority interests acquired	37.2
Less-Fair value of assets acquired by Newmont:	
Current assets	(460.6)
Property, plant and equipment	(435.9)
Mineral interests and other intangible assets	(1,389.6)
Exploration properties	(33.1)
Equity investments in mining operations	(216.5)
Other long-term assets	(279.1)
	<hr/>
Residual purchase price allocated to goodwill	\$ 1,400.4
	<hr/>

The following table reflects the preliminary purchase allocation for the acquisition of Franco-Nevada (in millions, except per share data):

	(unaudited)
Shares of Newmont common stock (or equivalents) issued to Franco-Nevada stockholders, excluding shares attributable to Franco-Nevada's 19.8% investment in Normandy	110.6
Value of Newmont stock per share	\$ 19.01
	<hr/>
Fair value of Newmont common stock issued	\$ 2,101.2
Plus-Fair value of Franco-Nevada options assumed by Newmont	30.4
Plus-Fair value of Franco-Nevada warrants assumed by Newmont	13.3
Plus-Estimated direct acquisition costs incurred by Newmont	30.0
	<hr/>
Total Purchase Price	2,174.9
Plus-Fair value of liabilities assumed by Newmont:	
Current liabilities, excluding accrual of acquisition costs	8.5
Other liabilities	209.9
Less-Fair value of assets acquired by Newmont:	
Current assets	(712.6)
Intangible mining royalty properties	(404.2)
Investments in affiliated companies (excluding the 19.8% interest in Normandy)	(108.0)

Residual purchase price allocated to goodwill	<u>\$ 1,168.5</u>
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The purchase price allocations are preliminary and were finalized following the completion of an independent appraisal at the end of 2002. The final purchase price allocations differed from the preliminary allocation presented above, particularly with respect to the amounts allocated to acquired property, plant and mine development, mineral reserves, undeveloped mineral interests, exploration properties, equity investments in mining operations, intangibles and goodwill (see Note 22). The final purchase price allocation may result in increases in future depreciation, depletion and amortization charges. The Company does not currently anticipate this goodwill will be deductible for tax purposes.

For information purposes only, the following unaudited pro forma data reflect the consolidated results of operations of Newmont as if the acquisitions of Normandy and Franco-Nevada had taken place on January 1, 2001 and 2002, respectively, (in millions, except per share data):

	Six months ended	
	June 30, 2002	June 30, 2001
	(unaudited)	
Sales and other income(1)	\$ 1,368.8	\$ 1,269.7
Net loss applicable to common shares before cumulative effect of a change in accounting principle(1)	\$ (77.6)	\$ (120.3)
Net loss applicable to common shares(1)	\$ (69.9)	\$ (120.3)
Basic and diluted loss per common share before cumulative effect of a change in accounting principle(1)	\$ (0.20)	\$ (0.31)
Basic and diluted loss per common share(1)	\$ (0.18)	\$ (0.31)
Basic and diluted weighted average common shares outstanding	394.1	390.0

(1) As restated. See Note 20.

On a pro forma basis during the first half of 2002 and 2001, the net loss reflects mark-to-market losses on derivative instruments totaling \$166.9 million and \$82.4 million, respectively, net of tax. The above pro forma amounts do not include the application of hedge accounting to significant portions of acquired derivative instruments as hedge accounting documentation was not in place during these periods. The net loss for the first half of 2001 includes \$43.7 million of expenses, net of tax, associated with Newmont's merger with Battle Mountain Gold Company (Battle Mountain). The pro forma information is not indicative of the results of operations that would have occurred had the acquisitions been consummated on January 1, 2001 and 2002, respectively. The information is not indicative of the combined Company's future results of operations.

The allocation of goodwill to reporting units is preliminary and was finalized at the end of 2002; therefore, the final allocation differed from the preliminary allocation below (see Note 22). Changes in the carrying amount of goodwill by reporting unit during the first half of 2002 are summarized in the following table (in millions) (unaudited):

	<u>Nevada</u>	<u>Other North America</u>	<u>Total North America</u>	<u>Yanacocha</u>	<u>Other South America</u>	<u>Total South America</u>
Balance at January 1, 2002	\$	\$	\$	\$	\$	\$
Preliminary purchase price allocation	252.6		252.6			
Impairment losses						
Gain (loss) on disposal of separate reporting units						
Balance at March 31, 2002	\$ 252.6	\$	252.6	\$	\$	\$
Preliminary purchase price allocation for compulsory acquisition of Normandy	9.8		9.8			
Impairment losses						
Gain (loss) on disposal of separate reporting units						
Balance at June 30, 2002	\$ 262.4	\$	\$ 262.4	\$	\$	\$

	<u>Pajingo</u>	<u>Other Australia</u>	<u>Total Australia</u>	<u>Zarafshan-Newmont</u>	<u>Other International Operations</u>	<u>Total Gold</u>
Balance at January 1, 2002	\$	\$	\$	\$	\$	\$
Preliminary purchase price allocation	75.2	601.1	676.3		288.7	1,217.6
Impairment losses						
Gain (loss) on disposal of separate reporting units						
Balance at March 31, 2002	\$ 75.2	\$ 601.1	\$ 676.3	\$	\$ 288.7	\$ 1,217.6
Preliminary purchase price allocation for compulsory acquisition of Normandy	3.3	26.5	29.8		14.5	54.1
Impairment losses						
Gain (loss) on disposal of separate reporting units						
Balance at June 30, 2002	\$ 78.5	\$ 627.6	\$ 706.1	\$	\$ 303.2	\$ 1,271.7

	Base Metals	Exploration	Merchant Banking	Corporate and Other	Consolidated
Balance at January 1, 2002	\$	\$	\$	\$	\$
Preliminary purchase price allocation	159.0		1,130.3		2,506.9
Impairment losses					
Gain (loss) on disposal of separate reporting units					
Balance at March 31, 2002	\$ 159.0	\$	\$ 1,130.3	\$	\$ 2,506.9
Preliminary purchase price allocation for compulsory acquisition of Normandy	7.9				62.0
Impairment losses					
Gain (loss) on disposal of separate reporting units					
Balance at June 30, 2002	\$ 166.9	\$	\$ 1,130.3	\$	\$ 2,568.9

(3) Merger with Battle Mountain Gold Company

On January 10, 2001, Newmont completed a merger with Battle Mountain where each share of common stock of Battle Mountain and each exchangeable share of Battle Mountain Canada Ltd. (a wholly-owned subsidiary of Battle Mountain) was converted into the right to receive 0.105 share of Newmont common stock, or approximately 24.1 million shares. Newmont also exchanged 2.3 million shares of newly issued \$3.25 convertible preferred stock for all outstanding shares of Battle Mountain's \$3.25 convertible preferred stock. The merger was accounted for as a pooling of interests, and as such, the consolidated financial statements include Battle Mountain's financial data as if Battle Mountain had always been part of Newmont.

(4) Inventories

	At June 30, 2002	At December 31, 2001
	(unaudited)	
	(in thousands)	
Current:		
Stockpiles	\$ 103,725	\$ 168,501
Ore on leach pad	205,941	147,656
In-process	100,590	32,297
Precious metals	68,637	10,179
Materials and supplies	112,946	92,556
Other		925
	\$ 591,839	\$ 452,114
Non-current:		
Stockpiles	\$ 62,603	\$ 18,464
Ore on leach pad	56,648	99,228

\$	119,251	\$	117,692
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(5) Property, Plant and Mine Development

	At June 30, 2002			At December 31, 2001		
	Cost	Accumulated Depreciation and Depletion	Net Book Value	Cost	Accumulated Depreciation and Depletion	Net Book Value
	(in thousands)					
Land	\$ 97,373	\$	\$ 97,373	\$ 86,388	\$	\$ 86,388
Buildings and equipment	3,946,236	(2,205,486)	1,740,750	3,491,231	(2,068,149)	1,423,082
Mine development	925,041	(585,868)	339,173	842,409	(519,484)	322,925
Construction-in-progress	153,220		153,220	97,854		97,854
Total	\$ 5,121,870	\$ (2,791,354)	\$ 2,330,516	\$ 4,517,882	\$ (2,587,633)	\$ 1,930,249

	At June 30, 2002			At December 31, 2001		
	Gross Carrying Value	Accumulated Amortization	Net Book Value	Gross Carrying Value	Accumulated Amortization	Net Book Value
	(in thousands)					
Mineral Interests:						
Producing property						
Proven and probable reserves	\$ 971,361	\$ (248,451)	\$ 722,910	\$ 365,566	\$ (205,716)	\$ 159,850
Undeveloped mineral interests	413,121	(1,565)	411,556	17,148		17,148
Royalties	302,190	(6,494)	295,696			
	<u>1,686,672</u>	<u>(256,510)</u>	<u>1,430,162</u>	<u>382,714</u>	<u>(205,716)</u>	<u>176,998</u>
Non-producing property						
Proven and probable reserves	130,214		130,214			
Undeveloped mineral interests	244,904	(2,065)	242,839			
Royalties	12,367	(135)	12,232			
	<u>387,485</u>	<u>(2,200)</u>	<u>385,285</u>			
Total mineral interests	2,074,157	(258,710)	1,815,447	382,714	(205,716)	176,998
Oil and gas:						
Producing property						
Royalties	43,461	(1,045)	42,416			
Working interest	24,038	(323)	23,715			
	<u>67,499</u>	<u>(1,368)</u>	<u>66,131</u>			
Non-producing property						
Royalties	13,020		13,020			
Working interest	4,674		4,674			
	<u>17,694</u>		<u>17,694</u>			

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Total oil and gas	85,193	(1,368)	83,825			
Other	12,700		12,700			
Total	\$ 2,172,050	\$ (260,078)	\$ 1,911,972	\$ 382,714	\$ (205,716)	\$ 176,998

The Company's mineral interests and oil and gas interests intangible assets are subject to amortization. The aggregate amortization expense for the three month and six month periods ended June 30, 2002 was \$39.0 million and \$54.4 million, respectively.

(7) Deferred Stripping

Movements in the deferred stripping costs balance were as follows:

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2002	2001	2002	2001
	(in thousands)			
Opening balance	\$ 85,582	\$ 128,010	\$ 91,631	\$ 129,041
Additions	6,652	2,349	8,101	10,930
Amortization	(9,506)	(9,020)	(17,004)	(18,632)
Closing balance	\$ 82,728	\$ 121,339	\$ 82,728	\$ 121,339

See Notes 1 and 21 for additional information concerning deferred stripping.

(8) Investments

	At June 30, 2002	At December 31, 2001
	(unaudited)	
	(in thousands)	
Investments in affiliates:		
Batu Hijau(1)	\$ 582,839	\$ 543,324
TVX Newmont Americas	170,926	
Echo Bay Mines	108,710	
Australian Magnesium Corporation	34,012	
Australian Gold Refinery	10,883	
	907,370	543,324
Other:		
Infrastructure bond	96,400	
Other	4,998	
	\$ 1,008,768	\$ 543,324

(1) As restated. See Note 20.

Investments in Affiliated Companies

Batu Hijau

Newmont has an indirect 45% interest in P.T. Newmont Nusa Tenggara (PTNNT), the owner of the Batu Hijau copper/gold mine in Indonesia, through its 56.25% interest in the Nusa Tenggara Partnership (NTP) which owns 80% of PTNNT. The equity investment in Batu Hijau was \$582.8 million and \$543.3 million at June 30, 2002 and December 31, 2001, respectively, based on accounting principles generally accepted in the U.S. Differences between 56.25% of NTP's net assets and Newmont's investment include (i) \$200.3 million for the fair market value adjustment recorded by NTP in conjunction with Newmont's initial contribution, (ii) \$27.9 million for intercompany charges, (iii) \$111.8 million for the fair market value adjustment recorded by Newmont in conjunction with the purchase of a subsidiary minority interest and (iv) \$139.8 million for contributions recorded by Newmont that were classified as debt by NTP. Certain of these amounts are amortized or depreciated on a unit-of-production basis. (See Note 16 for a description of Newmont's equity income (loss) in Batu Hijau, where the net income (loss) reflects the elimination of interest between PTNNT and NTP).

NTP's long-term debt was guaranteed by Newmont and its partner until project completion tests were met in October 2000, at which time such debt became non-recourse to Newmont. Scheduled repayments of this debt are

in semi-annual installments of \$43.4 million through November 2010, and \$22.1 million from May 2011 through November 2013.

On May 9, 2002, PTNNT completed a restructuring of its \$1.0 billion project financing facility that provides PTNNT the capability to defer up to a total of \$173.4 million in principal payments scheduled for 2002 and 2003. Any deferred principal amounts will be amortized between 2004 and 2010. Under this restructuring, PTNNT is not permitted to pay dividends or make other restricted payments to NTP's partners as long as any amount of deferred principal is outstanding; however, there is no restriction on prepaying any of the deferred principal amounts. Amounts currently outstanding under the project financing facility total \$913.4 million.

Newmont and its partner provide a contingent support line of credit to PTNNT. During 2002, Newmont funded \$24.8 million under this facility as its pro-rata share for capital expenditures. Additional support from NTP's partners available under this facility is \$115.0 million, of which Newmont's pro-rata share is \$64.7 million.

In the fourth quarter of 2002, NTP determined that PTNNT had incorrectly included material other than proven and probable reserves in its depreciation and deferred stripping calculations. NTP also determined that PTNNT had incorrectly included third party smelting and refining charges as a component of production costs when such charges are more properly reflected as a reduction of revenue based on the terms of NTP's sales contracts. Furthermore, NTP also determined that PTNNT had incorrectly excluded DD&A as a capitalized cost in inventory. As result, NTP restated its financial statements from 1999 through September 2002 (see Note 20).

The following is NTP summarized financial information based on U.S. generally accepted accounting principles:

	Three months ended June 30,		Six months ended June 30,	
	2002	2001	2002	2001
	(unaudited and in thousands)			
Revenues, net of smelting and refining costs(2)	\$ 94,083	\$ 104,279	\$ 165,988	\$ 176,531
Revenues from by-product sales credited to production costs(1)	\$ 37,342	\$ 38,839	\$ 59,475	\$ 63,074
Net income (loss) before cumulative effect of a change in accounting principle(1)	\$ 13,181	\$ (657)	\$ 8,751	\$ (23,656)
Net income (loss)(1)	\$ 13,181	\$ (657)	\$ 8,751	\$ (22,683)

	At June 30, 2002	At December 31, 2001
	(unaudited and in thousands)	
Current assets(1)	\$ 213,497	\$ 162,686
Property, plant and mine development, net(1)	\$ 1,706,515	\$ 1,737,504
Intangible mineral interests	\$ 198,424	\$ 202,830
Other assets(1)	\$ 293,948	\$ 273,737
Debt and related interest to partners and affiliate	\$ 257,338	\$ 254,891
Other current liabilities(1)	\$ 92,560	\$ 124,152
Long-term debt-third parties (including current portion)	\$ 935,771	\$ 935,771
Other liabilities(1)	\$ 171,775	\$ 163,993

(1) As restated. See Note 20.

(2) As restated to reflect smelting and refining costs as a reduction of revenue.

The Batu Hijau (PTNNT) operation produces a metal concentrate, which contains payable copper and gold and minor values of payable silver. PTNNT has entered into long-term contracts for the sale of these metal concentrates with highly reputable refiners in Japan, Korea, Australia, China (Non-European Refiners) and Europe (European Refiners). In accordance with the contracts, title to the concentrates and the risk of loss are

passed to the buyer when the concentrates are moved over the vessel's rail at the Port (loading Port for Non-European Refiners and unloading Port for European Refiners). The contract terms provide that 90% of a provisional sales price, which is calculated in accordance with terms specified in the individual contracts based on an initial assay and weight certificate, is collected within three business days after the concentrates arrive at the smelter (final delivery). Factors entering into the calculation of the provisional sales price are (1) metals prices, pursuant to the terms of related contracts, calculated using quoted London Metals Exchange (LME) prices for the second calendar week prior to shipment and (2) treatment and refining charges. The balance of the sales price is received at final settlement and is based on final assays and weights, and final metal prices during the respective metal quotational periods. The quotational period for copper is the average LME price in the third month following the month of final delivery. The quotational period for gold and silver is the average LME price in the month of shipment. Final delivery to Non-European Refiners and European Refiners takes approximately 14 days and 30 days, respectively. The majority of the Batu Hijau concentrates are shipped to Non-European Refiners. Accordingly, the time between initial recording of revenue and final settlement averages approximately three and one-half months but could be as long as four months.

In accordance with U.S. Securities and Exchange Commission Staff Accounting Bulletin No. 101 (SAB 101), certain conditions must be met prior to recognizing revenue. These conditions are persuasive evidence of a contract exists; delivery has occurred; the price is fixed or determinable; and collectability is reasonably assured. In accordance with SAB 101, PTNNT recognizes metal sales revenues following: (1) the passage of title after the loading or unloading of the concentrates, (2) issuance of an initial assay and weight certificate, and (3) issuance of a provisional invoice. At this point in time, the sales price is determinable since it is based on defined contract terms, initial assays are available, and it can be reasonably estimated by reference to published price indices on actively and freely traded commodity exchanges. Additionally, there is no significant uncertainty as to collectability given that all of the refiners are of high-credit quality and that 90% of the provisional price is paid within 3 days of final delivery at the refiner.

Concentrate sales are initially recorded based on 100% of the provisional sales prices. Until final settlement occurs, adjustments to the provisional sales prices are made to take into account metal price changes, based upon the month-end spot price and metal quantities upon receipt of the final assay and weight certificates, if different from the initial certificate. PTNNT previously marked to market its provisional sales based on the month end spot prices. Effective January 1, 2002, PTNNT changed its methodology to mark to market its provisional sales based on the forward price for the estimated month of settlement. This change in methodology did not have a material effect on net income for the six months ended June 30, 2002. The principal risks associated with recognition of sales on a provisional basis include metal price fluctuations between the date recorded and the date of final settlement. In addition, in the event of a significant decline in metal prices between the provisional pricing date and the final settlement-pricing period, it is reasonably possible that PTNNT would be required to return a portion of the sales proceeds received based on the provisional invoice. For the six months ended June 30, 2002 and 2001, PTNNT had recorded revenues of \$212 million and \$223 million, respectively, which were subject to final pricing adjustments. The average price adjustment for copper was 5.2% and 0.9% for the six months ended June 30, 2002 and 2001, respectively. The average price adjustment for gold was 4.4% and 0.2% for the six months ended June 30, 2002 and 2001, respectively.

PTNNT's sales based on a provisional sales price contain an embedded derivative which is required to be separated from the host contract for accounting purposes. The host contract is the receivable from the sale of the concentrates at the forward LME price at the time of sale. The embedded derivative, which does not qualify for hedge accounting, is marked-to-market through earnings each period prior to final settlement. At June 30, 2002, PTNNT had consolidated embedded copper derivatives on 107.7 million pounds recorded at an average price of \$0.74 per pound. These derivatives are expected to be finally priced during the third quarter of 2002. A one-cent movement in the average price used for these derivatives will have an approximate \$0.7 million impact on PTNNT's 2002 net income.

Revenue from the sale of by-products, consisting of gold and silver is credited to production costs applicable to sales in the determination of net income for each period presented. These by-product commodities, gold and silver, represented 40% and 37% of sales net of smelting and refining charges and reduced production costs by 57% and 48% for the three-month periods ended June 30, 2002 and 2001, respectively, 36% and 36% of sales net of smelting and refining charges and reduced production costs by 49% and 41% for the six-month periods ended June 30, 2002 and 2001, respectively. Gold and silver revenues are significant to the economics of the Batu Hijau operations. At current copper prices, the Batu Hijau operation would not be profitable without these credits.

PTNNT does not acquire, hold or issue financial instruments for trading or speculative purposes. Financial instruments are used to manage certain market risks resulting from fluctuations in commodity prices (such as copper and diesel fuel) and foreign currency exchange rates. Copper is an internationally traded commodity, and its prices are effectively determined by the LME. On a limited basis, PTNNT hedges sales commitments by entering into copper swap contracts. These swap contracts are generally settled against the LME average monthly price in accordance with the terms of the contracts. Currently, PTNNT has put in place derivative instruments against the price of copper, Australian dollar and some of its diesel purchases. The derivative instruments on the Australian dollar relate to Australian denominated purchases.

Consistent with the contracts described above, PTNNT entered into a series of copper hedging transactions with an outstanding balance at June 30, 2002 of 16,501 metric tonnes (a weighted average of 1,629 per metric tonne at approximately \$0.74 per pound) to be settled prior to December 31, 2002.

In 2001, PTNNT purchased A\$15 million at an average price of US\$0.4971. These contracts covered 1.5 million Australian dollars each month and were designated as cash flow hedges with the net effect of marking to market the contracts recorded in *Accumulated other comprehensive income*. The outstanding Australian dollar contracts at June 30, 2002 of US\$3 million (A\$6 million) will be settled between July 2002 through October 2002.

In 2001, PTNNT entered into two diesel hedging contracts for 360,000 barrels each at a fixed price of US\$27.39 per barrel and US\$27.98 per barrel, respectively. Each of these contracts covers purchases of 15,000 barrels monthly and will expire in August and September of 2003, respectively. These contracts have been designated as cash flow hedges. Each contract is settled monthly. At June 30, 2002, 435,000 barrels are outstanding at June 30, 2002 for these contracts.

TVX Newmont Americas

Newmont had a 49.9% interest in TVX Newmont Americas. The principal assets of TVX Newmont Americas are interests in the following operating gold mines in South America and Canada:

Mine	Interest of TVX Newmont Americas	Location
Paracatu	49%*	Brazil
Crixas	50%*	Brazil
La Coipa	50%	Chile
Musselwhite	31.9%	Canada
New Britannia	50%	Canada

* Economic interest

On January 31, 2003, Newmont sold its 49.9% interest in TVX Newmont Americas (See Note 22.)

Australian Magnesium Corporation

Newmont has a 22.8% voting interest in Australian Magnesium Corporation (AMC), which raised equity to support the development of a A\$1.3 billion project involving a proprietary chemical and dehydration process for producing anhydrous magnesium chloride as feed for an electrolytic cell to produce molten magnesium metal and magnesium alloys. Newmont has an obligation to contribute to AMC A\$100 million (approximately \$56 million) in equity between October 31, 2002 and January 31, 2003. Newmont is guarantor of AMC s A\$71 million (approximately \$40 million) corporate facility as well as AMC s subsidiary, QMC Finance Pty. Limited s (QMC) foreign exchange hedging position. Newmont provided a A\$90 million (approximately \$51 million) contingency equity commitment in the event the project does not achieve certain specified production and operating criteria by September 2006.

A series of foreign exchange contracts have been entered into by QMC. Under a facility agreement between QMC and ANZ Banking Group Limited, all obligations related to these contracts have been guaranteed by Newmont Australia and certain of its wholly-owned subsidiaries. These contracts are designed to convert the receipt of Euro dollars and US\$ revenue from the sale of magnesium into A\$ cash flows to cover A\$ operating costs and the servicing of A\$ denominated debt. The contracts include foreign exchange forward contracts and bought put options. ANZ Banking Group Limited is the counter party to all the contracts. As of June 30, 2002, the fair value of the contracts was A\$9 million (approximately \$5 million).

On January 3, 2003, Newmont contributed A\$100 million to AMC, increasing its ownership percentage. Newmont s ownership percentage was then subsequently decreased. (See Note 22.)

Echo Bay Mines Ltd.

Newmont obtained a 48.8% interest in Echo Bay through its acquisition of Franco-Nevada in February 2002. Franco-Nevada purchased capital securities debt obligations of Echo Bay with face value of \$72.4 million in June 2001. In January 2002, \$4.6 million of these capital securities debt obligations were sold. Newmont acquired Franco-Nevada s remaining holdings of Echo Bay s capital securities debt obligations in connection with Newmont s acquisition of Franco-Nevada. Subsequent to this acquisition, an agreement was reached with Echo Bay and the capital securities holders to exchange the capital securities debt obligations for common stock of Echo Bay. This exchange of capital securities debt obligations for common stock occurred on April 3, 2002 and resulted in Newmont Mining Corporation of Canada Limited (a wholly-owned subsidiary of Newmont Mining Corporation) owning 48.8% of Echo Bay which decreased to 45.3% as of September 30, 2002 as a result of equity issuances by Echo Bay. From April 3, 2002, Newmont Mining Corporation of Canada Limited has accounted for its investment in Echo Bay under the equity method.

On January 31, 2003, Newmont exchanged its investment in Echo Bay for an interest in Kinross Gold Corporation. See Note 22.

Other Investments

Infrastructure Bond

During 1996, Normandy entered into a series of contemporaneous transactions whereby infrastructure bonds were issued and sold, resulting in the realization of a premium. This premium is amortized over the life of the bonds and the unamortized balance of the premium at June 30, 2002 was approximately \$5 million.

(9) Long-Term Debt

NMC increased its debt as detailed in the following schedule:

	June 30, 2002	December 31, 2001
	(unaudited)	
	(in thousands)	
Sale-leaseback of refractory ore treatment plant	\$ 309,718	\$ 318,092
Newmont \$750 million revolving credit facility		
8.375% debentures, net of discount	202,168	200,583
8.625% notes, due April 1, 2002		150,000
8.625% notes, net of discount	276,009	272,386
6% convertible subordinated debentures	99,980	99,980
Newmont Australia 7.625% notes, net	152,990	
Newmont Australia 7.5% notes, net	102,160	
Newmont Yandal 8.875% notes, net	237,220	
Medium-term notes	32,000	32,000
Prepaid forward sales obligation(1)	145,000	145,000
Newmont Australia infrastructure bonds	101,400	
Project financings, capital leases and other	281,504	208,240
Interest rate swaps	(5,656)	588
	<u>1,934,493</u>	<u>1,426,869</u>
Current maturities	(120,684)	(192,151)
	<u>\$ 1,813,809</u>	<u>\$ 1,234,718</u>

(1) As restated. See Note 20.

Scheduled minimum long-term debt repayments are \$74 million for the remainder of 2002, \$89 million in 2003, \$180 million in 2004, \$500 million in 2005, \$99 million in 2006, \$77 million in 2007 and \$916 million thereafter.

In April 2002, Newmont repaid its \$150 million 8.625% notes. In May 2002, Newmont repaid the \$170.6 million outstanding under the A\$490 million committed revolving multi-option facility, closed it, and increased the Newmont \$600 million facility to \$750 million, with the addition of a \$150 million Australian bank tranche. In 1998, Newmont Australia issued guaranteed \$100 million seven year notes at 7.5% interest and \$150 million ten year notes at 7.625% interest. Interest is paid semi-annually. At June 30, 2002, Newmont Australia had \$96 million outstanding for project financing.

In March 2002, Newmont, through an indirect, wholly-owned subsidiary, made an offer to repurchase any and all of the outstanding 8.875% Senior Notes due 2008 of Normandy Yandal Operations Limited (Normandy Yandal), an indirect wholly-owned subsidiary of Newmont. As of the offer date, \$300 million principal amount of notes was outstanding. The repurchase offer was made pursuant to the terms of an Indenture dated as of April 7, 1998, between Normandy Yandal and the Bank of New York, as Trustee. The Indenture requires that Normandy Yandal, following a Change of Control as defined in the Indenture, make an offer to repurchase the notes at a repurchase price of 101% of the principal

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amount of the notes, plus accrued and unpaid interest to the repurchase date. Although the applicable provisions of the Indenture can be read to the contrary, Newmont took the position that a Change of Control occurred on February 20, 2002 when Newmont acquired control of Normandy. The Indenture provides that Normandy Yandal is not required to make the Change of Control Offer if a third party makes the offer. Newmont's offer, however, should not be construed as a commitment by Newmont to provide ongoing financial or credit support to Normandy Yandal. The Change of Control Offer was open until May 14, 2002 and resulted in redemption of \$63 million of the outstanding notes.

In July 1999, Newmont entered into a prepaid forward sales contract (Prepaid Forward) under which it agreed to sell 483,333 ounces of gold to be delivered in June of each of 2005, 2006 and 2007 in annual

installments of 161,111 ounces. The Prepaid Forward also included semi-annual delivery requirements of 17,951 ounces of gold, beginning June 2000 through June 2007 for a total delivery obligation over the life of the contract of 752,598 ounces. The Company received net proceeds from this transaction of \$137.2 million (\$145.0 million of gross proceeds before transaction costs of \$653,000 and the purchase of a \$7.1 million surety bond) that was recorded as deferred revenue, included in the long-term liabilities section of the consolidated balance sheet and was to be recognized into income incrementally when the 161,111 ounce annual gold deliveries were made in 2005, 2006 and 2007. At the time the Company entered into the Prepaid Forward, it also entered into a forward gold purchase contract (Forward Purchase), with the same counterparty, to hedge the price risk with respect to the semi-annual delivery requirements. The Forward Purchase provides for semi-annual purchases of 17,951 ounces of gold on each semi-annual delivery date under the Prepaid Forward at prices increasing from \$263 per ounce in 2000 to \$354 per ounce in 2007. On each semi-annual delivery date through June 30, 2002, the ounces purchased under the Forward Purchase were delivered in satisfaction of the Company's delivery requirements under the Prepaid Forward. As discussed in Note 20, Newmont determined that the accounting treatment for this transaction required correction as the contract did not meet the technical criteria necessary to be accounted for in the manner reflected in the historical financial statements. To properly account for the transaction, the Company's long-term debt was increased by \$145.0 million as the Prepaid Forward and related Forward Purchase are treated under a financing accounting model and accounted for as a single borrowing of \$145.0 million in July 1999, with interest accruing, based on an effective interest rate recognized over the full term of the borrowing. See Note 20 for a complete description of the accounting for the transaction and resulting restatement.

(10) Sales Contracts, Commodity and Derivative Instruments

Newmont generally sells production at spot market prices. Newmont has, on a limited basis, entered into derivative contracts to protect the selling price for certain anticipated gold production and to manage risks associated with sales contracts, commodities, interest rates and foreign currency. In conjunction with the Normandy transaction, Newmont acquired a substantial derivative instrument position. Newmont is not required to place collateral with respect to commodity instruments and there are no margin calls associated with such contracts. Credit risk is minimized by dealing only with major financial institutions/counterparties.

Effective January 1, 2001, Newmont adopted SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities* to recognize derivative instruments on the balance sheet as either assets or liabilities and measurement at fair value. Unless specific hedging criteria are met, changes in the derivative's fair value are recognized currently in earnings. Gains and losses on derivative hedging instruments are recorded in either other comprehensive income (loss) or current earnings (loss), depending on the nature of the instrument.

Gold Commodity Contracts

The tables below are expressed in thousands of ounces of gold, and prices for contracts denominated in A\$ have been translated to US\$ at the exchange rate at June 30, 2002 of US\$0.56 per A\$1. For all floating rate instruments, the average prices quoted are gross contractual prices. The net forward prices ultimately realized on floating gold hedging contracts are the sum of the gross contractual forward prices less any associated future financing costs arising from gold borrowing commitments related to such floating rate instruments. Put option valuations include a deferred premium cost which is payable in gold ounces upon expiration of the options.

For the six months ended June 30, 2002, a net gain of \$5.5 million was included in income for the ineffective portion of derivative instruments designated as cash flow hedges and a net loss of \$9.0 million for the change in fair value of gold commodity contracts that do not qualify as hedges (included in *Gain (loss) on derivative instruments*). The amount to be reclassified from *Other comprehensive income* (OCI) to income for derivative instruments during the next 12 months is a credit of approximately \$5 million. The maximum period over which hedged forecasted transactions are expected to occur is 9.3 years.

Gold Forward Sales Contracts

Newmont had the following gold forward sales contracts at June 30, 2002 (unaudited):

Gold Forward Sales Contracts:	Expected Maturity Date or Transaction Date						Total/ Average	Fair Value US\$
	2002	2003	2004	2005	2006	Thereafter		
(A\$ Denominated)								
Fixed Forwards:								
Ounces	813.9	1,360.6	1,060.3	227.0	52.0	26.0	3,539.8	\$ (119,601)
Average price	\$ 302.0	\$ 299.0	\$ 299.0	\$ 292.0	\$ 265.0	\$ 253.0	\$ 298.4	
Floating Rate Forwards:								
Ounces	12.8	16.0	61.0	164.1	40.5		294.4	\$ (15,648)
Average price	\$ 346.0	\$ 346.0	\$ 331.0	\$ 341.0	\$ 348.0	\$	\$ 340.4	
Synthetic Forwards:								
Ounces		39.0	80.0	80.0	80.0	160.0	439.0	\$ (27,678)
Average price	\$	\$ 281.0	\$ 304.0	\$ 304.0	\$ 304.0	\$ 304.0	\$ 302.0	
Total:								
Ounces	826.7	1,415.6	1,201.3	471.1	172.5	186.0	4,273.2	\$ (162,927)
Average Price	\$ 302.7	\$ 299.0	\$ 301.0	\$ 311.1	\$ 302.6	\$ 296.9	\$ 301.7	

Notes: *Fixed forward sales contracts* provide for delivery of a specified number of ounces at a specified price and date and are accounted for as cash flow hedges.

Floating rate forward contracts provide for a gold lease rate component in the price that takes into account market lease rates over the term of the contract. Gold lease rates reflect the borrowing cost for gold. Floating rate forwards are accounted for as cash flow hedges.

Synthetic forward contracts represent combinations of purchased put options and written call options at the same strike price, maturity date and number of ounces. The combination achieves the same risk management result as gold forward sales contracts.

Gold Put Option Contracts

Newmont had the following gold put option contracts outstanding at June 30, 2002 (unaudited):

Put Option Contracts:	Expected Maturity Date or Transaction Date						Total/ Average	Fair Value US\$ (000)
	2002	2003	2004	2005	2006	Thereafter		
US\$ Denominated Fixed Purchased Puts:								
Ounces	104.3	209.1	202.8	204.8	100.0	95.0	916.0	\$ (3,564)
Average price	\$ 292.3	\$ 291.9	\$ 292.3	\$ 292.2	\$ 337.9	\$ 410.7	\$ 309.5	
A\$ Denominated Fixed Purchased Puts:								
Ounces	90.6	90.6	87.8	49.0			318.0	\$ (1,831)
Average price	\$ 305.0	\$ 311.0	\$ 317.0	\$ 310.0	\$	\$	\$ 310.8	

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A\$ Denominated Floating Purchased Puts:

Ounces	16.0	16.0		207.0	68.6	287.3	594.9	\$ (12,876)
Average price	\$ 315.0	\$ 315.0	\$	\$ 331.0	\$ 341.0	\$ 343.0	\$ 337.1	
Total:								
Ounces	210.9	315.7	290.6	460.8	168.6	382.3	1,828.9	\$ (18,272)
Average Price	\$ 299.5	\$ 298.6	\$ 299.8	\$ 311.5	\$ 339.2	\$ 359.8	\$ 318.7	

Notes: *Fixed purchased put option contracts* provide the right, but not the obligation, to sell a specified number of ounces at a specified strike price and are accounted for as cash flow hedges. *Floating forward purchased put option contracts* provide for a variable gold lease rate component in the strike price. These options are accounted for as cash flow hedges.

Convertible Put Options and Other Instruments

Newmont had the following gold convertible put option contracts and other instruments outstanding at June 30, 2002 (unaudited):

Convertible Put Options and Other Instruments:	Expected Maturity Date or Transaction Date						Total/ Average	Fair Value US\$ (000)
	2002	2003	2004	2005	2006	Thereafter		
(A\$ Denominated)								
Ounces		46.0	37.0	81.5	132.3	1,402.7	1,699.5	\$ (125,136)
Average price		\$ 310.0	\$ 310.0	\$ 308.0	\$ 323.0	\$ 368.0	\$ 358.8	

Notes: *Convertible put option contracts and other instruments* are comprised of: a) Convertible option contracts that provide minimum price protection for covered ounces, while providing the opportunity to participate in higher market prices under certain market conditions, and are accounted for as cash flow hedges; b) *Knock-out/knock-in option contracts* are contingent sold call options that either terminate (or knock-out) and maintain upside gold price potential or convert (or knock-in) to sold call options, depending on certain market conditions, and are marked to market with the change reflected in income; c) *Indexed forward contracts* that are potentially convertible to purchased put options, depending on the market gold price at set future value dates during the term of the contract, and are marked to market, with the change reflected in income.

Price-Capped Sales Contracts

In mid-1999, Newmont purchased near-term put option contracts for 2.85 million ounces of gold, with a strike price of \$270 per ounce. These contracts expired between August 1999 and December 2000. This purchase was paid for by selling call option contracts for 2.35 million ounces at average strike prices ranging from \$350 to \$386 per ounce. The initial fair value of the put options of \$37.6 million was amortized over the term of the options. The call option contracts, with an initial fair value of \$37.6 million, were marked to market at each reporting date. A non-cash loss of \$14.7 million and a non-cash gain of \$0.9 million were recorded for the second quarter and first half of 2001, respectively.

In September 2001, Newmont entered into transactions that closed out these call options. The options were replaced with a series of sales contracts requiring physical delivery of the same quantity of gold over slightly extended future periods. Under the terms of the contracts, Newmont will realize the lower of the spot price on the delivery date or the capped price ranging from \$350 per ounce in 2005 to \$392 per ounce in 2011. The value of the sales contracts of \$53.8 million was recorded as deferred revenue and will be included in sales revenue as delivery occurs.

Newmont had the following price-capped sales contracts outstanding at June 30, 2002 (unaudited):

Price-capped contracts:	Expected Maturity Date or Transaction Date						Total/ Average	Fair Value US\$ (000)
	2002	2003	2004	2005	2006	Thereafter		
(US\$ Denominated)								

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Ounces				500.0		1,850.0	2,350.0	n/a
Average price	\$	\$	\$	\$ 350.0	\$	\$384.0	\$ 376.9	

US\$/Gold Swap Contracts

Newmont Australia entered into a US\$/gold swap contract whereby principal payments on US\$ bonds are swapped into gold-denominated payments of 600,000 ounces in 2008. We also receive US\$ fixed interest payments and pay gold lease rates, which are indexed to market rates. This instrument is marked to market at each period end, with the change reflected in income, and at June 30, 2002 had a negative fair value of \$57.4 million.

Offsetting Commodity Instruments

In December 2001, Newmont entered into a series of equal and offsetting positions with respect to commodity instruments for certain Battle Mountain operations that were outstanding at that time. These contracts

effectively closed out the combination matched put and call options and flat forward contracts. The offsetting positions were undesignated as hedges and were marked to market in earnings. Subsequently, during the second quarter of 2002, the majority of these offsetting positions were contractually terminated and effectively closed out, resulting in a \$1.9 million realized gain included in *Gain (loss) on derivative instruments* on the Statements of Consolidated Operations for the three month and six month periods ended June 30, 2002. The remaining flat forward contracts had offsetting fair values at June 30, 2002, and covered approximately 11,000 ounces.

Other Sales Contracts, Commodity and Derivative Instruments

Foreign Currency Contracts

Newmont acquired certain cross currency swap contracts in the Normandy transaction intended to hedge the currency risk on repayment of US\$-denominated debt. These contracts were closed out during the quarter ended June 30, 2002 for net proceeds of \$50.8 million. The contracts were accounted for on a mark-to-market basis until closed out.

Newmont also acquired currency swap contracts to receive A\$ and pay US\$ designated as hedges of A\$-denominated debt. The A\$-denominated debt was repaid during the quarter and the contracts are currently undesignated. The contracts are accounted for on a mark-to-market basis. At June 30, 2002, they had a negative fair value of \$26.6 million.

Interest Rate Swap Contracts

In the Normandy transaction, Newmont acquired A\$125 million of interest rate swap contracts covering a portion of its US\$100 million, 7-year bonds. These contracts were closed out during the quarter for a net cash out-flow of \$1 million. The contracts were accounted for on a mark-to-market basis until closed out.

During the last half of 2001, Newmont entered into contracts to hedge the interest rate risk exposure on a portion of its \$275 million 8.625% notes and its \$200 million 8.375% debentures. Newmont receives fixed-rate interest payments at 8.625% and 8.375% and pays floating-rate interest amounts based on periodic LIBOR settings plus a spread, ranging from 2.60% to 4.25%. The notional principal amount of these transactions (representing the amount of principal tied to floating interest rate exposure) was \$200 million at June 30, 2002. Half of these contracts expire in July 2005 and half expire in May 2011. These transactions resulted in a reduction in interest expense of \$1.4 million and \$2.9 million for the quarter and the six month period ended June 30, 2002, respectively. These transactions have been designated as fair value hedges and had a fair value of \$5.7 million and (\$0.6) million at June 30, 2002 and December 31, 2001, respectively.

Fuel Hedges

From time to time, Newmont has used certain derivative instruments to hedge a portion of its exposure to fuel price market fluctuations. At June 30, 2002, Newmont had contracts expiring in September 2002 covering approximately 1.8 million gallons of diesel fuel at its Nevada operations at prices ranging from approximately \$0.61 to \$0.69 per gallon. These transactions have been designated as cash flow hedges and had a minimal fair value at June 30, 2002 and a positive fair value of \$1.3 million at December 31, 2001.

(11) Dividends, Interest, Foreign Currency Exchange and Other Income

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2002	2001	2002	2001
	(unaudited) (in thousands)			
Interest income	\$ 5,102	\$ 1,091	\$ 7,898	\$ 1,708
Foreign currency exchange gain (loss)	6,144	230	(1,482)	(786)
Gain on sale of exploration properties	4,649	257	6,402	3,823
Other	(1,052)	1,770	2,440	1,954
Total	\$ 14,843	\$ 3,348	\$ 15,258	\$ 6,699

(12) Merger and Restructuring Expenses

In conjunction with the Newmont/Battle Mountain merger, expenses of \$28.1 million were incurred in the six months ended June 30, 2001. Total merger expenses of \$35.0 million, of which \$6.9 million were incurred in 2000, included \$19.8 million for investment/professional advisory fees, \$11.7 for employee benefits and severance costs and \$3.5 million for office closures and related disposals of redundant assets. Expenses associated with restructuring Newmont's exploration program and a voluntary early retirement program were \$32.4 million and included \$22.1 million for retirement benefits and \$10.3 million for employee severance and office closures. As of June 30, 2002, substantially all obligations associated with the merger have been paid.

(13) Accounting Changes and Recent Pronouncements*Change In Accounting Policy Property, Plant and Mine Development, Net*

During the third quarter of 2002, Newmont changed its accounting policy, retroactive to January 1, 2002, with respect to DD&A of Property, Plant and Mine Development to exclude future estimated development costs expected to be incurred for certain underground operations. Previously, the Company had included these costs and associated reserves in its DD&A calculations at certain of its underground mining operations. In addition, Newmont further revised its policy such that costs incurred to access specific ore blocks or areas that only provide benefit over the life of that area are depreciated, depleted or amortized over the reserves associated with the specific ore area. These changes were made to better match DD&A with the associated ounces of gold sold and to remove the inherent uncertainty in estimating future development costs in arriving at DD&A rates. The cumulative effect of this change through December 31, 2001 increased net income as of January 1, 2002 by \$7.7 million, net of tax of \$4.1 million, and increased earnings per basic and diluted common share by \$0.02 per share.

The table below presents the impact of the accounting change on Net income before cumulative effect of the accounting change for the three- and six-month periods ended June 30, 2002 and the pro forma effect for the three- and six-month periods ended June 30, 2001 as if the change had been in effect for that period (in thousands, except per share amounts):

	Three months ended		Six months ended	
	June 30, 2002 (Actuals)	June 30, 2001 (Pro forma)	June 30, 2002 (Actuals)	June 30, 2001 (Pro forma)
Increase/(Decrease) to net income				
Depreciation, depletion, and amortization	\$ 2,423	\$ 576	\$ 4,005	\$ 69
Income tax expense	(848)	(202)	(1,402)	(24)
Net income before cumulative effect of a change in accounting principle	\$ 1,575	\$ 374	\$ 2,603	\$ 45
Net income before cumulative effect of a change in accounting principle per common share, basic and diluted	\$ 0.00	\$ 0.00	\$ 0.01	\$ 0.00

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The table below presents pro forma net income and earnings per share before cumulative effect of a change in accounting principle for the three-month and six-month periods ended June 30, 2001 as if the Company had adopted the new accounting method for *Property plan and mine development, net* as of January 1, 2001:

	Three months ended June 30, 2001		Six months ended June 30, 2001	
	Net loss applicable to common shares before cumulative effect of a change in accounting principle	Loss per share before cumulative effect of a change in accounting principle	Net loss applicable to common shares before cumulative effect of a change in accounting principle	Loss per share before cumulative effect of a change in accounting principle
As reported	\$ (32,640)	\$ (0.17)	\$ (84,630)	\$ (0.44)
Change in accounting method for <i>Property, plant and mine development, net</i>	374	0.00	45	0.00
Pro forma	\$ (32,266)	\$ (0.17)	\$ (84,585)	\$ (0.44)

Recent Pronouncements

In June 2001, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) Nos. 141 and 142, Business Combinations and Goodwill and Other Intangible Assets, respectively. Upon adoption as required on January 1, 2002, the Company reclassified \$177.0 million of mineral interest intangible assets, as defined by SFAS 142, from *Property, plant and mine development, net to Mineral interests and other intangible assets, net*. The Company now amortizes the carrying values of intangible assets taking into account residual values, over their useful lives. As discussed in Note 2, the 2002 acquisitions of Normandy and Franco-Nevada were accounted for as purchases under SFAS 141 and a significant portion of the \$4.4 billion purchase price represents goodwill, resulting from the excess of the purchase price over the fair value of net assets acquired. Such goodwill will not be amortized, but will be subject to impairment testing at least annually, as required by SFAS 142.

In August 2001, the FASB issued SFAS No. 143 Accounting for Asset Retirement Obligations, which established uniform methodology for accounting for estimated reclamation and abandonment costs. The statement will be adopted as required on January 1, 2003, when Newmont will record the estimated fair value of reclamation liabilities (asset retirement obligation or ARO) and increase the carrying amount of the related assets (asset retirement cost or ARC) to be retired in the future. The ARC will be depreciated over the life of the related assets and will be adjusted for changes resulting from revisions to either the timing or amount of the original ARO fair value estimate. Newmont expects to record approximately \$60 to \$75 million in the ARC, net, increases of approximately \$110 million to \$135 million to the ARO, increases of approximately \$1 million to \$3 million to accrued liabilities for worker participation bonuses in Peru, increases to deferred tax assets of approximately \$10 million to \$14 million, a reduction to Newmont's investment in Batu Hijau of approximately \$3 million to \$9 million, and a reduction in minority interest in subsidiaries of approximately \$14 million to \$18 million, at January 1, 2003, with a cumulative effect of adoption of approximately \$30 million to \$40 million to be recorded in results of operations in the first quarter of 2003.

In August 2001, the FASB issued SFAS No. 144 Accounting for the Impairment or Disposal of Long-Lived Assets, which established a single accounting model, based on the framework of SFAS No. 121 Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of, for long-lived assets to be disposed of by sale. The statement was adopted January 1, 2002 and there was no impact in the Company's financial position or results of operations upon adoption.

In May 2002, the FASB issued SFAS No. 145 Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections. The statement nullified SFAS 4, SFAS 44 and SFAS 64 and established that gains and losses from extinguishment of debt should be classified as extraordinary items only if they meet the criteria of APB Opinion No. 30 Reporting the Results of Operations Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions. The Statement also amends SFAS Statement No. 13 Accounting for Leases to require sale-leaseback accounting for certain lease modifications that have economic effects that are similar to sale-leaseback transactions and makes technical corrections to various other FASB statements. For the provisions of the statement relating to the extinguishment of debt, SFAS 145 is effective for fiscal years beginning after May 15, 2002. The provisions relating to SFAS 13 are effective for transactions occurring after May 15, 2002, and all other provisions are effective for financial statements issued on or after May 15, 2002. There was no impact in the Company's financial position or results of operations upon adoption.

In June 2002, the FASB issued SFAS No. 146 Accounting for Costs Associated with Exit or Disposal Activities which addressed financial accounting and reporting for costs associated with exit or disposal activities. It nullified Emerging Issues Task Force (EITF) Issue No. 94-3 Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring). SFAS 146 requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred rather than at the date of an entity's commitment to an exit plan as was

required under EITF No. 94-3. SFAS 146 also establishes that fair value is the objective for initial measurement of the liability. SFAS 146 is effective for exit or disposal activities initiated after December 31, 2002, and we do not anticipate any impact in the Company's financial position or results of operations upon adoption except with respect to those exit or disposal activities that are initiated by the Company after that date.

In December 2002, the FASB issued SFAS No. 148 *Accounting for Stock-Based Compensation Transition and Disclosure* to provide alternative methods for voluntary transition to the fair value based method of accounting for stock based compensation. SFAS 148 also amends the disclosure provisions of SFAS No. 123 *Accounting for Stock-Based Compensation* to require prominent disclosure about the effects on reported net income of an entity's accounting policy decisions with respect to stock-based employee compensation. Finally, this Statement amends APB Opinion No. 28 *Interim Financial Reporting*, to require disclosure about those effects in interim financial information. SFAS 148 is effective for fiscal years ending after December 15, 2002.

In November 2002, the FASB issued FIN 45 *Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others*, an Interpretation of FASB Statements 5, 57, 107 and Rescission of FASB Interpretation No. 34. FIN 45 requires recognition and measurement of guarantees entered into or modified beginning on January 1, 2003 and requires expanded disclosure of guarantees as of December 31, 2002. The Company has conformed its disclosures with respect to guarantees outstanding at December 31, 2002 to the requirements of FIN 45 in its 2002 Annual Report in Form 10-K.

In January 2003, the FASB issued FIN 46 *Consolidation of Variable Interest Entities*, which provides guidance on the identification of, and financial reporting for, entities over which control is achieved through means other than voting rights. FIN 46 impacts accounting for variable interest entities created after January 31, 2003 and requires expanded disclosure of variable interest entities for financial statement issued after January 31, 2003. The Company has determined that there will be no impact on its financial position and results of operations upon adoption.

(14) Stockholders Equity

Exchangeable Shares

In connection with the acquisition of Franco-Nevada, certain holders of Franco-Nevada common stock received 0.8 of an exchangeable share of Newmont Mining Corporation of Canada Limited (formerly Franco- Nevada) for each share of common stock held. These exchangeable shares are convertible, at the option of the holder, into shares of Newmont common stock on a one-for-one basis, and entitle holders to dividend and other rights economically equivalent to holders of Newmont common stock. At June 30, 2002, the value of these shares was included in *Additional paid-in capital*.

Preferred Stock

In April 2002, Newmont announced the redemption of all issued and outstanding shares of its \$3.25 convertible preferred stock as of May 15, 2002. Pursuant to the terms of the convertible preferred stock, Newmont paid a redemption price of \$50.325 per share, plus \$0.8125 per share for dividends that accrued on the convertible preferred stock at the redemption date. In settlement of the total redemption price of \$51.1375 per preferred share, Newmont issued to holders of record 1.9187 shares of its common stock and cash for any remaining fractional interest. This redemption will eliminate \$7.5 million of annual preferred stock dividends prospectively.

(15) Statement of Comprehensive Income (Loss)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2002	2001	2002	2001
	(unaudited) (in thousands)			
Net income (loss)(1)	\$ 68,990	\$ (30,772)	\$ 62,192	\$ (80,893)
Other comprehensive income (loss), net of tax:				
Realized gain on sale of Lihir	(29,036)		(18,273)	
Unrealized gain on marketable equity securities	2,499	13,270	2,714	8,981
Foreign currency translation adjustments	17,288	(5,485)	18,125	(6,131)
Changes in fair value of cash flow hedge instruments(1)	39,077	(1,550)	55,140	2,449
Total other comprehensive income (loss)(1)	29,828	6,235	57,706	5,299
Comprehensive income(1)	\$ 98,818	\$ (24,537)	\$ 119,898	\$ (75,594)

(1) As restated. See Note 20.

(16) Segment Information

Newmont predominantly operates in a single industry as a worldwide corporation engaged in gold production, exploration for gold and acquisition of gold properties. Newmont's major operations are in North America, South America and Australia. Other international mining operations include small gold producing properties in New Zealand, Indonesia, Uzbekistan and Turkey. Newmont also has a base metal operations segment engaged in copper, zinc and cobalt production, an exploration segment engaged in green fields exploration activities not associated with our existing operating and development properties and a merchant banking segment. Earnings from operations do not include general corporate expenses, interest (except project-specific interest) or income taxes (except for equity investments). In conjunction with the acquisitions described in Note 2, the Company has modified its reporting structure and related segment disclosure.

Financial information relating to Newmont's segments is as follows:

Three Months Ended June 30, 2002

(In millions and unaudited)

	North America			South America			Australia		
	Nevada	Other North America	Total North America	Yanacocha	Other South America	Total	Pajingo	Other Australia	Total Australia
						South America			
Sales, net(1)	\$ 186.6	\$ 40.9	\$ 227.5	\$ 149.0	\$ 23.5	\$ 172.5	\$ 23.1	\$ 129.7	\$ 152.8
Royalties	\$	\$	\$	\$	\$	\$	\$	\$ 0.3	\$ 0.3
Interest income	\$	\$	\$	\$ 0.1	\$	\$ 0.1	\$ 0.2	\$ 4.0	\$ 4.2
Interest expense(1)	\$	\$	\$	\$ 2.5	\$ 0.1	\$ 2.6	\$	\$ 10.0	\$ 10.0
Exploration and research expense	\$ 3.9	\$	\$ 3.9	\$ 2.5	\$ 0.2	\$ 2.7	\$ 0.4	\$ 2.5	\$ 2.9
Depreciation, depletion and amortization(1)	\$ 25.2	\$ 9.1	\$ 34.3	\$ 26.2	\$ 3.8	\$ 30.0	\$ 6.4	\$ 23.3	\$ 29.7
Pre-tax income (loss) before minority interest and equity income(1)	\$ (0.1)	\$ 7.7	\$ 7.6	\$ 47.7	\$ 8.2	\$ 55.9	\$ 10.1	\$ 7.5	\$ 17.6
Equity income of affiliates(1)	\$	\$	\$	\$	\$	\$	\$	\$ 3.1	\$ 3.1
Amortization of deferred stripping, net	\$ 3.2	\$ (0.3)	\$ 2.9	\$	\$	\$	\$	\$	\$
Asset write-down(1)	\$ 7.4	\$	\$ 7.4	\$	\$	\$	\$	\$ 0.1	\$ 0.1
Capital expenditures	\$ 12.0	\$ 3.7	\$ 15.7	\$ 43.3	\$ 0.4	\$ 43.7	\$ 3.6	\$ 16.3	\$ 19.9
Total assets(1)	\$ 1,895.7	\$ 175.8	\$ 2,071.5	\$ 1,089.6	\$ 41.4	\$ 1,131.0	\$ 209.8	\$ 2,121.9	\$ 2,331.7

	Zarafshan-	Other	Total	Base	Exploration	Merchant	Corporate and	Consolidated
	Newmont	International Operations	Gold	Metals		Banking	Other	
Sales, net(1)	\$ 22.2	\$ 34.6	\$ 609.6	\$ 22.9	\$	\$	\$	\$ 632.5
Royalties	\$	\$	\$ 0.3	\$	\$	\$ 10.4	\$ 0.5	\$ 11.2
Interest income	\$	\$	\$ 4.3	\$	\$	\$ 0.3	\$ 0.5	\$ 5.1
Interest expense(1)	\$ 0.2	\$	\$ 12.8	\$	\$	\$	\$ 22.3	\$ 35.1
Exploration and research expense	\$	\$ 0.6	\$ 10.1	\$ 1.1	\$ 4.0	\$	\$ 3.6	\$ 18.8
Depreciation, depletion and amortization(1)	\$ 3.1	\$ 10.6	\$ 107.7	\$ 6.7	\$ 2.0	\$ 6.0	\$ 1.2	\$ 123.6
Pre-tax income (loss) before minority interest and equity income(1)	\$ 9.1	\$ 6.6	\$ 96.8	\$ 7.8	\$ (5.9)	\$ 4.9	\$ (2.8)	\$ 100.8
Equity income of affiliates	\$	\$	\$ 3.1	\$	\$	\$ 1.2	\$ 13.0	\$ 17.3
Amortization of deferred stripping, net	\$	\$	\$ 2.9	\$	\$	\$	\$	\$ 2.9
Asset write-down(1)	\$	\$	\$ 7.5	\$ 0.1	\$	\$	\$	\$ 7.6
Capital expenditures	\$ 0.8	\$ 5.1	\$ 85.2	\$ 2.5	\$ 0.0	\$ 0.6	\$ 0.7	\$ 89.0

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Total assets(1)	\$	105.1	\$	530.1	\$	6,169.4	\$	488.9	\$	226.6	\$	2,073.9	\$	878.7	\$	9,837.5
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Three Months Ended June 30, 2001

(In millions and unaudited)

	North America			South America			Australia		
	Nevada	Other North America	Total North America	Yanacocha	Other South America	Total			
						South America	Pajingo	Other Australia	Total Australia
Sales, net(1)	\$ 161.7	\$ 30.1	\$ 191.8	\$ 112.1	\$ 19.3	\$ 131.4	\$ 8.9	\$	\$ 8.9
Royalties	\$	\$	\$	\$	\$	\$	\$	\$	\$
Interest income	\$	\$	\$	\$ 0.7	\$	\$ 0.7	\$	\$	\$
Interest expense(1)	\$	\$	\$	\$ 0.1	\$ 0.1	\$ 0.2	\$	\$	\$
Exploration and research expense	\$ 2.5	\$	\$ 2.5	\$ 4.5	\$ 0.2	\$ 4.7	\$ 0.5	\$	\$ 0.5
Depreciation, depletion and amortization(1)	\$ 24.2	\$ 7.4	\$ 31.6	\$ 19.4	\$ 4.7	\$ 24.1	\$ 1.0	\$	\$ 1.0
Pre-tax income (loss) before minority interest and equity income(1)	\$ (11.2)	\$ 0.6	\$ (10.6)	\$ 32.2	\$ 0.5	\$ 32.7	\$ 4.1	\$	\$ 4.1
Equity income of affiliates(1)	\$	\$	\$	\$	\$	\$	\$	\$	\$
Amortization of deferred stripping, net	\$ 6.4	\$ 0.1	\$ 6.5	\$	\$	\$	\$	\$	\$
Asset write-down(1)	\$ 0.5	\$	\$ 0.5	\$	\$	\$	\$	\$	\$
Capital expenditures	\$ 12.7	\$ 1.9	\$ 14.6	\$ 94.5	\$ 4.4	\$ 98.9	\$ 0.6	\$	\$ 0.6
Total assets(1)	\$ 1,471.0	\$ 184.0	\$ 1,655.0	\$ 929.3	\$ 54.5	\$ 983.8	\$ 34.1	\$	\$ 34.1

	Zarafshan-	Other International Operations	Total Gold	Base Metals	Exploration	Merchant Banking	Corporate and	
	Newmont						Other	Consolidated
Sales, net(1)	\$ 13.5	\$ 21.7	\$ 367.3	\$	\$	\$	\$	\$ 367.3
Royalties	\$	\$	\$	\$	\$	\$	\$ 0.1	\$ 0.1
Interest income	\$	\$ 0.1	\$ 0.8	\$	\$	\$	\$ 0.3	\$ 1.1
Interest expense(1)	\$ 0.2	\$	\$ 0.4	\$	\$	\$	\$ 23.2	\$ 23.6
Exploration and research expense	\$	\$	\$ 7.7	\$	\$ 2.6	\$	\$ 5.0	\$ 15.3
Depreciation, depletion and amortization(1)	\$ 3.1	\$ 5.3	\$ 65.1	\$	\$ 0.3	\$	\$ 1.3	\$ 66.7
Pre-tax income (loss) before minority interest and equity income(1)	\$ 3.3	\$ 3.9	\$ 33.4	\$	\$ (3.1)	\$	\$ (57.1)	\$ (26.8)
Equity income of affiliates(1)	\$	\$	\$	\$	\$	\$	\$ 8.3	\$ 8.3
Amortization of deferred stripping, net	\$	\$ 0.2	\$ 6.7	\$	\$	\$	\$	\$ 6.7
Asset write-down(1)	\$	\$ 0.7	\$ 1.2	\$	\$	\$	\$	\$ 1.2
Capital expenditures	\$ 5.0	\$	\$ 119.1	\$	\$	\$	\$ (0.3)	\$ 118.8
Total assets(1)	\$ 100.9	\$ 79.6	\$ 2,853.4	\$	\$ 7.7	\$	\$ 1,144.9	\$ 4,006.0

Six Months Ended June 30, 2002

(In millions and unaudited)

	North America			South America			Australia		
	Nevada	Other North America	Total North America	Yanacocha	Other South America	Total South America	Pajingo	Other Australia	Total Australia
Sales, net(1)	\$ 362.9	\$ 76.5	\$ 439.4	\$ 289.2	\$ 43.4	\$ 332.6	\$ 39.9	\$ 185.9	\$ 225.8
Royalties	\$	\$	\$	\$	\$	\$	\$	\$ 0.8	\$ 0.8
Interest income	\$	\$	\$	\$ 0.2	\$	\$ 0.2	\$ 0.4	\$ 5.4	\$ 5.8
Interest expense(1)	\$ 0.1	\$	\$ 0.1	\$ 5.4	\$ 0.2	\$ 5.6	\$ 0.2	\$ 15.9	\$ 16.1
Exploration and research expense	\$ 6.3	\$	\$ 6.3	\$ 4.3	\$ 0.6	\$ 4.9	\$ 0.6	\$ 3.1	\$ 3.7
Depreciation, depletion and amortization(1)	\$ 52.0	\$ 17.7	\$ 69.7	\$ 61.2	\$ 6.9	\$ 68.1	\$ 9.9	\$ 35.3	\$ 45.2
Pre-tax income (loss) before minority interest and equity income(1)	\$ (9.0)	\$ 10.1	\$ 1.1	\$ 75.4	\$ 13.1	\$ 88.5	\$ 17.9	\$ (3.8)	\$ 14.1
Equity income of affiliates(1)	\$	\$	\$	\$	\$	\$	\$	\$ 3.1	\$ 3.1
Amortization of deferred stripping, net	\$ 9.5	\$ (0.6)	\$ 8.9	\$	\$	\$	\$	\$	\$
Asset write-down(1)	\$ 15.3	\$	\$ 15.3	\$	\$	\$	\$	\$ 0.3	\$ 0.3
Cumulative effect	\$ 0.9	\$ 7.2	\$ 8.1	\$	\$	\$	\$ (0.4)	\$	\$ (0.4)
Capital expenditures	\$ 20.7	\$ 6.9	\$ 27.6	\$ 69.7	\$ 0.6	\$ 70.3	\$ 5.7	\$ 21.6	\$ 27.3
Total assets(1)	\$ 1,895.7	\$ 175.8	\$ 2,071.5	\$ 1,089.6	\$ 41.4	\$ 1,131.0	\$ 209.8	\$ 2,121.9	\$ 2,331.7

	Zarafshan-	Other	Total	Base Metals	Exploration	Merchant Banking	Corporate and	Consolidated
	Newmont	International Operations	Gold				Other	
Sales, net(1)	\$ 37.4	\$ 56.6	\$ 1,091.8	\$ 32.3	\$	\$	\$	\$ 1,124.1
Royalties	\$	\$	\$ 0.8	\$	\$	\$ 13.8	\$ 0.4	\$ 15.0
Interest income	\$	\$	\$ 6.0	\$	\$	\$ 1.1	\$ 0.8	\$ 7.9
Interest expense(1)	\$ 0.3	\$	\$ 22.1	\$	\$	\$	\$ 44.1	\$ 66.2
Exploration and research expense	\$	\$ 0.6	\$ 15.5	\$ 1.2	\$ 7.4	\$	\$ 6.3	\$ 30.4
Depreciation, depletion and amortization(1)	\$ 5.4	\$ 16.0	\$ 204.4	\$ 7.0	\$ 3.5	\$ 8.2	\$ 2.7	\$ 225.8
Pre-tax income (loss) before minority interest and equity income(1)	\$ 14.5	\$ 8.9	\$ 127.1	\$ 6.2	\$ (10.8)	\$ 5.8	\$ (31.7)	\$ 96.6
Equity income of affiliates(1)	\$	\$	\$ 3.1	\$	\$	\$ 0.7	\$ 14.9	\$ 18.7
Amortization of deferred stripping, net	\$	\$	\$ 8.9	\$	\$	\$	\$	\$ 8.9
Asset write-down(1)	\$	\$	\$ 15.6	\$ 0.3	\$	\$	\$	\$ 15.9
Cumulative effect	\$	\$	\$ 7.7	\$	\$	\$	\$	\$ 7.7
Capital expenditures	\$ 2.7	\$ 5.9	\$ 133.8	\$ 4.1	\$ 0.2	\$ 0.6	\$ 2.1	\$ 140.8
Total assets(1)	\$ 105.1	\$ 530.1	\$ 6,169.4	\$ 488.9	\$ 226.6	\$ 2,073.9	\$ 878.7	\$ 9,837.5

Six Months Ended June 30, 2001

(In millions and unaudited)

	North America			South America			Australia		
	Nevada	Other North America	Total North America	Yanacocha	Other South America	Total South America	Pajingo	Other Australia	Total Australia
Sales, net(1)	\$ 354.7	\$ 68.6	\$ 423.3	\$ 235.5	\$ 37.4	\$ 272.9	\$ 16.3	\$	\$ 16.3
Royalties	\$	\$	\$	\$	\$	\$	\$	\$	\$
Interest income	\$	\$	\$	\$ 0.9	\$	\$ 0.9	\$	\$	\$
Interest expense(1)	\$ 0.1	\$	\$ 0.1	\$ 1.2	\$ 0.3	\$ 1.5	\$	\$	\$
Exploration and research expense	\$ 5.0	\$ 0.3	\$ 5.3	\$ 8.5	\$ 0.3	\$ 8.8	\$ 0.8	\$	\$ 0.8
Depreciation, depletion and amortization(1)	\$ 59.6	\$ 17.4	\$ 77.0	\$ 46.7	\$ 9.9	\$ 56.6	\$ 2.1	\$	\$ 2.1
Pre-tax income (loss) before minority interest and equity income(1)	\$ (14.9)	\$ (2.1)	\$ (17.0)	\$ 70.2	\$ (1.8)	\$ 68.4	\$ 7.2	\$	\$ 7.2
Equity income of affiliates(1)	\$	\$	\$	\$	\$	\$	\$	\$	\$
Amortization of deferred stripping, net	\$ 3.5	\$ 0.1	\$ 3.6	\$	\$	\$	\$	\$	\$
Asset write-down(1)	\$ 6.1	\$	\$ 6.1	\$	\$ 0.1	\$ 0.1	\$	\$	\$
Capital expenditures	\$ 28.6	\$ 4.8	\$ 33.4	\$ 159.0	\$ 7.2	\$ 166.2	\$ 1.5	\$	\$ 1.5
Total assets(1)	\$ 1,471.0	\$ 184.0	\$ 1,655.0	\$ 929.3	\$ 54.5	\$ 983.8	\$ 34.1	\$	\$ 34.1

	Zarafshan-Newmont	Other International Operations	Total Gold	Base Metals	Exploration	Merchant Banking	Corporate and Other	Consolidated
Sales, net(1)	\$ 26.7	\$ 52.2	\$ 791.4	\$	\$	\$	\$	\$ 791.4
Royalties	\$	\$	\$	\$	\$	\$	\$ 0.2	\$ 0.2
Interest income	\$	\$ 0.1	\$ 1.0	\$	\$	\$	\$ 0.7	\$ 1.7
Interest expense(1)	\$ 0.5	\$	\$ 2.1	\$	\$	\$	\$ 44.6	\$ 46.7
Exploration and research expense	\$	\$	\$ 14.9	\$	\$ 5.2	\$	\$ 10.5	\$ 30.6
Depreciation, depletion and amortization(1)	\$ 6.2	\$ 11.5	\$ 153.4	\$	\$ 0.3	\$	\$ 3.0	\$ 156.7
Pre-tax income (loss) before minority interest and equity income(1)	\$ 6.4	\$ 14.9	\$ 79.9	\$	\$ (7.1)	\$	\$ (138.0)	\$ (65.2)
Equity income of affiliates(1)	\$	\$	\$	\$	\$	\$	\$ 3.8	\$ 3.8
Amortization of deferred stripping, net	\$	\$ 4.1	\$ 7.7	\$	\$	\$	\$	\$ 7.7
Asset write-down(1)	\$	\$ 0.9	\$ 7.1	\$	\$	\$	\$	\$ 7.1
Capital expenditures	\$ 5.9	\$	\$ 207.0	\$	\$	\$	\$ 3.0	\$ 210.0
Total assets(1)	\$ 100.9	\$ 79.6	\$ 2,853.4	\$	\$ 7.7	\$	\$ 1,144.9	\$ 4,006.0

(1) As restated. See Note 20.

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The merchant banking segment is consolidated in the financial results of the Company. The Company accounts for the merchant banking business as a separate operating segment because such business engages in activities from which it earns revenues and incurs expenses, its operating results are regularly reviewed by the Chief Operating Decision Maker and there is discrete financial information available for the business.

Total assets include a preliminary allocation amount for goodwill, representing the excess of the purchase price paid over the fair value of assets acquired at the date of the acquisition of Normandy and Franco-Nevada.

This goodwill is included the Nevada, Pajingo, Other Australia, Base Metals, and the Merchant Banking Segments. See detail of goodwill by segment in Note 2.

Newmont operates the Batu Hijau mine in Indonesia that is accounted for as an equity investment. Batu Hijau financial information, based on U.S. generally accepted accounting principles, was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2002	2001	2002	2001
	(unaudited) (in millions)			
Revenue, net of smelting and refining costs(2)	\$ 94.1	\$ 104.3	\$ 166.0	\$ 176.5
Interest expense	\$ 18.0	\$ 37.1	\$ 36.0	\$ 70.7
Depreciation, depletion and amortization(1)	\$ 31.6	\$ 26.8	\$ 57.8	\$ 46.8
Net income (loss) before cumulative effect of a change in accounting principle(1)	\$ 11.4	\$ (10.2)	\$ 5.0	\$ (38.8)
Net income (loss)(1)	\$ 11.4	\$ (10.2)	\$ 5.0	\$ (38.8)
Capital expenditures	\$ 21.3	\$ 9.3	\$ 66.0	\$ (22.6)
Total assets(1)			\$ 2,283.6	\$ 2,217.9

(1) As restated. See Note 20.

(2) As restated to reflect smelting and refining costs as a reduction of revenue.

Newmont's second quarter equity income for Batu Hijau was \$13.5 million and \$8.3 million for 2002 and 2001, respectively. For 2002, income was based on 56.25% of Batu Hijau's income, adjusted for the elimination of \$2.5 million of inter-company interest, \$2.4 million of inter-company management fees, and amortization adjustments of \$2.3 million. For 2001, the income was based on 56.25% of Batu Hijau's income, adjusted for the elimination of \$10.2 million of inter-company interest, \$3.0 million of inter-company management fees, and amortization adjustments of \$0.9 million. For the six months ended June 30, 2002, equity income of Batu Hijau was \$14.9 million based on 56.25% of Batu Hijau's income, adjusted for the elimination of \$3.6 million of inter-company interest, \$5.1 million of inter-company management fees, and amortization adjustments of \$3.5 million. For the comparable 2001 period, income was \$3.8 million, based on 56.25% of Batu Hijau's income, adjusted for the elimination of \$17.4 million of inter-company interest, \$5.6 million of inter-company management fees, and amortization adjustments of \$2.6 million.

(17) Commitments and contingencies

(a) Reclamation Obligations

Newmont's mining and exploration activities are subject to various federal and state laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. Newmont conducts its operations so as to protect the public health and environment and believes its operations are in compliance with all applicable laws and regulations. Newmont has made, and expects to make in the future, expenditures to comply with such laws and regulations, but cannot predict the amount of such future expenditures. Estimated future reclamation costs are based principally on legal and regulatory requirements. At June 30, 2002 and December 31, 2001, \$233.4 million and \$128.4 million, respectively, were accrued for reclamation costs relating to currently producing mineral properties.

In addition, Newmont is involved in several matters concerning environmental obligations associated with former mining activities. Generally, these matters concern developing and implementing remediation plans at the various sites involved. Newmont believes that the related environmental obligations associated with these sites are similar in nature with respect to the development of remediation plans, their risk profile and the compliance required to meet general environmental standards. Based upon Newmont's best estimate of its liability for these matters, \$53.1 million and \$57.3 million were accrued for such obligations at June 30, 2002 and December 31, 2001, respectively. These amounts are included in *Other accrued liabilities* and *Reclamation and remediation liabilities*. Depending upon the ultimate resolution of these matters, Newmont believes that it is reasonably

possible that the liability for these matters could be as much as 50% greater or 30% lower than the amount accrued. The amounts accrued for these matters are reviewed periodically based upon facts and circumstances available at the time. Changes in estimates are charged to *Costs and expenses, Other* in the period estimates are revised. Details about certain of the more significant sites involved are discussed below.

Idarado Mining Company (Idarado) 80.1% owned

In July 1992, Newmont and Idarado signed a consent decree with the State of Colorado (State) that was agreed to by the U.S. District Court of Colorado to settle a lawsuit brought by the State under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), generally referred to as the Superfund Act.

Idarado agreed in the consent decree to undertake specified remediation work at its former mining site in the Telluride/Ouray area of Colorado. Remediation work at this property is substantially complete. If the remediation does not achieve specific performance objectives defined in the consent decree, the State may require Idarado to implement supplemental activities at the site, also as defined in the consent decree. Idarado and Newmont have obtained a \$5.8 million reclamation bond to secure their potential obligations under the consent decree. In addition, Idarado settled natural resources damages and past and future response costs, and agreed to habitat enhancement work, under the consent decree.

Resurrection Mining Company (Resurrection) 100% owned

Newmont, Resurrection and other defendants were named in lawsuits filed by the State of Colorado, under the Superfund Act in 1983, and subsequently consolidated with a lawsuit filed by the U.S. Environmental Protection Agency (EPA) in 1986.

These proceedings sought to compel the defendants to remediate the impacts of pre-existing, historic mining activities near Leadville, Colorado which date back to the mid-1800 s, and which the government agencies claim are causing substantial environmental problems in the area.

In 1988 and 1989, the EPA issued administrative orders with respect to one area on the site and the defendants have collectively implemented those orders by constructing a water treatment plant, which was placed in operation in early 1992. Remaining remedial work for this area primarily consists of water treatment plant operation and continuing environmental monitoring and maintenance activities. Newmont and Resurrection are currently responsible for 50 percent of these costs; their share of such costs could increase in the event other defendants become unable to pay their share of such costs.

The parties also have entered into a consent decree with respect to the remaining areas at the site, which apportions liabilities and responsibilities for these areas. The EPA has approved remedial actions for selected components of Resurrection s portion of the site, which were initiated in 1995. The EPA has not yet selected the final remedy for the site. Accordingly, Newmont cannot yet determine the full extent or cost of its share of the remedial action that will be required. The government agencies may also seek to recover for damages to natural resources. In March 1999, the parties entered into a Memorandum of Understanding (MOU) to facilitate the settlement of natural resources damages claims under CERCLA for the upper Arkansas River Basin. The MOU provides a structure for evaluation of damages and possible restoration activities that may be required if it is concluded such damages have occurred.

Dawn Mining Company LLC (Dawn) 51% owned

Dawn previously leased an open-pit uranium mine, currently inactive, on the Spokane Indian Reservation in the State of Washington. The mine site is subject to regulation by agencies of the U.S. Department of Interior (the Bureau of Indian Affairs and the Bureau of Land Management), as well as the EPA. Dawn also owns a nearby uranium millsite facility, located on private land, which is subject to federal and state regulation.

In 1991, Dawn's mining lease at the mine was terminated. As a result, Dawn was required to file a formal mine closure and reclamation plan. The Department of Interior commenced an analysis of Dawn's proposed plan and alternate closure and reclamation plans for the mine. Work on this analysis has been suspended indefinitely. In mid-2000, the mine was included on the National Priorities List under CERCLA, and the EPA has initiated a remedial investigation/feasibility study under CERCLA to determine environmental conditions and remediation options at the site.

The EPA has asserted that Dawn and Newmont are liable for reclamation or remediation work and costs at the mine. Dawn does not have sufficient funds to pay for the reclamation plan it proposed or for any alternate plan, or for any additional remediation work or costs at the mine. Newmont will vigorously contest any claims as to its liability.

Newmont cannot reasonably predict the likelihood or outcome of any future action against Dawn or Newmont arising from this matter.

In late 1999, Dawn initiated state approval for a revised mill closure plan that, if implemented, would expedite the reclamation process at the mill. The State of Washington has approved this revised plan. The currently approved plan for the mill is secured by a \$14.1 million bond, which is guaranteed by Newmont.

San Luis, Colorado 100% owned

The San Luis open-pit gold mine in southern Colorado was operated by a subsidiary of Battle Mountain and ceased operations in November 1996. Since then, substantial closure and reclamation work has been performed. In August 1999, the Colorado Department of Public Health and Environment (CDPHE) issued a notice of violation of the Water Quality Control Act and in October 1999 amended the notice to authorize operation of a water treatment facility and the discharge of treated water. Battle Mountain has made all submittals required by the CDPHE notice and conducted the required response activities. Battle Mountain negotiated a settlement with CDPHE resolving alleged violations that was effective September 1, 2000. In October 2000, the CDPHE received an Application for Reconsideration of Order for Civil Penalty filed by project opponents, seeking to appeal the terms of the settlement. The application was denied by CDPHE. Project opponents have filed a judicial appeal in the District Court for Costilla County, Colorado, naming the CDPHE as defendant. Battle Mountain has intervened in the appeal to protect its interests in the settlement. Newmont cannot reasonably predict the likelihood or outcome of this or any future action against Battle Mountain or Newmont relating to this site.

(b) Other

Minera Yanacocha 51.35% owned

Choropampa

In June 2000, a transport contractor of Minera Yanacocha spilled approximately 151 kilograms of mercury near the town of Choropampa, Peru, which is located 53 miles southwest of the mine. Mercury is a byproduct of gold mining and was sold to a Lima firm for use in medical instrumentation and industrial applications. A comprehensive health and environmental remediation program was undertaken by Minera Yanacocha in response to the incident. In August 2000, Minera Yanacocha paid under protest a fine of 1,740,000 soles (approximately

\$500,000) to the Peruvian government. Minera Yanacocha has entered into settlement agreements with a number of individuals impacted by the incident. In addition, it has entered into agreements with three of the communities impacted by this incident to provide a variety of public works as compensation for the disruption and inconvenience caused by the incident.

On September 10, 2001, Minera Yanacocha, various wholly-owned subsidiaries of Newmont, and other defendants were named in a lawsuit filed by over 900 Peruvian citizens in Denver District Court for the State of Colorado. This action seeks compensatory and punitive damages based on claims associated with the mercury spill incident. This action was dismissed by the Denver District Court on May 22, 2002, and this ruling was reaffirmed by the court on July 30, 2002. Plaintiffs' attorneys have indicated that they intend to appeal this dismissal.

In July 2002, other lawsuits were served against Minera Yanacocha, various wholly-owned subsidiaries of Newmont, and/or other defendants in the Denver District Court for the State of Colorado and in the United States District Court for the District of Colorado, by approximately 140 additional Peruvian plaintiffs. These actions also seek compensatory and punitive damages based on claims associated with the mercury spill incident.

Additional lawsuits relating to the Choropampa incident were filed against Minera Yanacocha in the local courts of Cajamarca, Peru, in May 2002, by over 750 Peruvian citizens. A significant number of the plaintiffs in this lawsuit previously have entered into binding settlement agreements with Minera Yanacocha.

Neither Newmont nor Minera Yanacocha can reasonably predict the final outcome of any of the above described lawsuits.

Cerro Quilish

In recent months the level of conflict between the central government and local governments throughout Peru over regulatory authority, privatization policy, entitlement to revenue streams, and other issues has increased. Minera Yanacocha is involved in a dispute with the Provincial Municipality of Cajamarca regarding the authority of that governmental body to regulate the development of the Company's Cerro Quilish ore deposit (which contains reserves of 1.9 million equity ounces). Cerro Quilish is located in the same watershed in which the City of Cajamarca is located. The Municipality has enacted an ordinance declaring Cerro Quilish and its watershed to be a reserved and natural protected area. Minera Yanacocha has challenged this ordinance on the grounds that, under Peruvian law, local governments lack authority to create such areas. In May 2002, the Peruvian Constitutional Tribunal was fully empanelled in Lima. The panel is expected to hear the case and to rule later this year.

Even if the Constitutional Tribunal determines that the municipal ordinance is valid, Peruvian law provides that pre-existing rights are to be respected. Minera Yanacocha acquired the mining concessions in the Cerro Quilish area many years before the adoption of the contested ordinance.

Minera Yanacocha is committed to completing a full environmental impact study prior to initiating any future development at Cerro Quilish, and will adopt mitigation measures necessary to protect the quality and quantity of the water supply of the City of Cajamarca. While the central government has the primary responsibility and the necessary technical expertise to regulate this matter, the company is also committed to working with the local government and other affected stakeholders in completing the required studies and designing and implementing any necessary mitigation measures.

Other

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In a Federal Court action brought by the Australian Securities and Investment Commission, (ASIC), against Yandal Gold Pty Ltd., a subsidiary of Newmont Australia Ltd., the judge found that the defendants violated the Australian Corporations Law and ordered payment by Edensor Nominees Pty. Ltd. (Edensor) to ASIC of A\$28.5 million for distribution to former Yandal Operations Limited shareholders. An appeal by Edensor to the Full Court of the Federal Court, to which Normandy Australia Ltd. became a party on the application of ASIC, was allowed on the basis that the Federal Court lacked jurisdiction to make the order. This decision was successfully appealed to the High Court, which decided that the Full Federal Court was wrong. The High Court held that the Federal Court did have jurisdiction to hear and determine the matter and make orders under the Australian Corporations Law. The High Court sent the matter back to the Full Federal Court, which rejected Edensor's appeal on the merits. Barring any additional appeal, Edensor will be obligated to pay the A\$28.5 million. Newmont Australia Ltd. previously agreed to pay half of this amount.

(18) Condensed Consolidating Financial Information

The following Condensed Consolidating Financial information is presented to satisfy disclosure requirements of Rule 3-10(e) of Regulation S-X resulting from the inclusion of Newmont USA Limited (Newmont USA), a wholly-owned subsidiary of Newmont Mining Corporation, as a co-registrant with Newmont Mining Corporation on a shelf registration statement on Form S-3 filed under the Securities Act of 1933 under which securities of Newmont Mining Corporation, (including debt securities which may be guaranteed by Newmont USA) may be issued from time to time (the Shelf Registration Statement). This Shelf Registration Statement has not yet been declared effective by the Securities and Exchange Commission. To the extent which Newmont Mining Corporation issues debt securities under the Shelf Registration Statement, it is expected that Newmont USA will provide a guarantee of that debt. In accordance with Rule 3-10(e) of Regulation S-X, Newmont USA, as the subsidiary guarantor, is 100% owned by Newmont Mining Corporation, the guarantee will be full and unconditional, and it is not expected that any other subsidiary of Newmont Mining Corporation will guarantee any security issued under the Shelf Registration Statement. There are no significant restrictions on the ability of Newmont USA to obtain funds from its subsidiaries by dividend or loan.

<u>Consolidating Statement of Operations</u>	<u>Newmont Mining Corporation</u>	<u>Newmont USA</u>	<u>Other Subsidiaries</u>	<u>Eliminations</u>	<u>Newmont Mining Corporation Consolidated</u>
(In millions and unaudited)					
Three Months Ended June 30, 2002					
Sales and other income					
Sales gold(1)	\$	\$ 436.8	\$ 172.7	\$	\$ 609.5
Sales base metals, net			22.9		22.9
Royalties		0.6	12.4	(1.8)	11.2
Gain on sale of marketable securities of Lihir		47.3			47.3
Dividends, interest and other income intercompany	5.0	1.4	8.5	(14.9)	
Dividends, interest, foreign currency exchange and other income		3.6	11.3		14.9
	5.0	489.7	227.8	(16.7)	705.8
Costs and Expenses					
Cost applicable to sales gold(1)		268.6	109.6	(2.3)	375.9
Cost applicable to sales base metals			8.6		8.6
Depreciation, depletion and amortization(1)		68.3	55.3		123.6
Exploration and research		10.9	7.9		18.8
General and administrative		20.8	6.9		27.7
Interest expense intercompany	5.6	2.8	6.2	(14.6)	
Interest, net of capitalized interest(1)		25.1	10.0		35.1
Write-down of assets and other(1)		7.0	(1.2)		5.8
	5.6	403.5	203.3	(16.9)	595.5
Operating income (loss)	(0.6)	86.2	24.5	0.2	110.3
Gain (loss) on derivative instruments		0.4	(9.9)		(9.5)
Pre-tax income (loss) before minority interest and equity income					
(loss) of affiliates	(0.6)	86.6	14.6	0.2	100.8
Income tax (expense) benefit(1)		(18.5)	(15.4)	4.1	(29.8)
Minority interest in income of subsidiaries(1)	(7.4)	(18.3)	(0.1)	6.5	(19.3)
Equity income of (1)		13.5	4.3	(0.5)	17.3
Equity income of subsidiaries	77.0		10.0	(87.0)	
Net income (loss)	69.0	63.3	13.4	(76.7)	69.0

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Preferred stock dividends	<u>(1.9)</u>	<u></u>	<u></u>	<u></u>	<u>(1.9)</u>
Net income (loss) applicable to common shares	<u>\$ 67.1</u>	<u>\$ 63.3</u>	<u>\$ 13.4</u>	<u>\$ (76.7)</u>	<u>\$ 67.1</u>

<u>Consolidating Statement of Operations</u>	<u>Newmont Mining Corporation</u>	<u>Newmont USA</u>	<u>Other Subsidiaries</u>	<u>Eliminations</u>	<u>Newmont Mining Corporation Consolidated</u>
(In millions and unaudited)					
Three Months Ended June 30, 2001					
Sales and other income					
Sales gold(1)	\$	\$ 367.5	\$	\$	\$ 367.5
Dividends, interest and other income intercompany					
Dividends, interest, foreign currency exchange and other income		3.3			3.3
	—	370.8	—	—	370.8
Costs and Expenses					
Cost applicable to sales gold(1)		259.2			259.2
Depreciation, depletion and amortization(1)		66.7			66.7
Exploration and research		15.3			15.3
General and administrative		15.0			15.0
Interest, net of capitalized interest(1)		23.6			23.6
Write-down of assets and other(1)		2.9			2.9
	—	382.7	—	—	382.7
Operating loss		(11.9)			(11.9)
Loss on derivative instruments		(14.8)			(14.8)
Pre-tax loss before minority interest and equity income of affiliates		(26.7)			(26.7)
Income tax expense(1)		(1.4)			(1.4)
Minority interest in income of subsidiaries(1)		(10.9)			(10.9)
Equity income of affiliates(1)		8.3			8.3
Net loss		(30.7)			(30.7)
Preferred stock dividends		(1.9)			(1.9)
Net loss applicable to common shares	\$	\$ (32.6)	\$	\$	\$ (32.6)

<u>Consolidating Statement of Operations</u>	<u>Newmont Mining Corporation</u>	<u>Newmont USA</u>	<u>Other Subsidiaries</u>	<u>Eliminations</u>	<u>Newmont Mining Corporation Consolidated</u>
(In millions and unaudited)					
Six Months Ended June 30, 2002					
Sales and other income					
Sales gold(1)	\$	\$ 840.8	\$ 251.0	\$	\$ 1091.8
Sales base metals			32.3		32.3
Royalties		1.2	16.2	(2.4)	15.0
Gain on sale of marketable securities of Lihir		47.3			47.3
Dividends, interest and other income intercompany	5.0	1.9	10.6	(17.5)	
Dividends, interest, foreign currency exchange and other income		8.6	6.6		15.2
	<u>5.0</u>	<u>899.8</u>	<u>316.7</u>	<u>(19.9)</u>	<u>1,201.6</u>
Costs and Expenses					
Cost applicable to sales gold(1)		536.8	162.3	(2.7)	696.4
Cost applicable to sales base metals			19.1		19.1
Depreciation, depletion and amortization(1)		149.4	76.4		225.8
Exploration and research		19.8	10.6		30.4
General and administrative		37.6	11.4		49.0
Interest expense intercompany	5.6	2.8	9.1	(17.5)	
Interest, net of capitalized interest(1)		50.2	16.0		66.2
Write-down of assets and other(1)		18.0	(3.0)		15.0
	<u>5.6</u>	<u>814.6</u>	<u>301.9</u>	<u>(20.2)</u>	<u>1,101.9</u>
Operating income (loss)	(0.6)	85.2	14.8	0.3	99.7
Gain (loss) on derivative instruments		0.4	(3.5)		(3.1)
Pre-tax income (loss) before minority interest, equity income (loss) of affiliates and cumulative effect of a change in accounting principle	(0.6)	85.6	11.3	0.3	96.6
Income tax (expense) benefit(1)		(16.8)	(18.3)	4.1	(31.0)
Minority interest in income (loss) of subsidiaries(1)	(7.4)	(28.8)	1.4	5.0	(29.8)
Equity income of affiliates(1)		15.0	3.7		18.7
Equity income of subsidiaries	70.2		9.1	(79.3)	
Net income (loss) before cumulative effect of a change in accounting principle	62.2	55.0	7.2	(69.9)	54.5
Cumulative effect of a change in accounting principle, net of tax		7.7			7.7
Net income (loss)	62.2	62.7	7.2	(69.9)	62.2
Preferred stock dividends	(3.8)				(3.8)
Net income (loss) applicable to common shares	\$ 58.4	\$ 62.7	\$ 7.2	\$ (69.9)	\$ 58.4

<u>Consolidating Statement of Operations</u>	Newmont		Other Subsidiaries	Eliminations	Newmont
	Mining Corporation	USA			Mining Corporation Consolidated
(In millions and unaudited)					
Six Months Ended June 30, 2001					
Sales and other income					
Sales gold(1)	\$	\$ 791.6	\$	\$	\$ 791.6
Dividends, interest, foreign currency exchange and other income		6.7			6.7
		798.3			798.3
Costs and Expenses					
Cost applicable to sales gold(1)		526.5			526.5
Depreciation, depletion and amortization(1)		156.7			156.7
Exploration and research		30.6			30.6
General and administrative		30.9			30.9
Interest, net of capitalized interest(1)		46.7			46.7
Merger and restructuring		60.5			60.5
Write-down of assets and other(1)		12.4			12.4
		864.3			864.3
Operating loss		(66.0)			(66.0)
Gain on derivative instruments		0.8			0.8
Pre-tax loss before minority interest and equity income of affiliates		(65.2)			(65.2)
Income tax (expense) benefit(1)		4.0			4.0
Minority interest in income of subsidiaries(1)		(23.4)			(23.4)
Equity income of affiliates(1)		3.8			3.8
Net loss		(80.8)			(80.8)
Preferred stock dividends		(3.8)			(3.8)
Net loss applicable to common shares	\$	\$ (84.6)	\$	\$	\$ (84.6)

<u>Consolidating Balance Sheets</u>	<u>Newmont Mining Corporation</u>	<u>Newmont USA</u>	<u>Other Subsidiaries</u>	<u>Eliminations</u>	<u>Newmont Mining Corporation Consolidated</u>
(In millions and unaudited)					
At June 30, 2002					
Assets					
Cash and cash equivalents	\$	\$ 126.8	\$ 158.6	\$	\$ 285.4
Short-term investments		8.6	12.4		21.0
Accounts receivable	10.5	12.1	126.7	(93.8)	55.5
Inventories(1)		448.0	143.8		591.8
Current portion of deferred stripping costs		73.9			73.9
Prepaid taxes		18.9	11.1		30.0
Current portion of deferred income tax assets(1)		8.0	22.8		30.8
Other current assets	318.5	63.8	239.2	(516.3)	105.2
Current assets	329.0	760.1	714.6	(610.1)	1,193.6
Property, plant and mine development, net(1)		1,686.4	644.1		2,330.5
Mineral interests and other intangible assets, net(1)		380.1	1,531.8		1,911.9
Investments		583.0	425.9		1,008.9
Investment in subsidiaries	4,713.7		342.2	(5,055.9)	
Deferred stripping costs(1)		8.9			8.9
Long-term inventories		118.6	0.7		119.3
Derivative instruments			4.5		4.5
Deferred income tax assets		393.9	88.7	6.0	488.6
Other long-term assets(1)		230.1	575.8	(603.5)	202.4
Goodwill			2,568.9		2,568.9
Total assets	\$ 5,042.7	\$ 4,161.1	\$ 6,897.2	\$ (6,263.5)	\$ 9,837.5
Liabilities					
Current portion of long-term debt	\$	\$ 56.0	\$ 64.7	\$	\$ 120.7
Accounts payable	74.1	68.1	91.5	(95.6)	138.1
Current portion of deferred income tax liabilities(1)		32.7	12.1		44.8
Derivative instruments			55.2		55.2
Other accrued liabilities(1)		387.5	427.7	(514.1)	301.1
Current liabilities	74.1	544.3	651.2	(609.7)	659.9
Long-term debt		1,189.2	624.6		1,813.8
Reclamation and remediation liabilities		178.4	81.4		259.8
Deferred revenue from sale of future production(1)		53.8			53.8
Derivative instruments			345.4		345.4
Deferred income tax liabilities(1)		109.3	456.8		566.1
Employee related benefits(1)		158.2	1.2		159.4
Other long-term liabilities	465.8	88.4	252.5	(602.4)	204.3
Total liabilities	539.9	2,321.6	2,413.1	(1,212.1)	4,062.5
Minority interest in subsidiaries(1)	2.3	289.6	364.3	(338.1)	318.1
Stockholders' equity					
Convertible preferred stock			60.7	(60.7)	
Common stock	556.5		0.1	(0.1)	556.5
Additional paid-in capital	4,111.8	1,782.1	3,699.9	(4,525.6)	5,068.2
Accumulated other comprehensive income (loss)(1)	48.3	(20.1)	63.3	(43.2)	48.3
Retained earnings (deficit)(1)	(216.1)	(212.1)	295.8	(83.7)	(216.1)

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Total stockholders' equity	4,500.5	1,549.9	4,119.8	(4,713.3)	5,456.9
Total liabilities and stockholders' equity	\$ 5,042.7	\$ 4,161.1	\$ 6,897.2	\$ (6,263.5)	\$ 9,837.5

At December 31, 2001					
Consolidating Balance Sheets	Newmont Mining Corporation	(1) Newmont USA	Other Subsidiaries	Eliminations	(1) Newmont Mining Corporation Consolidated
(In millions)					
Assets					
Cash and cash equivalents	\$	\$ 149.4	\$	\$	\$ 149.4
Short-term investments		8.2			8.2
Accounts receivable		19.1			19.1
Inventories		452.1			452.1
Marketable securities of Lihir		66.9			66.9
Current portion of deferred stripping costs		71.5			71.5
Prepaid taxes		29.2			29.2
Current portion of deferred income tax assets		7.8			7.8
Other current assets		42.8			42.8
Current assets		847.0			847.0
Property, plant and mine development, net		1,930.2			1,930.2
Mineral interests and other intangible assets, net		177.0			177.0
Investments		543.3			543.3
Deferred stripping costs		20.1			20.1
Long-term inventories		117.7			117.7
Deferred income tax assets		403.5			403.5
Other long-term assets		102.9			102.9
Total assets	\$	\$ 4,141.7	\$	\$	\$ 4,141.7
Liabilities					
Current portion of long-term debt	\$	\$ 192.2	\$	\$	\$ 192.2
Accounts payable		80.9			80.9
Current portion of deferred income tax liabilities		32.9			32.9
Derivative instruments					
Other accrued liabilities		214.0			214.0
Current liabilities		520.0			520.0
Long-term debt		1,234.7			1,234.7
Reclamation and remediation liabilities		176.9			176.9
Deferred revenue from sale of future production		53.8			53.8
Deferred income tax liabilities		140.8			140.8
Employee related benefits		159.6			159.6
Other long-term liabilities		93.3			93.3
Total liabilities		2,379.1			2,379.1
Minority interest in subsidiaries		262.8			262.8
Stockholders' equity					
Convertible preferred stock		11.5			11.5
Common stock		313.9			313.9
Additional paid-in capital		1,458.4			1,458.4
Accumulated other comprehensive loss		(9.5)			(9.5)
Retained deficit		(274.5)			(274.5)
Total stockholders' equity		1,499.8			1,499.8

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Total liabilities and stockholders equity	\$	\$ 4,141.7	\$	\$	\$ 4,141.7
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<u>Statement of Consolidating Cash Flows</u>	<u>Newmont Mining Corporation</u>	<u>Newmont USA</u>	<u>Other Subsidiaries</u>	<u>Eliminations</u>	<u>Newmont Mining Corporation Consolidated</u>
(In millions and unaudited)					
Six Months Ended June 30, 2002					
Operating activities:					
Net income (loss)(1)	\$ 62.2	\$ 62.7	\$ 7.2	\$ (69.9)	\$ 62.2
Adjustments to reconcile net income (loss) to net cash provided by operating activities(1)	0.3	114.9	86.5	(0.3)	201.4
Change in working capital(1)		11.1	(76.6)		(65.5)
Net cash (used in) provided by operating activities	62.5	188.7	17.1	(70.2)	198.1
Investing activities:					
Additions to property, plant and mine development		(100.1)	(40.7)		(140.8)
Proceeds from sale of short-term investments			406.7		406.7
Proceeds from sale of marketable securities of Lihir		84.0			84.0
Proceeds from settlement of cross currency swaps			50.8		50.8
Net cash effect of acquisitions	(87.9)				(87.9)
Investment in affiliates	(70.2)			70.2	
Proceeds from asset sales and other		(19.2)	14.4		(4.8)
Net cash (used in) provided by investing activities	(158.1)	(35.3)	431.2	70.2	308.0
Financing activities:					
Net borrowings (repayments)	58.8	(180.6)	(300.9)		(422.7)
Dividends paid on common and preferred stock	(22.6)		(3.3)		(25.9)
Proceeds from stock issuance	59.3	3.6			62.9
Other	0.1	(0.7)			(0.6)
Net cash provided by (used in) financing activities	95.6	(177.7)	(304.2)		(386.3)
Effect of exchange rate changes on cash		1.6	14.6		16.2
Net change in cash and cash equivalents		(22.7)	158.7		136.0
Cash and cash equivalents at beginning of period		149.4			149.4
Cash and cash equivalents at end of period	\$	\$ 126.7	\$ 158.7	\$	\$ 285.4

<u>Statement of Consolidating Cash Flows</u>	<u>Newmont Mining Corporation</u>	<u>Newmont USA</u>	<u>Other Subsidiaries</u>	<u>Eliminations</u>	<u>Newmont Mining Corporation Consolidated</u>
(In millions and unaudited)					
Six Months Ended June 30, 2001					
Operating activities:					
Net loss(1)	\$	\$ (80.9)	\$	\$	\$ (80.9)
Adjustments to reconcile net loss to net cash provided by operating activities(1)		162.2			162.2
Change in working capital(1)		33.0			33.0
Net cash provided by operating activities		114.3			114.3
Investing activities:					
Additions to property, plant and mine development		(210.0)			(210.0)
Proceeds from assets sales and other		0.3			0.3
Net cash used in investing activities		(209.7)			(209.7)
Financing activities:					
Net borrowings (repayments)		71.5			71.5
Dividends paid on common and preferred stock		(15.5)			(15.5)
Decrease in restricted cash		40.0			40.0
Proceeds from stock issuances		4.4			4.4
Other		(3.3)			(3.3)
Net cash provided by financing activities		97.1			97.1
Effect of exchange rate changes on cash		(2.6)			(2.6)
Net change in cash and cash equivalents		(0.9)			(0.9)
Cash and cash equivalents at beginning of period		77.6			77.6
Cash and cash equivalents at end of period	\$	\$ 76.7	\$	\$	\$ 76.7

(1) As restated. See Note 20.

(19) Surety Bonds, Letters of Credit and Corporate Guarantees

As part of its ongoing business and operations, Newmont and its affiliates are required to provide surety bonds, bank letters of credit and corporate guarantees as additional financial support for various purposes, including environmental reclamation, exploration permitting, workers compensation programs and other general corporate purposes. At June 30, 2002, the Company had outstanding, approximately \$156 million in surety bonds and bank letters of credit and \$164 million in corporate guarantees. The obligations associated with these instruments are generally related to performance requirements that the Company addresses through its ongoing operations. As the specific requirements are met, the beneficiary of the associated instrument cancels and/or returns the instrument to the issuing entity. Certain of these instruments are associated with operating sites with long-lived assets and will remain outstanding until closure. Generally, bonding requirements associated with environmental regulation and reclamation are becoming more restrictive. In addition, the surety markets for certain types of environmental bonding used by Newmont have become increasingly constrained. Newmont, however, believes it is in compliance with all applicable bonding obligations and will be able to satisfy future bonding requirements, through existing or alternative means, as they arise.

(20) Restatement of Financial Statements

Prepaid Forward Sales Contract

The Company determined that it needed to correct the accounting treatment for a prepaid forward gold sales contract (the *Prepaid Forward*) and a forward gold purchase contract (the *Forward Purchase*) entered into in July 1999. The Company concluded that these contracts did not meet the technical criteria to be accounted for in the manner reflected in the Company's historical financial statements. As result, the Company has restated its financial statements beginning with the third quarter of 1999 through the second quarter of 2002.

Under the Prepaid Forward, the Company agreed to sell 483,333 ounces of gold, to be delivered in June of each of 2005, 2006 and 2007 in annual installments of 161,111 ounces (the Annual Delivery Requirements). The Company also agreed under the Prepaid Forward to deliver semi-annually 17,951 ounces of gold, beginning June 2000 through June 2007 (the Semi-Annual Delivery Requirements) for a total gold delivery obligation over the life of the Prepaid Forward of 752,598 ounces. At the time the Prepaid Forward was entered into, the Company received net proceeds of \$137.2 million (\$145.0 million of gross proceeds before transaction costs of \$653,000 and the purchase of a \$7.1 million surety bond to guarantee delivery of the Annual Delivery Requirements). The Company may also be entitled to receive additional proceeds in the future in connection with the annual deliveries of 161,111 ounces, to be determined at each delivery date based on the excess, if any, of the then market price for gold (up to a maximum of \$380 per ounce) over \$300 per ounce.

At the time the Company entered into the Prepaid Forward, it also entered into the Forward Purchase, with the same counterparty, to hedge the price risk with respect to the Semi-Annual Delivery Requirements. The Forward Purchase provides for semi-annual purchases of 17,951 ounces of gold on each semi-annual delivery date under the Prepaid Forward at prices increasing from \$263 per ounce in 2000 to \$354 per ounce in 2007. On each semi-annual delivery date, the ounces purchased under the Forward Purchase were delivered in satisfaction of the Company's delivery requirements under the Prepaid Forward.

The Company previously accounted for these transactions by recording the net \$137.2 million that it received under the Prepaid Forward as deferred revenue under the long-term liabilities section of its balance sheet to be recognized incrementally as sales revenue when the 161,111 ounce annual gold deliveries were made in 2005, 2006 and 2007. On each semi-annual delivery date, the cost of purchasing the Semi-Annual Delivery Requirements under the Forward Purchase was deducted from sales revenue. No revenue, however, was recognized in respect of the Semi-Annual Delivery Requirements that were delivered under the Prepaid Forward. The Forward Purchase was accounted for as a cash flow hedge with mark-to-market changes in its fair value recorded through *Other comprehensive income (loss), net of tax*.

As a result of this correction, the Company has accounted for the Prepaid Forward and the Forward Purchase as a single borrowing of \$145.0 million in July 1999, with interest accrued, based on an effective interest rate recognized over the full term of the borrowing. The cost of the Semi-Annual Delivery Requirements under the Forward Purchase will be treated as interest payments. As the Annual Delivery Requirements are made under the Prepaid Forward, the Company will recognize a corresponding amount of sales revenue. Any additional proceeds received in connection with the Annual Delivery Requirements will be reflected as additional revenue at the time such proceeds are received. The surety bond costs of \$7.1 million associated with the Annual Delivery Requirements have been deferred and will be amortized during 2005, 2006 and 2007.

As a result of this correction in accounting, the Company's net income for the three-month period ended June 30, 2002 increased by approximately \$1.4 million or less than \$0.01 per share, and the net loss for the three-month period ended June 30, 2001 decreased by \$1.3 million or \$0.01 per share. The Company's net income for the six-month period ended June 30, 2002 decreased by approximately \$0.5 million or less than \$0.01 per share, and the net loss for the six-month period ended June 30, 2001 increased by \$0.6 million or less than \$0.01 per share. The Company's Stockholders' equity as of June 30, 2002 increased by approximately \$8.6 million.

In addition, the Company's long-term debt increased by \$145.0 million (\$137.2 million plus unamortized transaction and surety bond costs) at June 30, 2002 as a result of this correction.

Investment in Batu Hijau

The Company determined that the Batu Hijau mine had incorrectly included material other than proven and probable reserves in its depreciation and deferred stripping calculations. As a result, the Company has restated its financial statements so as to exclude material other than proven and probable reserves in its depreciation and deferred stripping calculations.

The Company accounts for its 45% indirect interest in the Batu Hijau mine, which commenced production in late 1999, using the equity method. In accordance with the mine's operating and financing agreements, the Company recognizes 56.25% of the Batu Hijau mine's net income until it has recouped the bulk of its construction investment. PTNNT had been including a certain amount of material other than proven and probable reserves in its depreciation and deferred stripping calculations. This material is located within the current economic pit design and is included in the Batu Hijau operation's mining plan. However, due to a lack of drilling density in the areas of the pit where this material is located, this material does not currently meet the criteria to be classified as proven and probable reserves. PTNNT has recalculated depreciation and deferred stripping charges excluding this material.

As a result of this correction in accounting for depreciation, the Company's net income for the three-month period ended June 30, 2002 decreased by approximately \$0.5 million or less than \$0.01 per share, and the net loss for the three-month period ended June 30, 2001 increased by \$0.6 million or less than \$0.01 per share. Net income for the six-month period ended June 30, 2002 decreased by \$0.8 million or less than \$0.01 per share, and the net loss for the six-month period ended June 30, 2001 increased by \$1.8 million or \$0.01 per share. The Company's Stockholders' equity as of June 30, 2002 decreased by \$6.6 million.

As a result of the correction in accounting for deferred stripping, the Company's net income increased by approximately \$0.2 million or less than \$0.01 per share and net loss has increased by \$1.1 million or \$0.01 per share for the three months ended June, 30, 2002 and 2001, respectively. The Company's net income decreased by approximately \$0.5 million or less than \$0.01 per share, and the net loss for the six-month period ended June 30, 2002 increased by \$1.9 million or \$0.01 per share for the six-month period ended June 30, 2002. The Company's Stockholders' equity as of June 30, 2002 has decreased by \$5.5 million.

Depreciation and Amortization

Yanacocha

In November 2002, the Company determined that it had incorrectly recorded depreciation on certain mining assets at its Yanacocha operations in Peru. The Company has restated its financial statements beginning with the first quarter of 1999 through the second quarter of 2002. As a result of this correction in accounting, the Company's net income has decreased by approximately \$0.3 million or less than \$0.01 per share and net loss increased \$0.2 million or less than \$0.01 per share for the three-month periods ended June 30, 2002 and 2001, respectively. Net income decreased by \$0.3 million or less than \$0.01 per share and increased by \$0.9 million or less than \$0.01 per share for the six-month periods ended June 30, 2002 and 2001, respectively.

Amortization of Intangibles

In the fourth quarter of 2002, in conjunction with the finalization of the purchase price allocation for the Normandy and Franco-Nevada acquisitions, the Company determined that acquired assets represented by proven and probable reserves, undeveloped mineral interests and royalty interests, which were classified in the Company's balance sheet as a component of *Property, plant and mine development, net*, were required to be separately classified as intangible assets pursuant to the requirements of SFAS 141, and be amortized subject to the provisions of SFAS 142. As a result, the Company has restated its consolidated financial statements beginning with the first quarter of 2002 to properly classify the acquired assets as *Mineral interests and other intangible assets, net* on the *Consolidated Balance Sheets*, and to reflect the appropriate amortization in *Depreciation, depletion and amortization* on both the *Statements of Consolidated Operations and Comprehensive Income* and the *Statements of Consolidated Cash Flows*.

As a result of this correction, the Company's net income was decreased by \$2.4 million or \$0.01 per share and \$3.6 million or \$0.01 per share for the three- and six-month periods ended June 30, 2002, respectively.

Inventory

During the fourth quarter of 2002, Newmont determined that it had incorrectly excluded depreciation, depletion and amortization (DD&A) from capitalized costs in inventories. The Company has therefore restated its consolidated financial statements to include DD&A associated with the production of inventories as a cost subject to capitalization. Previously, the Company had recorded all DD&A as a period expense. In addition, the Company changed from recognizing units-of-production (UOP) depletion and amortization based on the volume of gold ounces sold to recognizing UOP depletion and amortization based on estimated recoverable ounces mined or produced from proven and probable reserves at certain locations to accommodate the capitalization of DD&A in inventory.

The Company continues to value its inventory at the lower of cost or market. As a result of the accounting change to capitalize DDA in inventory, the Company evaluated the revised inventory carrying costs at least quarterly and determined that write-downs to market were required in each reporting period. The Company reports lower of cost or market inventory adjustments in *Write-down of assets* in the Statement of Consolidated Operations.

During the fourth quarter of 2002, PTNNT determined that it had incorrectly excluded depreciation, depletion and amortization (DD&A) from capitalized costs in inventories. PTNNT has therefore restated its consolidated financial statements to include DD&A associated with the production of inventories as a cost subject to capitalization. Previously, PTNNT had recorded all DD&A as a period expense. In addition, the Company changed from recognizing units-of-production (UOP) depletion and amortization based on the volume of copper equivalent pounds sold to recognizing UOP depletion and amortization based on estimated copper equivalent recoverable pounds mined or produced from proven and probable reserves to accommodate the capitalization of DD&A in inventory.

As a result of these corrections, the Company's net income was increased by \$2.3 million or \$0.01 per share for the three months ended June 30, 2002 and net loss was decreased by \$1.4 million or less than \$0.01 for the three months ended June 30, 2001. The Company's net income was decreased by \$0.2 million or less than \$0.01 per share for the six months ended June 30, 2002 and net loss was increased by \$6.8 million or \$0.04 per share for the six months ended June 30, 2001. The adjustments also increased the earnings of prior years and therefore increased Stockholders' equity of the Company by \$33.0 million at June 30, 2002.

Reclassifications

Certain amounts in previously reported consolidated financial statements have been reclassified to conform to the current presentation.

Restated Financial Statements

The following sets forth the effects of the restatements to Newmont's Statements of Consolidated Operations and Comprehensive Income (Loss) and the Statements of Consolidated Cash Flows for the three-month and six-month periods ended June 30, 2002 and 2001 and the Consolidated Balance Sheets at June 30, 2002.

NEWMONT MINING CORPORATION

RESTATEMENT OF

STATEMENT OF CONSOLIDATED OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

Three Months Ended June 30, 2002

	As Previously Reported(1)	Prepaid Forwards	Investment In Batu Hijau	Depreciation and Amortization	Inventory	As Restated
(unaudited and in thousands, except per share)						
Sales and other income						
Sales gold	\$ 604,357	\$ 5,159(a)	\$	\$		\$ 609,516
Sales base metals, net	22,935					22,935
Royalties	11,202					11,202
Gain on sale of marketable securities of Lihir	47,298					47,298
Dividends, interest, foreign currency exchange and other income	14,843					14,843
	<u>700,635</u>	<u>5,159</u>				<u>705,794</u>
Costs and expenses						
Costs applicable to sales gold	375,234			(135)(j)	826(x)	375,925
Costs applicable to sales base metals	8,620					8,620
Depreciation, depletion and amortization(v)	134,119			1,692(k)	(15,805)(w)	123,602
				3,596 (a3)		
Exploration and research	18,788					18,788
General and administrative	27,652					27,652
Interest, net of capitalized interest	32,133	2,968(b)				35,101
Write-down of assets					7,644(w)	7,644
Other	(1,791)					(1,791)
	<u>594,755</u>	<u>2,968</u>		<u>5,153</u>	<u>(7,335)</u>	<u>595,541</u>
Operating income (loss)	105,880	2,191		(5,153)	7,335	110,253
Loss on derivative instruments	(9,478)					(9,478)
Pre-tax income (loss) before minority interest and equity income (loss) of affiliates	96,402	2,191		(5,153)	7,335	100,775
Income tax (expense) benefit(v)	(28,730)	(767)(c)		715(l)	(2,214)(y)	(29,821)
				1,175(a4)		
Minority interest in income of subsidiaries	(16,322)			530(m)	(3,492)(z)	(19,284)
Equity income (loss) of affiliates	16,875		(502)(p)		708(z)	17,320
			239(t)			
Net income (loss)	68,225	1,424	(263)	(2,733)	2,337	68,990
Preferred stock dividends	(1,869)					(1,869)
Net income (loss) applicable to common shares	\$ 66,356	\$ 1,424	\$ (263)	\$ (2,733)	\$ 2,337	\$ 67,121

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Net income (loss)	\$ 68,225	\$ 1,424	\$ (263)	\$ (2,733)	\$ 2,337	\$ 68,990
Other comprehensive income (loss), net of tax	30,771	(943)(d)				29,828
Comprehensive income (loss)	\$ 98,996	\$ 481	\$ (263)	\$ (2,733)	\$ 2,337	\$ 98,818
Net income (loss) per common share, basic and diluted	\$ 0.17	\$	\$	\$ (0.01)	\$ 0.01	\$ 0.17
Basic weighted average common shares outstanding	397,532					397,532
Diluted weighted average common shares outstanding	399,468					399,468

NEWMONT MINING CORPORATION

RESTATEMENT OF

STATEMENT OF CONSOLIDATED OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

Six Months Ended June 30, 2002

	As Previously Reported(1)	Prepaid Forwards	Investment In Batu Hijau	Depreciation and Amortization	Inventory	As Restated
(unaudited and in thousands, except per share)						
Sales and other income						
Sales gold	\$ 1,086,591	\$ 5,159(a)	\$	\$	\$	\$ 1,091,750
Sales base metals, net	32,305					32,305
Royalties	15,002					15,002
Gain on sale of marketable securities of Lihir	47,298					47,298
Dividends, interest, foreign currency exchange and other income	15,258					15,258
	<u>1,196,454</u>	<u>5,159</u>				<u>1,201,613</u>
Costs and expenses						
Costs applicable to sales gold	695,734			(139)(j)	815(x)	696,410
Costs applicable to sales base metals	19,122					19,122
Depreciation, depletion and amortization(v)	235,537			1,743(k)	(16,886)(w)	225,788
				5,394(a3)		
Exploration and research	30,355					30,355
General and administrative	48,967					48,967
Interest, net of capitalized interest	60,357	5,881(b)				66,238
Write-down of assets					15,897(w)	15,897
Other	(921)					(921)
	<u>1,089,151</u>	<u>5,881</u>		<u>6,998</u>	<u>(174)</u>	<u>1,101,856</u>
Operating income (loss)	107,303	(722)		(6,998)	174	99,757
Loss on derivative instruments	(3,147)					(3,147)
Pre-tax income (loss) before minority interest, equity income (loss) of affiliates and before cumulative effect of a change in accounting principle	104,156	(722)		(6,998)	174	96,610
Income tax (expense) benefit(v)	(34,098)	253(c)		722(l)	352(y)	(31,009)
				1,762(a4)		
Minority interest in income of subsidiaries	(26,965)			546(m)	(3,415)(z)	(29,834)
Equity income (loss) of affiliates	17,391		(837)(p)		2,674(z)	18,724
			(504)(t)			
Net income (loss) before cumulative effect of a change in accounting principle	60,484	(469)	(1,341)	(3,968)	(215)	54,491
Cumulative effect of a change in accounting principle, net of tax of \$4,147(v)	7,701					7,701

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Net income (loss)	68,185	(469)	(1,341)	(3,968)	(215)	62,192
Preferred stock dividends	(3,738)					(3,738)
Net income (loss) applicable to common shares	\$ 64,447	\$ (469)	\$ (1,341)	\$ (3,968)	\$ (215)	\$ 58,454
Net income (loss)	\$ 68,185	\$ (469)	\$ (1,341)	\$ (3,968)	\$ (215)	\$ 62,192
Other comprehensive income (loss), net of tax	62,258	(4,552)(d)				57,706
Comprehensive income (loss)	\$ 130,443	\$ (5,021)	\$ (1,341)	\$ (3,968)	\$ (215)	\$ 119,898
Net income (loss) before cumulative effect of a change in accounting principle per common share, basic and diluted	\$ 0.17	\$	\$ (0.01)	\$ (0.01)	\$	\$ 0.15
Cumulative effect of a change in accounting principle per common share, basic and diluted	0.02					0.02
Net income (loss) per common share, basic and diluted	\$ 0.19	\$	\$ (0.01)	\$ (0.01)	\$	\$ 0.17
Basic weighted average common shares outstanding	339,817					339,817
Diluted weighted average common shares outstanding	341,262					341,262

NEWMONT MINING CORPORATION

RESTATEMENT OF CONSOLIDATED BALANCE SHEET

June 30, 2002

	As Previously Reported(1)	Prepaid Forwards	Investment In Batu Hijau	Depreciation and Amortization	Inventory	As Restated
(unaudited and in thousands)						
Assets						
Cash and cash equivalents	\$ 285,405	\$	\$	\$	\$	\$ 285,405
Short-term investments	20,950					20,950
Accounts receivable	55,536					55,536
Inventories	520,065				71,774(w)	591,839
Current portion of deferred stripping costs	73,877					73,877
Prepaid taxes	30,058					30,058
Current portion of deferred income tax assets	27,316	3,474(c)				30,790
Other current assets	105,231					105,231
Current assets	1,118,438	3,474			71,774	1,193,686
Property, plant and mine development, net(v)	2,340,899			(955)(k)	(9,428)(w)	2,330,516
Mineral interests and other intangible assets, net	1,917,366			(5,394)(a3)		1,911,972
Investments	1,023,920		(8,154)(p)		(231)(z)	1,008,768
			(6,767)(t)			
Deferred stripping costs	8,851					8,851
Long-term inventories	96,652				22,599(w)	119,251
Derivative instruments	7,837	(3,301)(d)				4,536
Deferred income tax assets	488,586					488,586
Other long-term assets	194,601	7,802(e)				202,403
Goodwill	2,568,935					2,568,935
Total assets	\$ 9,766,085	\$ 7,975	\$ (14,921)	\$ (6,349)	\$ 84,714	\$ 9,837,504
Liabilities						
Current portion of long-term debt	\$ 120,684	\$	\$	\$	\$	\$ 120,684
Accounts payable	138,098					138,098
Current portion of deferred income tax liabilities	18,838				25,947(y)	44,785
Derivative instruments	55,233					55,233
Other accrued liabilities	291,194	9,925(b)				301,119
Current liabilities	624,047	9,925			25,947	659,919
Long-term debt	1,668,809	145,000(f)				1,813,809
Reclamation and remediation liabilities	259,758					259,758
Deferred revenue from sale of future production	191,039	(137,198)(g)				53,841
Derivative instruments	345,375					345,375
Deferred income tax liabilities(v)	565,200	(1,156)(c)	(1,552)(s)	(1,087)(l)	7,753(y)	566,149
			(1,247)(u)	(1,762)(a4)		
Employee related benefits	156,021			(76)(j)	3,461(x)	159,406
Other long-term liabilities	204,224					204,224
Total liabilities	4,014,473	16,571	(2,799)	(2,925)	37,161	4,062,481
Commitments and contingencies						
Minority interest in subsidiaries	303,863			(299)(m)	14,537(z)	318,101

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Stockholders equity						
Common stock	556,545					556,545
Additional paid-in capital	5,068,201					5,068,201
Accumulated other comprehensive income (loss)	50,404	(2,146)(d)				48,258
Retained deficit(v)	(227,401)	(6,450)(h)	(12,122)(q)	(3,125)(n)	33,016(a1)	(216,082)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total stockholders equity	5,447,749	(8,596)	(12,122)	(3,125)	33,016	5,456,922
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and stockholders equity	\$ 9,766,085	\$ 7,975	\$ (14,921)	\$ (6,349)	\$ 84,714	\$ 9,837,504
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

NEWMONT MINING CORPORATION

RESTATEMENT OF STATEMENT OF CONSOLIDATED CASH FLOWS

Six Months Ended June 30, 2002

	As Previously Reported(1)	Prepaid Forwards	Investment In Batu Hijau	Depreciation and Amortization	Inventory	As Restated
(unaudited and in thousands)						
Operating activities:						
Net income (loss)(v)	\$ 68,185	\$ (469)(h)	\$ (1,341)(q)	\$ (3,968)(n)	\$ (215)(a1)	\$ 62,192
Adjustments to reconcile net loss to net cash provided by operating activities:						
Depreciation, depletion and amortization(v)	235,537			1,743(o) 5,394(o)	(16,886)(a2)	225,788
Amortization of deferred stripping costs, net	8,903					8,903
Deferred tax benefit(v)	(7,314)	(253)(i)		(722)(o) (1,762)(o)	(352)(a2)	(10,403)
Foreign currency exchange (gain) loss	10,504					10,504
Minority interest, net of dividends	24,265			(546)(o)	3,415(a2)	27,134
Undistributed (gains) losses of affiliated companies	(13,526)		1,341(r)		(2,674)(a2)	(14,859)
Write-down of assets					15,897(a2)	15,897
Cumulative effect of a change in accounting principle, net	(7,701)					(7,701)
Gain on sale of marketable securities of Lihir	(47,298)					(47,298)
Gain on sale of assets and other	(6,557)					(6,557)
(Increase) decrease in operating assets:						
Accounts receivable	14,413					14,413
Inventories	(5,441)					(5,441)
Other assets	14,881					14,881
Increase (decrease) in operating liabilities:						
Accounts payable and other accrued liabilities	(47,871)	722(i)		(139)(o)	815(a2)	(46,473)
Other liabilities	(42,896)					(42,896)
Net cash provided by operating activities	198,084					198,084
Investing activities:						
Additions to property, plant and mine development	(140,810)					(140,810)
Proceeds from sale of short-term investments	406,731					406,731
Proceeds from sale of marketable securities of Lihir	84,002					84,002
Proceeds from settlement of cross country swaps	50,816					50,816
Net cash effect of acquisitions	(87,885)					(87,885)
Proceeds from asset sales and other	(4,862)					(4,862)
Net cash provided by investing activities	307,992					307,992
Financing activities:						
Proceeds from long-term debt	489,131					489,131
Repayments of long-term debt	(911,817)					(911,817)
Dividends paid on common and preferred stock	(25,871)					(25,871)
Proceeds from stock issuances	62,898					62,898
Other	(691)					(691)
Net cash used in financing activities	(386,350)					(386,350)

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Effect of exchange rate changes on cash	16,248					16,248
Net change in cash and cash equivalents	135,974					135,974
Cash and cash equivalents at beginning of period	149,431					149,431
Cash and cash equivalents at end of period	\$ 285,405	\$	\$	\$	\$	\$ 285,405

NEWMONT MINING CORPORATION

RESTATEMENT OF

STATEMENT OF CONSOLIDATED OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

Three Months Ended June 30, 2001

	As Previously Reported	Prepaid Forwards	Investment In Batu Hijau	Depreciation and Amortization	Inventory	As Restated
(unaudited and in thousands, except per share)						
Sales and other income						
Sales gold	\$ 362,361	\$ 4,940(a)	\$	\$	\$	\$ 367,301
Royalties	102					102
Dividends, interest, foreign currency exchange and other income	3,348					3,348
	<u>365,811</u>	<u>4,940</u>				<u>370,751</u>
Costs and expenses						
Costs applicable to sales gold	259,103			(61)(j)	221(x)	259,263
Depreciation, depletion and amortization	72,174			766(k)	(6,198)(w)	66,742
Exploration and research	15,305					15,305
General and administrative	14,964					14,964
Interest, net of capitalized interest	20,624	2,936(b)				23,560
Write-down of assets					1,245(w)	1,245
Other	1,707					1,707
	<u>383,877</u>	<u>2,936</u>		<u>705</u>	<u>(4,732)</u>	<u>382,786</u>
Operating income (loss)	(18,066)	2,004		(705)	4,732	(12,035)
Loss on derivative instruments	(14,719)					(14,719)
Pre-tax income (loss) before minority interest and equity income (loss) of affiliates	(32,785)	2,004		(705)	4,732	(26,754)
Income (expense) tax benefit	703	(701)(c)		220(l)	(1,586)(y)	(1,364)
Minority interest in income of subsidiaries	(10,272)			240(m)	(911)(z)	(10,943)
Equity income (loss) of affiliates	10,757		(601)(p)		(803)(z)	8,289
			(1,064)(t)			
Net income (loss)	(31,597)	1,303	(1,665)	(245)	1,432	(30,772)
Preferred stock dividends	(1,868)					(1,868)
Net income (loss) applicable to common shares	\$ (33,465)	\$ 1,303	\$ (1,665)	\$ (245)	\$ 1,432	\$ (32,640)
Net income (loss)	\$ (31,597)	\$ 1,303	\$ (1,665)	\$ (245)	\$ 1,432	\$ (30,772)
Other comprehensive income (loss)	8,634	(2,399)(d)				6,235
Comprehensive income (loss)	\$ (22,963)	\$ (1,096)	\$ (1,665)	\$ (245)	\$ 1,432	\$ (24,537)

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Net income (loss) per common share, basic and diluted	\$ (0.17)	\$ 0.01	\$ (0.01)	\$	\$	\$ (0.17)
Basic weighted average common shares outstanding	195,637					195,637
Diluted weighted average common shares outstanding	195,854					195,854

NEWMONT MINING CORPORATION

RESTATEMENT OF

STATEMENT OF CONSOLIDATED OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

Six Months Ended June 30, 2001

	As Previously Reported	Prepaid Forwards	Investment In Batu Hijau	Depreciation and Amortization	Inventory	As Restated
(unaudited and in thousands, except per share)						
Sales and other income						
Sales gold	\$ 786,458	\$ 4,940(a)	\$	\$	\$	\$ 791,398
Royalties	179					179
Dividends, interest, foreign currency exchange and other income	6,699					6,699
	<u>793,336</u>	<u>4,940</u>				<u>798,276</u>
Costs and expenses						
Costs applicable to sales gold	526,963			(242)(j)	(176)(x)	526,545
Depreciation, depletion and amortization	147,350			3,028(k)	6,295(w)	156,673
Exploration and research	30,620					30,620
General and administrative	30,875					30,875
Interest, net of capitalized interest	40,896	5,818(b)				46,714
Merger and restructuring	60,510					60,510
Write-down of assets					7,144(w)	7,144
Other	5,250					5,250
	<u>842,464</u>	<u>5,818</u>		<u>2,786</u>	<u>13,263</u>	<u>864,331</u>
Operating loss	(49,128)	(878)		(2,786)	(13,263)	(66,055)
Gain on derivative instruments	854					854
Pre-tax loss before minority interest and equity income (loss) of affiliates	(48,274)	(878)		(2,786)	(13,263)	(65,201)
Income tax (expense) benefit	(1,843)	308(c)		907(l)	4,583(y)	3,955
Minority interest in income of subsidiaries	(25,088)			949(m)	723(z)	(23,416)
Equity income (loss) of affiliates	6,362		(1,799)(p)		1,144(z)	3,769
			(1,938)(t)			
Net loss	(68,843)	(570)	(3,737)	(930)	(6,813)	(80,893)
Preferred stock dividends	(3,737)					(3,737)
Net loss applicable to common shares	\$ (72,580)	\$ (570)	\$ (3,737)	\$ (930)	\$ (6,813)	\$ (84,630)
Net loss	\$ (68,843)	\$ (570)	\$ (3,737)	\$ (930)	\$ (6,813)	\$ (80,893)
Other comprehensive income	3,977	1,322(d)				5,299
Comprehensive income (loss)	\$ (64,866)	\$ 752	\$ (3,737)	\$ (930)	\$ (6,813)	\$ (75,594)

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Net loss per common share, basic and diluted	\$ (0.37)	\$	\$ (0.02)	\$ (0.01)	\$ (0.04)	\$ (0.44)
Basic weighted average common shares outstanding	194,131					194,131
Diluted weighted average common shares outstanding	194,701					194,701

NEWMONT MINING CORPORATION

RESTATEMENT OF STATEMENT OF CONSOLIDATED CASH FLOWS

Six Months Ended June 30, 2001

	As Previously Reported	Prepaid Forwards	Investment In Batu Hijau	Depreciation and Amortization	Inventory	As Restated
(unaudited and in thousands)						
Operating activities:						
Net loss	\$ (68,843)	\$ (570)(h)	\$ (3,737)(q)	\$ (930)(n)	\$ (6,813)(a1)	\$ (80,893)
Adjustments to reconcile net loss to net cash provided by operating activities:						
Depreciation, depletion and amortization	147,350			3,028(o)	6,295(a2)	156,673
Amortization of deferred stripping costs, net	7,702					7,702
Deferred tax benefit	(29,937)	(308)(i)		(907)(o)	(4,583)(a2)	(35,735)
Foreign currency exchange loss	786					786
Minority interest, net of dividends	19,912			(949)(o)	(723)(a2)	18,240
Undistributed (gains) losses of affiliated companies	(6,362)		3,737(r)		(1,144)(a2)	(3,769)
Write-down of assets					7,144(a2)	7,144
Noncash merger and restructuring expenses	14,667					14,667
Gain on assets sales and other	(3,519)					(3,519)
(Increase) decrease in operating assets:						
Accounts receivable	6,657					6,657
Inventories	36,663					36,663
Other assets	30,791					30,791
Increase (decrease) in operating liabilities:						
Accounts payable and other accrued liabilities	(45,247)	878(i)		(242)(o)	(176)(a2)	(44,787)
Other liabilities	3,716					3,716
Net cash provided by operating activities	114,336					114,336
Investing activities:						
Additions to property, plant and mine development	(209,970)					(209,970)
Proceeds from asset sales and other	301					301
Net cash used in investing activities	(209,669)					(209,669)
Financing activities:						
Repayment of short-term debt	(10,000)					(10,000)
Proceeds from long-term debt	989,100					989,100
Repayments of long-term debt	(907,627)					(907,627)
Dividends paid on common and preferred stock	(15,473)					(15,473)
Decrease in restricted cash	40,000					40,000
Proceeds from stock issuances	4,381					4,381
Other	(3,272)					(3,272)

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Net cash provided by financing activities	97,109				97,109
Effect of exchange rate changes on cash	(2,588)				(2,588)
Net change in cash and cash equivalents	(812)				(812)
Cash and cash equivalents at beginning of period	77,558				77,558
Cash and cash equivalents at end of period	\$ 76,746	\$	\$	\$	\$ 76,746

Adjustments:

- (1) This column presents the financial statements that were previously reported on Form 10-Q for the six months ended June 30, 2002 filed August 14, 2002 and the effect of the cumulative effect of a change in accounting principle (See Note 13). Certain amounts have been reclassified to conform to the current presentation.
- (a) To reverse the effect of the cost of purchasing the Semi-Annual Delivery Requirements under the Forward Purchase that was originally recorded as a reduction of sales revenue.
- (b) To record accrued interest to account for the Prepaid Forward and the Forward Purchase as a single financing transaction.
- (c) To record the income tax impact of recording the Prepaid Forward and the Forward Purchase as a single financing transaction.
- (d) To reverse the effect of treating the Forward Purchase as a cash flow hedge. As a cash flow hedge, the Forward Purchase was recorded at fair value at each balance sheet date with the change in fair value recorded in *Accumulated other comprehensive income (loss), net* of the related deferred tax effect.
- (e) To record the purchase of the surety bond as an other long-term asset.
- (f) To record the total debt amount for the Prepaid Forward and the Forward Purchase as a single financing transaction.
- (g) To reverse the recording of the Prepaid Forward as deferred revenue.
- (h) To reflect the combined effect of adjustments (a) through (g) to *Net income* and *Retained deficit*.
- (i) To reflect the effect of treating the Prepaid Forward and the Forward Purchase as a single financing transaction in the Statement of Consolidated Cash Flow.
- (j) To record the reduction of workers' participation profit sharing at Yanacocha in Peru for adjustment (k).
- (k) To change depreciation due to the correction of depreciation rates related to certain mining assets at Yanacocha.
- (l) To record the consolidated income tax impact of recording adjustments (j) and (k).
- (m) To record the minority interest impact, net of tax, of recording adjustments (j) and (l).
- (n) To reflect the effect of adjustments (j) through (m) and (a3) through (a4) to *Net loss* and *Retained deficit*.
- (o) To reflect the effect of recording the correction of depreciation rates of certain mining assets at Yanacocha and recording amortization of mineral interests in the Statement of Consolidated Cash Flow.
- (p) To record the effect, net of tax, in the Company's *Investment in Batu Hijau* for an adjustment in NTP's financial statements. NTP determined that material other than proven and probable reserves had been erroneously included in depreciation calculations for the Batu Hijau mine.
- (q) To reflect the effect of adjustments (p) and (t) to *Net income* and *Retained deficit*.
- (r) To reflect the effect of recording the change in equity in Batu Hijau related to adjustments (p) and (t) in the Statement of Consolidated Cash Flow.
- (s) To record the consolidated income tax impact of recording adjustment (p).
- (t) To record the impact, net of tax, of correcting the deferred stripping calculation for the Batu Hijau mine in the Company's *Investment in Batu Hijau* in NTP's financial statements.
- (u) To record the consolidated income tax impact of recording adjustment (t).
- (v) To reflect the cumulative effect of the change in accounting policy for the six months ended June 30, 2002, *Depreciation, depletion and amortization* expense was decreased by \$4.0 million, *Income tax (benefit) expense* was decreased by \$1.4 million and *Net income* was increased by \$10.3 million including \$7.7 million from prior periods. Additionally, as of June 30, 2002, *Property, plant and mine development* was increased by \$15.9 million and *Deferred income tax liabilities* were increased by \$5.6 million.
- (w) To record effect of capitalizing DDA in inventory, including the change to the UOP method based upon production versus sale and any associated lower of cost or net realizable value write-down.
- (x) To record worker's participation profit sharing at Yanacocha in Peru for adjustment (w).
- (y) To record the income tax impact of adjustments (w) and (x).
- (z) To record minority interest and equity income impacts of change in inventory policy, net of tax.
- (a1) To record the effect of adjustments (w) through (y) to *Net Loss* and *Retained Deficit*.
- (a2) To reflect the effect of recording the capitalization of DD&A into inventory in the Statement of Consolidated Cash Flow.

(a3) To record the impact of amortizing acquired mineral interests.

(a4) To record the income tax impact of recording adjustment (a3).

(21) Supplementary Data

Ratio of Earnings to Fixed Charges

The ratio of earnings to fixed charges and the ratio of earnings to fixed charges and preferred stock dividends for the six months ended June 30, 2002 was 2.7 and 2.6, respectively. The ratio of earnings to fixed charges represents income before income taxes and interest expense divided by interest expense. Interest expense includes amortization of capitalized interest and the portion of rent expense representative of interest. Newmont guarantees certain third party debt; however, it has not been and does not expect to be required to pay any amounts associated with such debt. Therefore, related interest on such debt has not been included in the ratio of earnings to fixed charges.

Deferred Stripping

Details of deferred stripping with respect to certain of the Company's open-pit mines are as follows (unaudited):

	Three Months Ended June 30,				Six Months Ended June 30,			
	Nevada		Mesquite		Nevada(5)		Mesquite	
	2002	2001	2002	2001	2002	2001	2002	2001
Life-of-mine Assumptions Used as Basis For Deferred Stripping Calculations								
Stripping ratio (1)	125.5	123.3	n/a	205.6	128.1	134.6	n/a	237.6
Average ore grade (ounces of gold per ton)	0.073	0.067	n/a	0.023	0.073	0.067	n/a	0.023
Actuals for Year								
Stripping ratio (2)	81.3	83.1	n/a	99.2	82.3	109.6	n/a	155.5
Average ore grade (ounces of gold per ton)	0.072	0.057	n/a	0.037	0.067	0.058	n/a	0.031
Remaining Mine Life (years)	9	10	n/a	n/a	9	10	n/a	n/a
	Minahasa		La Herradura(6)		Minahasa		La Herradura(6)	
	2002	2001	2002	2001	2002	2001	2002	2001
	2002	2001	2002	2001	2002	2001	2002	2001
Life-of-mine Assumptions Used as Basis For Deferred Stripping Calculations								
Stripping ratio (1)	n/a	14.5	141.3	177.0	n/a	14.5	141.3	177.0
Grade of ore (ounces of gold per ton)	n/a	0.172	0.031	0.026	n/a	0.172	0.031	0.026
Actuals for Year								
Stripping ratio (2)	n/a	21.8	167.1	194.4	n/a	18.2	166.5	209.4
Grade of ore (ounces of gold per ton)	n/a	0.174	0.026	0.025	n/a	0.185	0.026	0.024

Remaining Mine Life (years)	n/a	n/a	6	7	n/a	n/a	6	7
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	Three Months Ended June 30,						Six Months Ended June 30,					
	Yandal		Tanami		KCGM		Yandal		Tanami		KCGM	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
Life-of-mine Assumptions Used as Basis For Deferred Stripping Calculations												
Stripping ratio (3)	5.2	n/a	6.8	n/a	5.3	n/a	5.2	n/a	6.8	n/a	5.3	n/a
Actuals for Year												
Stripping ratio (4)	2.2	n/a	8.2	n/a	5.2	n/a	3.7	n/a	8.1	n/a	4.9	n/a
Remaining Mine Life (years)	n/a	n/a	6	n/a	18	n/a	n/a	n/a	6	n/a	18	n/a
			Martha		Ovacik				Martha		Ovacik	
			2002	2001	2002	2001			2002	2001	2002	2001
Life-of-mine Assumptions Used as Basis For Deferred Stripping Calculations												
Stripping ratio (3)			1.6	n/a	9.8	n/a			1.6	n/a	9.8	n/a
Actuals for Year												
Stripping ratio (4)			2.2	n/a	8.8	n/a			1.9	n/a	9.0	n/a
Remaining Mine Life (years)			5	n/a	3	n/a			5	n/a	3	n/a

See Note 1 for description of the Company's accounting policy relating to deferred stripping.

- (1) Total tons to be mined in future divided by total ounces of gold to be recovered in future, based on proven and probable reserves.
- (2) Total tons mined divided by total ounces of gold recovered.
- (3) Total waste tons to be mined in future divided by ore tons to be mined in future.
- (4) Total waste tons mined divided by ore tons mined.
- (5) The life-of-mine stripping ratio decreased during 2002 as a result of some pits in the Carlin Trend with higher strip ratios being mined out during 2001. The actual strip ratio decreased in 2002 due to mining activities in the Twin Creeks pit in higher grade ore zones and less stripping.
- (6) The life-of-mine stripping ratio decreased approximately 20% as a result of a 20% increase in ore grade and minimal change in total tons to be mined. The actual stripping ratio decreased in 2002 due to an increase in average ore grade.

(22) Subsequent Events

TVX Newmont Americas and Echo Bay Mines Ltd.

On January 31, 2003, Kinross Gold Corporation, Echo Bay Mines Ltd. and TVX Gold Inc. were combined, and TVX Gold acquired Newmont's 49.9% interest in the TVX Newmont Americas joint venture. Under the terms of the combination and acquisition, Newmont received a 13.8% interest in the restructured Kinross in exchange for its 45.67% interest in Echo Bay and \$180 million for its interest in TVX Newmont Americas. Newmont recorded a pre-tax gain on the exchange of Echo Bay of approximately \$90 million.

Australian Magnesium Corporation

On January 3, 2003, an NAL subsidiary contributed an additional A\$100 million (\$56.0 million) to AMC in return for approximately 167 million additional shares, increasing the Company's ownership to 40.9%. However, due to additional equity contributions by third-party shareholders, the Company's voting interest was decreased to 27.8%. In addition, subsequent to year end, the A\$90 million (approximately \$51 million) contingent equity commitment outlined in Note 8 was renegotiated into an A\$75 million (approximately \$42 million) contingent convertible debt and equity facility.

Repurchase of Long-term Debt

During the first quarter of 2003, the Company repurchased \$23.0 million, \$52.3 million, \$10.0 million and \$30.9 million face amount of its outstanding 8 3/8%, 8 5/8%, NAL 7 1/2% and NAL 7 5/8% debentures, respectively, for total cash consideration of \$135.8 million. Newmont recorded a pre-tax charge of \$19.6 million related to these repurchases during the first quarter of 2003.

Normandy and Franco-Nevada Acquisitions

During the fourth quarter of 2002 the Company finalized the purchase price allocation related to the Normandy and Franco-Nevada acquisitions which resulted in goodwill increasing from \$2.6 billion to \$3.0 billion.

Normandy

The fair value assigned to property, plant and equipment and reclamation and remediation liabilities increased by \$57.2 million and \$39.9 million, respectively, between the preliminary and final purchase price allocation. Between the preliminary and final purchase price allocation, the fair value assigned to proven and probable reserves and other mineralized material decreased by \$302.8 million and \$52.0 million, respectively. The residual purchase price allocated to goodwill increased by \$493.9 million from the preliminary purchase price allocation to \$1,894.3 million in the final purchase price allocation.

Franco-Nevada

The fair value assigned to royalty properties decreased by \$52.8 million between the preliminary and final purchase price allocation, offset by a \$119.4 million increase in fair value assigned to the investments in affiliated companies. The residual purchase price allocated to goodwill decreased by \$38.2 million from the preliminary purchase price allocation to \$1,130.3 million in the final purchase price allocation.

ITEM 2. Management's Discussion and Analysis of Results of Operations and Financial Condition

The following provides information that management believes is relevant to an assessment and understanding of the consolidated results of operations and financial condition of Newmont Mining Corporation and its subsidiaries (collectively, Newmont). The discussion should be read in conjunction with Management's Discussion and Analysis included in Newmont's Annual Report on Form 10-K.

Restatements and Accounting Changes

Newmont has determined that certain adjustments are required to restate the Consolidated Financial Statements for the three-month and six-month periods ended June 30, 2002 and 2001 and at June 30, 2002. Overall the adjustments decreased net income by \$6.0 million, or \$0.02 per share, and increased net loss by \$12.0 million, or \$0.07 per share for the six months ended June 30, 2002 and 2001, respectively. The adjustments also increased the stockholders' equity of the Company at June 30, 2002 by \$9.2 million. The adjustments were necessary (i) to account for a prepaid forward sales contract and a forward purchase contract as a single borrowing; (ii) to correct depreciation rates on certain mining assets at the Company's subsidiary, Minera Yanacocha; (iii) to properly amortize acquired mineral interests; (iv) to record the impact in the Company's investment in Batu Hijau, accounted for under the equity method, for correcting its depreciation and deferred stripping calculations so as to exclude material other than proven and probable reserves; and, (v) to include depreciation, depletion and amortization expense as a capitalized cost in inventory. All amounts in the accompanying footnotes have been adjusted for these restatements as appropriate.

Change In Accounting Policy Property, Plant and Mine Development, Net

During the third quarter of 2002, Newmont changed its accounting policy, retroactive to January 1, 2002, with respect to depreciation, depletion and amortization (DD&A) of *Property, plant and mine development, net* to exclude future estimated development costs expected to be incurred for certain underground operations. Previously, the Company had included these costs and associated reserves in its DD&A calculations at certain of its underground mining operations. In addition, Newmont further revised its policy such that costs incurred to access specific ore blocks or areas that only provide benefit over the life of that area are depreciated, depleted or amortized over the reserves associated with the specific ore area. These changes were made to better match DD&A with the associated ounces of gold sold and to remove the inherent uncertainty in estimating future development costs in arriving at DD&A rates. The cumulative effect of this change through December 31, 2001 increased net income as of January 1, 2002 by \$7.7 million, net of tax of \$4.1 million, and increased earnings per basic and diluted common share by \$0.02 per share.

The table below presents the impact of the accounting change on Net income before cumulative effect of the accounting change for the three- and six-month periods ended June 30, 2002 and the pro forma effect for the three- and six-month periods ended June 30, 2001 as if the change had been in effect for that period (in thousands, except for per share data):

	Three months ended		Six months ended	
	June 30, 2002 (Actuals)	June 30, 2001 (Pro forma)	June 30, 2002 (Actuals)	June 30, 2001 (Pro forma)
Increase/(Decrease) to net income				
Depreciation, depletion, and amortization	\$ 2,423	\$ 576	\$ 4,005	\$ 69
Income tax expense	(848)	(202)	(1,402)	(24)

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Net income before cumulative effect of a change in accounting principle	\$ 1,575	\$ 374	\$ 2,603	\$ 45
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net income before cumulative effect of a change in accounting principle per common share, basic and diluted	\$ 0.00	\$ 0.00	\$ 0.01	\$ 0.00
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The table below presents pro forma net income and earnings per share before cumulative effect of a change in accounting principle for the period ended June 30, 2001 as if the Company had adopted the new accounting method for *Property, plant and mine development, net* as of January 1, 2001:

	Three months ended June 30, 2001		Six months ended June 30, 2001	
	Net loss applicable to common shares before cumulative effect of a change in accounting principle	Loss per share before cumulative effect of a change in accounting principle	Net loss applicable to common shares before cumulative effect of a change in accounting principle	Loss per share before cumulative effect of a change in accounting principle
As reported	\$ (32,640)	\$ (0.17)	\$ (84,630)	\$ (0.44)
Change in accounting method for <i>Property, plant and mine development, net</i>	374	0.00	45	0.00
Pro forma	\$ (37,266)	\$ (0.17)	\$ (84,585)	\$ (0.44)

Mergers and Acquisitions

On February 16, 2002, pursuant to a Canadian Plan of Arrangement, Newmont acquired 100% of Franco-Nevada in a stock-for-stock transaction in which Franco-Nevada common stockholders received 0.8 of a share of Newmont common stock, or 0.8 of a Canadian exchangeable share (exchangeable for Newmont common), for each common share of Franco-Nevada. The exchangeable shares are substantially equivalent to Newmont common shares. On February 20, 2002, Newmont obtained control of Normandy through a tender offer for all of the ordinary shares in the capital of Normandy. For accounting purposes, the effective date of the Normandy acquisition was the close of business on February 15, 2002, when Newmont received the irrevocable tender from shareholders for more than 50% of the outstanding shares of Normandy. Accordingly, the results of operations of Normandy and Franco-Nevada have been included in the accompanying financial statements from February 16, 2002 forward. On February 26, 2002, when the tender offer for Normandy expired, Newmont controlled more than 96% of Normandy's outstanding shares. Newmont exercised its rights to acquire the remaining shares of Normandy in April 2002. Consideration paid for Normandy included 3.85 shares of Newmont common stock for every 100 ordinary shares of Normandy (including ordinary shares represented by American depository receipts) plus A\$0.50 per Normandy share, or the U.S. dollar equivalent of that amount for Normandy stockholders outside Australia.

Normandy was Australia's largest gold company with interests in 16 development-stage or operating mining properties worldwide. Franco-Nevada was the world's leading precious minerals royalty company and had interests in other investments in the Mining Industry. Following the February 2002 acquisitions, Normandy was renamed Newmont Australia Limited and Franco-Nevada was renamed Newmont Mining Corporation of Canada Limited.

The purchase price for these acquisitions totaled \$4.4 billion, composed of 197.4 million Newmont shares (or share equivalents), \$462.1 million in cash and approximately \$90 million of direct costs. The value of Newmont shares (or share equivalents) was \$19.01 per share based on the

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average market price of the shares over the two-day period before and after January 2, 2002, the last trading day before the final and revised terms for the Normandy and Franco-Nevada acquisitions were announced.

The combination of Newmont, Normandy and Franco-Nevada was designed to create a platform for rational growth and for delivering superior returns to shareholders. With a larger global operating base, a broad and balanced portfolio of development projects and a stable income stream from mineral royalties and investments, the combined company will have opportunities to optimize returns, realize synergies through rationalization of corporate overhead and exploration programs, realize operating efficiencies, reduce operating and procurement costs and reduce interest expense and income taxes. The acquisitions resulted in approximately \$2.6 billion of

goodwill primarily related to the Merchant Banking business, the combined global exploration expertise and the synergies discussed above.

The acquisitions were accounted for using the purchase method of accounting whereby assets acquired and liabilities assumed were recorded at their fair market values as of the date of acquisition. The excess of the purchase price over such fair value was recorded as goodwill. In accordance with SFAS No. 142, Goodwill and Other Intangible Assets, goodwill was assigned to specific reporting units. Goodwill and other identifiable intangibles not subject to amortization will be reviewed for possible impairment at least annually or more frequently when an event or change in circumstances indicates that a reporting unit's carrying amount is greater than its fair value.

As described in Note 2 to the Consolidated Financial Statements, we have allocated the purchase price to assets and liabilities on a preliminary basis and finalized the allocation following completion of an independent appraisal at the end of 2002. The amount recorded as goodwill changed when the Company finalized its purchase price allocation (see Note 22 to the Consolidated Financial Statements).

We anticipate synergies from our business combination with Normandy and Franco-Nevada to exceed \$75 million annually starting in 2003. Such synergies will be obtained from the rationalization of corporate overhead and exploration and development budgets as well as operating efficiencies and costs reductions associated with procurement, interest and tax benefits.

Following the February 2002 acquisitions, Normandy was renamed Newmont Australia Limited and Franco-Nevada was renamed Newmont Mining Corporation of Canada Limited. Old Newmont was renamed Newmont USA Limited.

In January 2001, Newmont completed a merger with Battle Mountain Gold Company, where each share of common stock of Battle Mountain and each exchangeable share of Battle Mountain Canada Ltd. (a wholly-owned subsidiary of Battle Mountain) was converted into the right to receive 0.105 share of NMC stock, or approximately 24.1 million shares. The transaction was accounted for as a pooling of interests and as such, the consolidated financial statements include Battle Mountain's financial data as if Battle Mountain had always been part of Newmont.

SUMMARY

Newmont recorded net income applicable to common shares of \$67.1 million (\$0.17 per share) in the second quarter of 2002 compared with a net loss of \$32.6 million (\$0.17 per share) in the second quarter of 2001. Contributing to our net income in the second quarter of 2002 were increased revenues from a higher gold price, a \$47.3 million gain on the sale of our interest in Lihir, \$13.5 million in equity income from the Batu Hijau copper-gold mine, offset by a non-cash mark-to-market loss on derivative instruments of \$8 million. The net loss in the second quarter of 2001 also included a non-cash mark-to-market loss on derivative instruments of \$14.7 million. For the first half of 2002, net income applicable to common shares was \$58.5 million (\$0.17 per share), which included a \$7.7 million gain, net of tax, for the cumulative effect of a change in accounting principle, compared with a net loss of \$84.6 million (\$0.44 per share) for the first half of 2001.

Total equity gold sales ounces (or ounces attributable to Newmont's ownership or economic interest), total cash costs and average realized gold prices were as follows:

Three Months Ended June 30,	Six Months Ended June 30,
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	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
			(unaudited)	
Equity gold sales ounces (000)	1,863	1,237	3,328	2,660
Total cash costs per ounce	\$196	\$194	\$195	\$182
Total costs per ounce	\$260	\$251	\$258	\$235
Average price realized per ounce	\$314	\$268	\$304	\$266

For the full year 2002 and based on our current asset base portfolio, we forecast equity gold sales at 7.5 million ounces at a total cash cost of approximately \$180 to \$185 per ounce. We project net income to common shares of between \$0.40 and \$0.50 per share, assuming a gold price of \$300 per ounce for the remainder of 2002 and excluding any non-cash mark-to-market gains or losses on derivative instruments.

During the second half of 2002, we expect to produce 4.2 million equity ounces of gold at cash costs of about \$170 per ounce as our mine plans indicate higher grade ore in Nevada, Peru and Australia.

Market Conditions and Risks

Metal Price

Changes in the market price of gold significantly affect Newmont's profitability and cash flow. Gold prices can fluctuate widely and are affected by numerous factors, such as demand; forward selling by producers; central bank sales, purchases and lending; investor sentiment and global mine production levels. The gold price fell to a 20-year low of \$253 in July 1999, recovered moderately throughout 2001 and has recently increased to over \$300 per ounce. Changes in the market price of copper also affect Newmont's profitability and cash flow from its investment in the Batu Hijau mine in Indonesia and its Golden Grove mine in Australia.

Hedging

Newmont generally sells its production at market prices. Newmont has, on a limited basis, entered into derivative contracts to protect the selling price for certain anticipated gold production and to manage risks associated with sales contracts, commodities, interest rates and foreign currency. In addition, at the time of the acquisition, Normandy and its affiliates had a substantial derivative instrument position comprised of the Newmont Gold Treasury hedge book, the Newmont NFM hedge book and the Newmont Yandal Operations Limited hedge book. Following the Normandy acquisition, however, and in accordance with the Company's non-hedging philosophy, efforts to reduce and simplify the Normandy hedge positions have been undertaken. Accordingly, the Normandy gold hedge books have been reduced by over 1.5 million ounces since February 2002 and by 1.1 million ounces during the quarter. Gold forward sales contracts and other instruments (committed) obligations were reduced by 724,000 ounces during the quarter by delivering 218,000 ounces into committed contracts, unwinding 516,000 ounces of committed contracts and converting 10,000 ounces from uncommitted contracts to committed contracts. Similarly, put option contracts (uncommitted) contracts for 347,000 ounces were either delivered into, closed out or converted into committed contracts. Combining the 218,000 committed ounces delivered, the 516,000 committed ounces closed out, the 347,000 uncommitted ounces eliminated and the 100,000 ounces that were converted from uncommitted contracts to committed contracts, the Normandy gold hedge books were reduced to 6.6 million committed ounces and 1.8 million uncommitted ounces for a total of 8.4 million ounces. The mark-to-market valuation of the Normandy gold hedge books at the end of the second quarter improved to a negative \$369 million broken down as follows: Newmont Gold Treasury \$86 million; Newmont NFM \$21 million; and, Newmont Yandal Operations Limited \$262 million.

The following table shows the approximate sensitivities of the US\$ mark-to-market value of the Normandy gold hedge books to certain market variables as of June 30, 2002.

Market Variables

Change in Variable

Change in Mark-to-Market Value

		(millions)
A\$ Interest Rates	+/-1.0%	-/+\$46.9
US\$/A\$ Exchange Rates	+/-US\$0.01	+/- \$42.7
Gold Lease Rates	+/-1.0%	+/- \$18.5
US\$ Interest Rates	+/-1.0%	-/+\$12.5
US\$ Gold Price/oz	+/- \$1.00	-/+\$8.5

For the balance of 2002, Newmont expects a further reduction of committed ounces by 0.8 million ounces at an average gross gold price of approximately \$302 per ounce (assuming a US\$0.56 to A\$1 exchange rate). The Company will continue to evaluate opportunities to accelerate delivery into or close out the Normandy hedge books under the appropriate market conditions.

The company expects deliveries or expiry of committed and uncommitted positions for the remainder of 2002 will total 1.0 million ounces.

Newmont had the following gold commodity contracts outstanding at June 30, 2002 (unaudited):

The tables below are expressed in thousands of ounces of gold, and prices for contracts denominated in A\$ have been translated to US\$ at the exchange rate at June 30, 2002 of US\$ 0.56 per A\$1. For all floating rate instruments, the average prices quoted are gross contractual prices. The net forward prices ultimately realized on floating gold hedging contracts are the sum of the gross contractual forward prices less any associated future financing costs arising from gold borrowing commitments related to such floating rate instruments.

Gold Forward	Expected Maturity Date or Transaction Date						Total/ Average	Fair Value US\$ (000)
	2002	2003	2004	2005	2006	There- after		
Sales Contracts:								
(A\$ Denominated)								
Fixed Forwards:								
Ounces	813.9	1,360.6	1,060.3	227.0	52.0	26.0	3,539.8	\$ (119,601)
Average price	\$ 302.0	\$299.0	\$299.0	\$ 292.0	\$ 265.0	\$ 253.0	\$ 298.4	
Floating Rate Forwards:								
Ounces	12.8	16.0	61.0	164.1	40.5		294.4	\$ (15,648)
Average price	\$ 346.0	\$346.0	\$331.0	\$ 341.0	\$ 348.0	\$	\$ 340.4	
Synthetic Forwards:								
Ounces		39.0	80.0	80.0	80.0	160.0	439.0	\$ (27,678)
Average price	\$	\$281.0	\$304.0	\$ 304.0	\$ 304.0	\$ 304.0	\$ 302.0	
Total:								
Ounces	826.7	1,415.6	1,201.3	471.1	172.5	186.0	4,273.2	\$ (162,927)
Average Price	\$ 302.7	\$299.0	\$301.0	\$ 311.1	\$ 302.6	\$ 296.9	\$ 301.7	

Notes: *Fixed forward sales contracts* provide for delivery of a specified number of ounces at a specified price and date and are accounted for as cash flow hedges.

Floating rate forward contracts provide for a gold lease rate component in the price that takes into account market lease rates over the term of the contract. Gold lease rates reflect the borrowing cost for gold. Floating rate

forward contracts are accounted for as cash flow hedges. *Synthetic forward contracts* represent combinations of purchased put options and written call options at the same strike price, maturity date and number of ounces. The combination achieves the same risk management result as gold forward sales contracts.

Put Option	Expected Maturity Date or Transaction Date						There- after	Total/ Average	Fair Value US\$ (000)
	Contracts:	2002	2003	2004	2005	2006			
US\$ Denominated Fixed Purchased Puts:									
Ounces		104.3	209.1	202.8	204.8	100.0	95.0	916.0	\$ (3,564)
Average price		\$ 292.3	\$ 291.9	\$ 292.3	\$ 292.2	\$ 337.9	\$ 410.7	\$ 309.5	
A\$ Denominated Fixed Purchased Puts:									
Ounces		90.6	90.6	87.8	49.0			318.0	\$ (1,831)
Average price		\$ 305.0	\$ 311.0	\$ 317.0	\$ 310.0	\$	\$	\$ 310.8	
A\$ Denominated Floating Purchased Puts:									
Ounces		16.0	16.0		207.0	68.6	287.3	594.9	\$ (12,876)
Average price		\$ 315.0	\$ 315.0	\$	\$ 331.0	\$ 341.0	\$ 343.0	\$ 337.1	
Total:									
Ounces		210.9	315.7	290.6	460.8	168.6	382.3	1,828.9	\$ (18,272)
Average Price		\$ 299.5	\$ 298.6	\$ 299.8	\$ 311.5	\$ 339.2	\$ 359.8	\$ 318.7	

Notes: *Fixed purchased put option contracts* provide the right, but not the obligation, to sell a specified number of ounces at a specified strike price and are accounted for as cash flow hedges. *Floating forward purchased put option contracts* provide for a variable gold lease rate component in the strike price. These options are accounted for as cash flow hedges.

Convertible Put Options and Other Instruments:	Expected Maturity Date or Transaction Date						There- after	Total/ Average	Fair Value US\$ (000)
	(A\$ Denominated)	2002	2003	2004	2005	2006			
Ounces			46.0	37.0	81.5	132.3	1,402.7	1,699.5	\$ (125,136)
Average price		\$	\$ 310.0	\$ 310.0	\$ 308.0	\$ 323.0	\$ 368.0	\$ 358.8	

Notes: *Convertible put option contracts and other instruments* are comprised of: a) *Convertible option contracts* that provide minimum price protection for covered ounces, while providing the opportunity to participate in higher market prices under certain market conditions, and are accounted for as cash flow hedges; b) *Knock-out/knock-in option contracts* are contingent sold call options that either terminate (or knock-out) and maintain upside gold price potential or convert (or knock-in) to sold call options, depending on certain market conditions, and are marked to market with the change reflected in income; c) *Indexed forward contracts* that are potentially convertible to purchased put options, depending on the market gold price at set future value dates during the term of the contract, and are marked to market, with the change reflected in income.

Expected Maturity Date or Transaction Date	Fair Value
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<u>Price-capped contracts:</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>There-</u> <u>after</u>	<u>Total/</u> <u>Average</u>	<u>US\$ (000)</u>
(US\$ Denominated)								
Ounces				500.0		1,850.0	2,350.0	\$ n/a
Average price	\$	\$	\$	\$ 350.0	\$	\$ 384.0	\$ 376.9	

Notes: *Price-capped contracts* provide for delivery of a specified number of ounces at the lower of the spot price at the delivery date or the capped price and are accounted for as cash flow hedges.

US\$/Gold Swap Contracts

Newmont Australia entered into a US\$/gold swap contract whereby principal payments on US\$ bonds are swapped into gold-denominated payments of 600,000 ounces in 2008. We also receive US\$ fixed interest payments and pay gold lease rates, which are indexed to spot prices. This instrument is marked to market at the end of each period, with the change reflected in income, and at June 30, 2002, the fair value was a negative \$57.4 million.

Foreign Currency

In addition to the U.S., Newmont conducts gold operations in Australia, New Zealand, Peru, Indonesia, Canada, Uzbekistan, Bolivia and Turkey. Gold produced at these operations is sold in the international markets for U.S. dollars, except for gold produced in Australia and New Zealand that is primarily sold in local currencies. The cost and debt structures of most operations are also primarily U.S. dollar denominated, except for Canadian operations where such structures are primarily denominated in the local currency. To the extent that there are fluctuations in local currency exchange rates against the U.S. dollar, the devaluation of a local currency is generally economically neutral or beneficial to most operations since local salaries and supply contracts will decrease against the U.S. dollar revenue stream. Foreign currency exchange rate gains/(losses) were \$(1.5) million and \$(0.8) million in the first halves of 2002 and 2001, respectively.

The functional currency for the majority of the Company's operations, including the Australian operations, is the U.S. dollar. The functional currency of the Canadian operations is the Canadian dollar. All assets and liabilities recorded in functional currencies other than U.S. dollars are translated at current exchange rates. The resulting adjustments are charged or credited directly to *Accumulated other comprehensive income (loss) in Stockholders' equity*. Revenues and expenses in foreign currency are translated at the weighted average exchange rates for the period. All realized and unrealized transaction gains and losses are included in income in *Dividends, interest, foreign currency exchange and other income*. References to A\$ refers to Australian currency, and \$ of US\$, to United States currency.

At June 30, 2002, Newmont had the following foreign currency contracts outstanding. Prices for contracts denominated in A\$ have been translated at the exchange rate at June 30, 2002 of US\$0.56 per A\$1.

A\$/US\$ Currency	Expected Maturity Date or Transaction Date						Total/ Average	Fair Value US\$ (000)
	2002	2003	2004	2005	2006	Thereafter		
Exchange Contracts:								
Notional Amounts US\$ (000)	\$ (18,700)	\$ (53,200)	\$ (56,112)	\$ (30,700)	\$	\$	\$ (158,712)	\$ (26,567)
Average Exchange Rate (US\$ per A\$1)								
Average price	0.73	0.64	0.65	0.68			0.66	

Newmont acquired currency swap contracts as part of the Normandy acquisition to receive A\$ and pay US\$-denominated debt. The A\$-denominated debt was repaid during the quarter and the contracts are currently undesignated. The contracts are accounted for on a mark-to-market basis. On June 30, 2002, they had a negative fair value of \$26.6 million.

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Newmont also acquired certain currency swap contracts as part of the Normandy acquisition intended to hedge the currency risk on repayment of US\$-denominated debt. These contracts were closed out during the quarter for net proceeds of \$50.8 million. The contracts were accounted for on a mark-to-market basis until closed out.

At March 31, 2002, Newmont Australia had a revolving line of credit denominated in A\$ with a balance of approximately A\$320 million (US\$170.6 million). This line of credit was completely paid down during the quarter ended June 30, 2002.

Interest Rates

Interest Rate Swaps

In the Normandy transaction, Newmont acquired A\$125 million of interest rate swap contracts covering a portion of Newmont Australia's US\$100 million, 7-year bonds. These contracts were closed out during the quarter for a net cash out-flow of \$1 million. The contracts were accounted for on a mark-to-market basis until closed out.

During the last half of 2001, Newmont entered into contracts to hedge the interest rate risk exposure on a portion of its \$275 million 8.625% notes and its \$200 million 8.375% debentures. Newmont receives fixed-rate interest payments at 8.625% or 8.375% and pays floating-rate interest amounts based on periodic LIBOR settings plus a spread, ranging from 2.60% to 4.25%. The notional principal amount of these transactions (representing the amount of principal tied to floating interest rate exposure) was \$200 million at June 30, 2002. Half of these contracts expire in July 2005 and half expire in May 2011. These transactions resulted in a reduction in interest expense of \$1.4 million and \$2.9 million for the quarter ended June 30, 2002 and the first half of 2002, respectively. These transactions have been designated as fair value hedges and had a fair value of \$5.7 million and \$(0.6) million at June 30, 2002 and December 31, 2001, respectively.

Use of Estimates

The preparation of Newmont's financial statements in conformity with accounting principles accepted in the United States requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, as well as the reported amount of revenues and expenses during the reporting period. The most critical accounting principles upon which Newmont's financial status depends are those requiring estimates of proven and probable reserves, recoverable ounces therefrom, Newmont's ability to renew the mining leases upon which certain of those reserves are located, and/or assumptions of future gold prices. Such estimates and assumptions affect the value of inventories (which are stated at the lower of average cost or net realizable value), the potential impairment of long-lived assets and the ability to realize income tax benefits associated with deferred tax assets. These estimates and assumptions also affect the rate at which depreciation, depletion and amortization are charged to earnings. As noted above, commodity prices significantly affect Newmont's profitability and cash flow. In addition, management estimates costs associated with reclamation of mining properties as well as remediation costs for inactive properties. On an ongoing basis, management evaluates its estimates and assumptions; however, actual amounts could differ from those based on such estimates and assumptions.

RESULTS OF OPERATIONS**Gold Sales And Total Cash Costs**

	Equity Ounces		Total Cash Costs	
	Three Months Ended June 30,			
	2002	2001	2002	2001
	(in thousands)		(\$ per equity ounce)	
North America:				
Nevada	599.0	603.1	\$ 243	\$ 236
Mesquite, California	12.4	24.2	164	216
La Herradura, Mexico	15.2	14.1	180	174
Golden Giant, Canada	78.5	52.0	166	172
Holloway, Canada	23.1	20.9	218	268
Total/Weighted Average	728.2	714.3	231	230
South America:				
Yanacocha, Peru(1)	245.4	216.6	141	125
Kori Kollo, Bolivia	66.4	63.7	146	184
Total/Weighted Average	311.8	280.3	142	139
Australia:				
Kalgoorlie	85.4		219	
Yandal	166.6		227	
Tanami	131.2		199	
Pajingo	74.4	31.1	95	99
Total/Weighted Average	457.6	31.1	196	99
Other Operations:				
Minahasa, Indonesia	43.9	82.0	193	139
Zarafshan-Newmont, Uzbekistan	71.3	50.4	142	139
Martha, New Zealand	32.2		104	
Ovacik, Turkey	31.2		120	
Total/Weighted Average	178.6	132.4	144	139
Equity Investments:				
Batu Hijau, Indonesia	63.0	79.2	n/a	n/a
TVX Newmont Americas	52.0		n/a	n/a
Echo Bay Mines	62.9		n/a	n/a
Total/Weighted Average	177.9	79.2	n/a	n/a

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Newmont Subtotal/Weighted Average	1,854.1	1,237.3	\$ 196	\$ 194
Other:				
Golden Grove	9.1		n/a	n/a
	<u> </u>	<u> </u>		
Newmont Total/Weighted Average(1)	1,863.2	1,237.3	\$ 196	\$ 194
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

(1) As restated. See Note 20 to the Consolidated Financial Statements.

	Equity Ounces		Total Cash	
			Costs	
	Six Months Ended June 30,			
	2002	2001	2002	2001
	(in thousands)		(\$ per equity ounce)	
North America:				
Nevada	1,205.1	1,332.7	\$ 240	\$ 216
Mesquite, California	27.9	63.7	160	213
La Herradura, Mexico	30.8	26.8	181	163
Golden Giant, Canada	140.8	123.6	188	183
Holloway, Canada	51.0	43.9	205	228
Total/Weighted Average	1,455.6	1,590.7	231	213
South America:				
Yanacocha, Peru(1)	493.5	455.5	139	115
Kori Kollo, Bolivia	127.0	124.2	154	188
Total/Weighted Average	620.5	579.7	142	130
Australia:				
Kalgoorlie	126.5		217	
Yandal	253.7		212	
Tanami	184.7		198	
Pajingo	131.4	61.3	88	98
Total/Weighted Average	696.3	61.3	186	98
Other Operations:				
Minahasa, Indonesia	85.8	197.0	188	123
Zarafshan-Newmont, Uzbekistan	123.7	100.1	142	140
Martha, New Zealand	46.6		129	
Ovacik, Turkey	48.0		132	
Total/Weighted Average	304.1	297.1	152	129
Equity Investments:				
Batu Hijau, Indonesia	103.3	130.8	n/a	n/a
TVX Newmont Americas	76.2		n/a	n/a
Echo Bay Mine	62.9		n/a	n/a
Total/Weighted Average	242.4	130.8	n/a	n/a
Newmont Subtotal/Weighted Average	3,318.9	2,659.6	\$ 195	\$ 182
Other:				
Golden Grove	9.1		n/a	n/a
Newmont Total/Weighted Average(1)	3,328.0	2,659.6	\$ 195	\$ 182

(1) As restated. See Note 20 to the Consolidated Financial Statements.

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For all periods presented, total cash costs include charges for mining ore and waste associated with current period gold production, processing ore through milling and leaching facilities, by-product credits, production taxes, royalties and other cash costs. Batu Hijau costs are reported per pound of copper, with gold revenue as an offsetting by-product credit and are excluded from cost per ounce calculations. Certain gold mines produce silver as a by-product. Proceeds from the sale of by-products are reflected as credits to total cash costs. All of these charges and by-product credits are included in *Costs applicable to sales*. Charges for reclamation are also included in *Costs applicable to sales*, but are not included in total cash costs. Reclamation charges are included in total production costs, together with total cash costs and *Depreciation, depletion and amortization*. A reconciliation of total cash costs to *Costs applicable to sales* in total and by segment is provided below. Total production costs provide an indication of earnings before interest expense and taxes for Newmont's share of gold

mining properties, when taking into account the average realized price received for gold sold, as this measure combines *Costs applicable to sales* plus *Depreciation, depletion and amortization*, net of minority interest.

This measure is intended to provide investors with information about cash generating capacities of these mining operations. Newmont's management uses this measure for the same purpose and for monitoring the performance of its gold mining operations. This information differs from earnings determined in accordance with GAAP and should not be considered in isolation or a substitute for measures of performance determined in accordance with GAAP. This measure was developed in conjunction with gold mining companies associated with the Gold Institute in an effort to provide a level of comparability; however, Newmont's measures may not be comparable to similarly titled measures of other companies.

Reconciliation of *Costs applicable to sales* (CAS) to total cash costs per ounce (unaudited):

For the Three Months Ended June 30,	Nevada		Golden Giant		Holloway		Mesquite		La Herradura	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
	(in millions)									
Costs applicable to sales per financial statements	\$ 147.7	\$ 144.6	\$ 13.6	\$ 9.2	\$ 5.1	\$ 5.7	\$ 2.1	\$ 6.4	\$ 2.8	\$ 2.5
Minority interest in Minera Yanacocha										
Minority interest in Kori Kollo										
Minority interest in NFM Tanami										
Reclamation accrual	(1.1)	(2.4)	(0.5)	(0.3)	(0.2)	(0.1)		(1.1)	(0.1)	
Non-cash inventory adjustment	(0.7)									
CAS of non-gold producers										
Gold non-cash										
Other	(0.3)									
Total cash cost for per ounce calculation	\$ 145.6	\$ 142.2	\$ 13.1	\$ 8.9	\$ 4.9	\$ 5.6	\$ 2.1	\$ 5.3	\$ 2.7	\$ 2.5
Equity cash cost per ounce sold	\$ 243	\$ 236	\$ 166	\$ 172	\$ 218	\$ 268	\$ 164	\$ 216	\$ 180	\$ 174

For the Three Months Ended June 30,	Total North America		Yanacocha(1)		Kori Kollo		Total South America(1)		Pajingo	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
	(in millions)									
Costs applicable to sales per financial statements	\$ 171.3	\$ 168.4	\$ 69.5	\$ 56.3	\$ 11.3	\$ 13.7	\$ 80.8	\$ 70.0	\$ 7.6	\$ 3.1
Minority interest in Minera Yanacocha			(35.2)	(28.4)			(35.2)	(28.4)		
Minority interest in Kori Kollo					(1.3)	(1.6)	(1.3)	(1.6)		
Minority interest in NFM Tanami										
Reclamation accrual	(1.9)	(3.9)	(0.7)	(0.7)	(0.3)	(0.4)	(1.0)	(1.1)	(0.4)	
Non-cash inventory adjustment	(0.7)								(0.2)	
CAS of non-gold producers										
Gold non-cash			0.8				0.8			
Other	(0.3)		0.1				0.1			
Total cash cost for per ounce calculation	\$ 168.4	\$ 164.5	\$ 34.5	\$ 27.2	\$ 9.7	\$ 11.7	\$ 44.2	\$ 38.9	\$ 7.0	\$ 3.1
Equity cash cost per ounce sold	\$ 231	\$ 230	\$ 141	\$ 125	\$ 146	\$ 184	\$ 142	\$ 139	\$ 95	\$ 99

(1) As restated. See Note 20 to the Consolidated Financial Statements.

For the Three Months Ended June 30,	Yandal		NFM Tanami		Kalgoorlie		Total Australia		Minahasa	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
(in millions)										
Costs applicable to sales per financial statements	\$ 38.0	\$	\$ 32.3	\$	\$ 19.6	\$	\$ 97.5	\$ 3.1	\$ 9.0	\$11.6
Minority interest in Minera Yanacocha										
Minority interest in Kori Kollo										
Minority interest in NFM Tanami			(4.6)				(4.6)			
Reclamation accrual	(0.9)		(0.7)		(0.5)		(2.5)		(0.5)	(0.2)
Non-cash inventory adjustment	0.2		(0.8)		(0.4)		(1.2)			
CAS of non-gold producers										
Gold non-cash									0.4	
Other	0.6						0.6		(0.5)	
Total cash cost for per ounce calculation	\$ 37.9	\$	\$ 26.2	\$	\$ 18.7	\$	\$ 89.8	\$ 3.1	\$ 8.4	\$11.4
Equity cash cost per ounce sold	\$ 227	\$	\$ 199	\$	\$ 219	\$	\$ 196	\$ 99	\$193	\$139

For the Three Months Ended June 30,	Martha		Ovacik		Zarafshan-Newmont		Total Other International		Total Gold(1)	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
(in millions)										
Costs applicable to sales per financial statements	\$ 3.8	\$	\$ 4.2	\$	\$ 9.9	\$ 7.0	\$ 26.9	\$ 18.6	\$ 376.5	\$ 260.1
Minority interest in Minera Yanacocha									(35.2)	(28.4)
Minority interest in Kori Kollo									(1.3)	(1.6)
Minority interest in NFM Tanami									(4.6)	
Reclamation accrual			(0.2)				(0.7)	(0.2)	(6.1)	(5.2)
Non-cash inventory adjustment	(0.4)		(0.3)				(0.7)		(2.6)	
CAS of non-gold producers										
Gold non-cash					0.3		0.7		1.5	
Other							(0.5)		(0.1)	
Total cash cost for per ounce calculation	\$ 3.4	\$	\$ 3.7	\$	\$ 10.2	\$ 7.0	\$ 25.7	\$ 18.4	\$ 328.1	\$ 224.9
Equity cash cost per ounce sold	104	\$	\$ 120	\$	\$ 142	\$ 139	\$ 144	\$ 139	\$ 196	\$ 194

For the Three Months Ended June 30,	Other							
	Golden Grove		Kasese		Non-Gold		Consolidated(1)	
	2002	2001	2002	2001	2002	2001	2002	2001
(in millions)								
Costs applicable to sales per financial statements	\$ 4.3	\$	\$ 4.1	\$	\$ (0.4)	\$ (0.9)	\$ 384.5	\$ 259.2
Minority interest in Minera Yanacocha							(35.2)	(28.4)
Minority interest in Kori Kollo							(1.3)	(1.6)
Minority interest in NFM Tanami							(4.6)	
Reclamation accrual							(6.1)	(5.2)
Non-cash inventory adjustment							(2.6)	
CAS of non-gold producers			(4.3)		(4.1)		(0.1)	0.9
Gold non-cash							1.5	
Other							0.5	0.4
Total cash cost for per ounce calculation	\$	\$	\$	\$	\$	\$	\$ 328.1	\$ 224.9
Equity cash cost per ounce sold	\$	\$	\$	\$	\$	\$	\$ 196	\$ 194

(1) As restated. See Note 20 to the Consolidated Financial Statements.

For the Six Months Ended June 30,	Nevada		Golden Giant		Holloway		Mesquite		La Herradura	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
	(in millions)									
Costs applicable to sales per financial statements	\$ 294.2	\$ 293.1	\$ 27.3	\$ 23.2	\$ 10.7	\$ 10.2	\$ 4.5	\$ 15.0	\$ 5.7	\$ 4.5
Minority interest in Minera Yanacocha										
Minority interest in Kori Kollo										
Minority interest in NFM Tanami										
Reclamation accrual	(2.7)	(4.9)	(0.8)	(0.7)	(0.3)	(0.2)		(1.4)	(0.1)	(0.1)
Non-cash inventory adjustment	(1.5)									
CAS of non-gold producers										
Gold non-cash										
Other	(0.2)									
Total cash cost for per ounce calculation	\$ 289.8	\$ 288.2	\$ 26.5	\$ 22.5	\$ 10.4	\$ 10.0	\$ 4.5	\$ 13.6	\$ 5.6	\$ 4.4
Equity cash cost per ounce sold	\$ 240	\$ 216	\$ 188	\$ 183	\$ 205	\$ 228	\$ 160	\$ 213	\$ 181	\$ 163

For the Six Months Ended June 30,	Total				Total					
	North America		Yanacocha(1)		Kori Kollo		South America(1)		Pajingo	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
	(in millions)									
Costs applicable to sales per financial statements	\$ 342.4	\$ 346.0	\$ 138.7	\$ 108.6	\$ 22.8	\$ 27.2	\$ 161.5	\$ 135.8	\$ 12.8	\$ 6.0
Minority interest in Minera Yanacocha			(69.6)	(54.9)			(69.6)	(54.9)		
Minority interest in Kori Kollo					(2.7)	(3.3)	(2.7)	(3.3)		
Minority interest in NFM Tanami										
Reclamation accrual	(3.9)	(7.3)	(1.5)	(1.4)	(0.5)	(0.6)	(2.0)	(2.0)	(0.6)	
Non-cash inventory adjustment	(1.5)								(0.8)	
CAS of non-gold producers										
Gold non-cash			0.8				0.8			
Other	(0.2)		0.1				0.1			
Total cash cost for per ounce calculation	\$ 336.8	\$ 338.7	\$ 68.5	\$ 52.3	\$ 19.6	\$ 23.3	\$ 88.1	\$ 75.6	\$ 11.4	\$ 6.0
Equity cash cost per ounce sold	\$ 231	\$ 213	\$ 139	\$ 115	\$ 154	\$ 188	\$ 142	\$ 130	\$ 88	\$ 98

For the Six Months Ended June 30,	Total									
	Yandal		NFM Tanami		Kalgoorlie		Australia		Minahasa	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
	(in millions)									
Costs applicable to sales per financial statements	\$ 55.6	\$	\$ 45.1	\$	\$ 30.4	\$	\$ 143.9	\$ 6.0	\$ 17.3	\$ 24.6
Minority interest in Minera Yanacocha										
Minority interest in Kori Kollo										
Minority interest in NFM Tanami			(6.4)				(6.4)			
Reclamation accrual	(1.5)		(1.0)		(0.7)		(3.8)		(0.5)	(0.4)
Non-cash inventory adjustment	(0.3)		(1.1)		(2.1)		(4.3)			
CAS of non-gold producers										
Gold non-cash									0.4	
Other	0.1						0.1		(1.1)	
Total cash cost for per ounce calculation	\$ 53.9	\$	\$ 36.6	\$	\$ 27.6	\$	\$ 129.5	\$ 6.0	\$ 16.1	\$ 24.2
Equity cash cost per ounce sold	\$ 212	\$	\$ 198	\$	\$ 217	\$	\$ 186	\$ 98	\$ 188	\$ 123

(1) As restated. See Note 20 to the Consolidated Financial Statements.

For the Six Months Ended June 30,	Martha		Ovacik		Zarafshan-Newmont		Total Other International		Total Gold(1)	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
(in millions)										
Costs applicable to sales per financial statements	\$ 6.8	\$	\$ 7.2	\$	\$ 17.4	\$ 14.1	\$ 48.7	\$ 38.7	\$ 696.5	\$ 526.5
Minority interest in Minera Yanacocha									(69.6)	(54.9)
Minority interest in Kori Kollo									(2.7)	(3.3)
Minority interest in NFM Tanami									(6.4)	
Reclamation accrual	(0.2)		(0.3)		(0.1)	(0.1)	(1.1)	(0.5)	(10.8)	(9.8)
Non-cash inventory adjustment	(0.5)		(0.6)				(1.1)		(6.9)	
CAS of non-gold producers										
Gold non-cash					0.3		0.7		1.5	
Other							(1.1)		(1.1)	
Total cash cost for per ounce calculation	\$ 6.1	\$	\$ 6.3	\$	\$ 17.6	\$ 14.0	\$ 46.1	\$ 38.2	\$ 600.5	\$ 458.5
Equity cash cost per ounce sold	\$ 129	\$	\$ 132	\$	\$ 142	\$ 140	\$ 152	\$ 129	\$ 195	\$ 182

For the Six Months Ended June 30,	Golden Grove		Kasee		Other Non-Gold		Consolidated(1)	
	2002	2001	2002	2001	2002	2001	2002	2001
(in millions)								
Costs applicable to sales per financial statements	\$ 12.8	\$	\$ 6.1	\$	\$ 0.1	\$	\$ 715.5	\$ 526.5
Minority interest in Minera Yanacocha							(69.6)	(54.9)
Minority interest in Kori Kollo							(2.7)	(3.3)
Minority interest in NFM Tanami							(6.4)	
Reclamation accrual							(10.8)	(9.8)
Non-cash inventory adjustment							(6.9)	
CAS of non-gold producers	(12.8)		(6.1)		(0.2)		(19.1)	
Gold non-cash							1.5	
Other					0.1		(1.0)	
Total cash cost for per ounce calculation	\$	\$	\$	\$	\$	\$	\$ 600.5	\$ 458.5
Equity cash cost Per ounce sold	\$	\$	\$	\$	\$	\$	\$ 195	\$ 182

(1) As restated. See Note 20 to the Consolidated Financial Statements.

Deferred Stripping

In general, mining costs are charged to *Costs applicable to sales* as incurred. However, at open-pit mines, which have diverse grades and waste-to-ore ratios over the mine life, the Company defers and amortizes certain mining costs on a units-of-production basis over the life of the mine. These mining costs, which are commonly referred to as deferred stripping costs, are incurred in mining activities that are normally associated with the removal of waste rock. The deferred stripping accounting method is generally accepted in the mining industry where mining operations have diverse grades and waste-to-ore ratios; however industry practice does vary. Deferred stripping matches the costs of production with the sale of such production at the Company's operations where it is employed, by assigning each ounce of gold or ton of ore with an equivalent amount of waste removal cost. If the Company were to expense stripping costs as incurred, there may be greater volatility in the Company's period-to-period results of operations. See additional discussion of deferred stripping in Note 1 to the Company's Consolidated Financial Statements.

Details of deferred stripping with respect to the Company's open-pit mines are as follows (unaudited):

	Three Months Ended June 30,				Six Months Ended June 30,			
	Nevada(3)		Mesquite(4)		Nevada(3)		Mesquite(4)	
	2002	2001	2002	2001	2002	2001	2002	2001
Life-of-mine Assumptions Used as Basis For Deferred Stripping Calculations								
Stripping ratio (1)	125.5	123.3	n/a	205.6	128.1	134.6	n/a	237.6
Average ore grade (ounces of gold per ton)	0.073	0.067	n/a	0.023	0.073	0.067	n/a	0.023
Actuals for Year								
Stripping ratio (2)	81.3	83.1	n/a	99.2	82.3	109.6	n/a	155.5
Average ore grade (ounces of gold per ton)	0.072	0.057	n/a	0.037	0.067	0.058	n/a	0.031
Remaining Mine Life (years)	9	10	n/a	n/a	9	10	n/a	n/a
	Minahasa(5)				La Herradura(6)			
	Minahasa(5)		La Herradura(6)		Minahasa(5)		La Herradura(6)	
	2002	2001	2002	2001	2002	2001	2002	2001
Life-of-mine Assumptions Used as Basis For Deferred Stripping Calculations								
Stripping ratio (1)	n/a	14.5	141.3	177.0	n/a	14.5	141.3	177.0
Average ore grade (ounces of gold per ton)	n/a	0.172	0.031	0.035	n/a	0.172	0.031	0.035
Actuals for Year								
Stripping ratio (2)	n/a	21.8	167.1	194.4	n/a	18.2	166.5	209.4
Average ore grade (ounces of gold per ton)	n/a	0.174	0.026	0.025	n/a	0.185	0.026	0.024
Remaining Mine Life (years)	n/a	n/a	6	7	n/a	n/a	6	7

	Three Months Ended June 30,						Six Months Ended June 30,					
	Yandal		Tanami		KCGM		Yandal		Tanami		KCGM	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
Life-of-mine Assumptions Used as Basis For Deferred Stripping Calculations												
Stripping ratio (3)	5.2	n/a	6.8	n/a	5.3	n/a	5.2	n/a	6.8	n/a	5.3	n/a
Actuals for Year												
Stripping ratio (4)	2.2	n/a	8.1	n/a	5.2	n/a	3.7	n/a	8.1	n/a	4.9	n/a
Remaining Mine Life (years)	n/a	n/a	6	n/a	18	n/a	n/a	n/a	6	n/a	18	n/a
			Martha		Ovacik				Martha		Ovacik	
			2002	2001	2002	2001			2002	2001	2002	2001
Life-of-mine Assumptions Used as Basis For Deferred Stripping Calculations												
Stripping ratio (3)			1.6	n/a	9.8	n/a			1.6	n/a	9.8	n/a
Actuals for Year												
Stripping ratio (4)			2.2	n/a	8.8	n/a			1.9	n/a	9.0	n/a
Remaining Mine Life (years)			5	n/a	3	n/a			5	n/a	3	n/a

- (1) Total tons to be mined in future divided by total ounces of gold to be recovered in future, based on proven and probable reserves.
- (2) Total tons mined divided by total ounces of gold recovered.
- (3) Total waste tons to be mined in future divided by ore tons to be mined in future.
- (4) Total waste tons mined divided by ore tons mined.
- (5) The life-of-mine stripping ratio decreased during 2002 as a result of some pits in the Carlin Trend with higher strip ratios being mined out during 2001. The actual strip ratio decreased in 2002 due to mining activities in the Twin Creeks pit in higher grade ore zones and less stripping.
- (6) The life-of-mine stripping ratio decreased approximately 20% as a result of a 20% increase in ore grade and minimal change in total tons to be mined. The actual stripping ratio decreased in 2002 due to an increase in average ore grade.

North America

Newmont's Nevada operations are along the Carlin Trend near Elko and in the Winnemucca Region, where the Twin Creeks, the Lone Tree Complex and the recently acquired Midas mines are located.

Gold sales in the second quarter of 2002 of 599,000 ounces (including 37,600 ounces from Midas) decreased 1% from the comparable 2001 period. Total cash costs for the second quarter of 2002 were \$243 per ounce compared with \$236 per ounce in the same 2001 period, reflecting drawdowns from higher cost stockpiles in 2002. Gold sales during the first half of 2002 were 1,205,100 ounces (including 59,800 ounces from Midas) at a total cash cost of \$240 per ounce compared to gold sales of 1,332,700 ounces during the first half of 2001 at a total cash cost of \$216 per ounce. Gold sales in 2002 reflect lower tons milled, lower tons placed on the leach pads and lower recoveries from the oxide mills and a temporary build-up of in-process inventory at the Midas underground mine and at Twin Creeks.

We expect Nevada's gold sales in 2002 to total approximately 2.7 million ounces with total cash costs around \$215 per ounce. We have identified approximately \$8 million of annual savings from administration, procurement and processing from the integration of the acquired Midas mine into the Nevada operations.

Gold sales at the Mesquite heap leach mine in southern California totaled 12,400 ounces during the second quarter of 2002, compared to 24,200 ounces in the second quarter of 2001. Total cash costs decreased 24% from \$216 per ounce in the second quarter of 2001 to \$164 per ounce in 2002. Gold sales at Mesquite during the first half of 2002 were 27,900 ounces at total cash costs of \$160 per ounce, a reduction of 35,800 ounces sold and \$53 per ounce in total cash costs from the comparable period in 2001. These reductions reflect the full impact of the cessation of mining activities and the depletion of the ore body in 2001. We expect gold sales in 2002 to total approximately 55,000 ounces with total cash costs about \$155 per ounce. Final gold production from continued declining recovery of gold from heap leach pads is expected in 2004.

La Herradura, a 44%-owned non-operated joint venture in Mexico, sold 15,200 and 30,800 equity ounces at total cash costs of \$180 and \$181 per ounce in the second quarter and first half of 2002, respectively. During the second quarter and first half of 2001, La Herradura sold 14,100 and 26,800 equity ounces at cash costs of \$174 and \$163 per ounce, respectively. We expect equity gold sales for 2002 at approximately 65,000 equity ounces and cash costs of about \$180 per ounce.

Gold sales from the Golden Giant and the 84.65%-owned Holloway underground mines in Ontario, Canada were 78,500 and 23,100 equity ounces with total cash costs of \$166 and \$218 per ounce, respectively, in the second quarter of 2002. Golden Giant sold 51% more ounces at \$5 per ounce lower cash costs compared to the second quarter of 2001 from higher grade ore. Holloway improved its cash cost per ounce from the second quarter of 2001 by \$49 resulting from a 16% increase in tons mined from the second quarter of 2001. For the first half of 2002, gold sales were 140,800 and 51,000 equity ounces at total cash costs of \$188 and \$205 per ounce for Golden Giant and Holloway, respectively, compared to gold sales of 123,600 and 43,900 equity ounces at total cash costs of \$182 and \$227 per ounce, respectively, in the first half of 2001. We expect gold sales for 2002 to total approximately 300,000 and 100,000 equity ounces at Golden Giant and Holloway, respectively, with cash costs of about \$190 and \$200 per ounce for each operation, respectively.

South America

Sales at Minera Yanacocha in Peru increased 13% in the second quarter of 2002 to 245,400 equity ounces from 216,600 equity ounces in the same period of 2001, reflecting more tons placed on the leach pads. Total cash costs increased to \$141 per ounce from \$125 per ounce in the second quarter of 2001, primarily reflecting 29% lower grade ore and 32% of production coming from the higher cost La Quinoa operation that requires crushing and agglomeration unlike other Minera Yanacocha ore bodies. The commissioning of the La Quinoa crushing and agglomeration facility is now complete and running at design rate. For the first half of 2002, equity gold sales were 493,500 ounces at total cash costs of \$139 per ounce, compared to 455,500 ounces at \$115 per ounce in the first half of 2001. We expect gold sales for 2002 to be about 1.2 million equity ounces at a total cash costs of about \$125 per ounce. We expect higher production and lower waste-to-ore ratios.

At the 88%-owned Kori Kollo open-pit mine in Bolivia, gold sales totaled 66,400 equity ounces in the second quarter of 2002 at total cash costs of \$146 per ounce. Gold sales for the comparable period in 2001 were 63,700 ounces at total cash costs of \$184 per ounce. Gold sales and total cash costs were 127,000 equity ounces at \$154 per ounce, respectively, in the first half of 2002, compared to 124,200 equity ounces at \$188 per ounce in the first half of 2001. The commencement of leach processing in June 2001 has resulted in a moderate increase in production and a moderate decrease in cash costs at Kori Kollo. For 2002, we expect total sales of approximately 250,000 equity ounces with total cash costs of about \$150 per ounce.

Australia

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Information related to Australian operations for the first half of 2002 reflects activity from February 16, 2002 through June 30, 2002, with the exception of Pajingo, which was 50% owned by Newmont prior to the acquisition of Normandy.

For the quarter ended June 30, 2002, equity gold sales at the 50%-owned Kalgoorlie mine in Western Australia, totaled 85,400 ounces at total cash costs of \$219 per ounce. Lower head grade and sulphur emission restrictions affected production, constraining the roaster's performance. Kalgoorlie's equity gold sales for the first half of 2002 totaled 126,500 ounces at total cash costs of \$217 per ounce. We expect production to improve in the second half of 2002 at the Super Pit, which provides more than 90% of Kalgoorlie's production. A joint venture committee is evaluating operating initiatives to improve Kalgoorlie's cost structure. We expect gold sales for 2002 to total approximately 310,000 equity ounces at cash costs of about \$220 per ounce.

At the Yandal operations, which consists of the Bronzewing, Jundee and Wiluna mines in Western Australia, gold sales for the second quarter of 2002 were 166,600 ounces at total cash costs of \$227 per ounce. Cash costs were \$212 per ounce for the first half of 2002 on sales of 253,700 ounces. During the quarter, Bronzewing improved its operating flexibility and efficiency as it continues to transition to owner-mining, a change in manpower schedules and the introduction of underground road trains. At Jundee, depleting open pit production was partially offset by increased underground production. The last mining of low-grade ores from the depleting Elliott and Henry Ward pits at Jundee will occur in the third quarter of 2002. Wiluna initiated a low-cost Biox tailings retreatment during the quarter, which at a steady state starting in the fourth quarter of 2002, should produce 1,000 gold ounces per month. We expect gold sales for 2002 to total approximately 660,000 ounces at cash costs of about \$200 per ounce.

Newmont controls a significant land position through its control of Newmont NFM and Otter Mines in the highly prospective Tanami gold district. For the quarter and the half year ended June 30, 2002, the Tanami operations in the Northern Territory (approximately an 85.9% interest) sold 131,200 and 184,700 equity ounces at total cash costs of \$200 and \$198 per ounce, respectively. Mill throughput for the quarter ended June 30, 2002 from the Granites and Tanami mills was favorable at a total of 1.1 million tons at 0.15 opt. The Granites increased throughput using a finer crushed mill feed. Newmont's newest mine, Groundrush, began production in November 2001. Production was primarily from the new Groundrush open-pit mine, the Callie underground mine and other open pits. For the year 2002, we expect Tanami operations to sell approximately 430,000 equity ounces of gold at total cash costs of approximately \$200 per ounce.

At the Pajingo mine in North Queensland, gold sales for the second quarter of 2002 were 74,400 ounces at total cash costs of \$95 per ounce, compared to 31,100 ounces and total cash costs of \$100 per ounce in the same quarter of 2001. Gold sales were 131,400 ounces for the first half of 2002 at total cash costs of \$88 per ounce, compared to 2001 sales and total cash costs of 61,300 and \$98 per ounce, respectively. In 2001, Pajingo was only 50% owned by Newmont. It became wholly-owned in February 2002 as a result of the Normandy acquisition. Development of the Vera South Deeps and Jandam ore bodies continues. For the year 2002, we estimate gold sales will total approximately 300,000 ounces with cash costs of about \$85 per ounce.

Other Mining Operations

Information related to Martha, Ovacik, Golden Grove, and TVX Newmont Americas for the first half of 2002 reflects activity from February 16, 2002 through June 30, 2002. Information related to Echo Bay for the first half of 2002 reflects activity from April 3, 2002 through June 30, 2002. Information for all other properties reflects activity from January 1, 2002 through June 30, 2002.

At the Minahasa mine, in Indonesia, Newmont has an 80% interest but receives a greater percent of the gold production until recouping the bulk of its investment including interest. Prior to November 2001, Newmont received 100% of Minahasa's gold production and has subsequently received 94%, as Newmont recouped some of its investment through the collection of funds in accordance with existing loan agreements. For second quarter of 2002, sales decreased to 43,900 equity ounces with total cash costs of \$193 per ounce, compared with 82,000 equity ounces and cash costs of \$139 per ounce in the second quarter of 2001. Sales for the first half of 2002 decreased to 85,800 equity ounces with total cash costs of \$188 per ounce from 197,000 ounces and cash costs of \$123 per ounce in the first half of 2001. The lower production and higher cash costs in 2002 resulted from processing lower grade ore. Mining activities ceased late in 2001; however, it is expected that ore processing will continue until 2003. We expect gold sales in 2002 of approximately 150,000 equity ounces, with total cash costs of about \$200 per ounce.

Newmont has a 50% investment in Zarafshan-Newmont in the Central Asian Republic of Uzbekistan. Ownership of the remaining 50% investment is divided between the State Committee for Geology and Mineral Resources and Navoi Mining and Metallurgic Combine, each a state entity of Uzbekistan. In the second quarter of 2002, equity gold sales from Zarafshan-Newmont were 71,300 ounces, 42% above equity sales in the same 2001 period. Zarafshan benefited from a 15% higher grade ore placed on the leach pads in 2002. Total cash costs per ounce of \$142 in the second quarter of 2002 period compared with \$139 in the same 2001 period. For the first half of 2002, equity sales were 123,700 ounces at \$142 per ounce cash costs, while equity sales were 100,100 ounces at cash costs of \$140 per ounce in the first half of 2001. We expect gold sales in 2002 to total approximately 240,000 equity ounces with total cash costs of about \$150 per ounce. Initial ore placement on the heap-leach pad expansion project occurred in December 2001, and the project was fully operational in first quarter of 2002.

Zarafshan-Newmont produces gold by crushing and leaching ore from existing stockpiles of low grade oxide ore from the nearby government owned Murantau mine. The State Committee and Navoi furnish the ore to Zarafshan-Newmont under an ore supply agreement. In late 2000, the ore supply agreement was amended to modify the required grades and pricing structure of the ore supply agreement covering 220 million metric tons of ore. At signing of the amendment, 68.8 million metric tons had already been delivered. Of the remaining 151.2 million metric tons, 48.7 million metric tons are to be delivered regardless of the gold price, with the price of the ore being dependent on the grade of ore delivered. For the remaining ore (102.5 million metric tons) the grade of ore that the State Committee and Navoi are obligated to provide is dependent on the forecasted gold price as determined by the board of directors of Zarafshan-Newmont, and the price is dependent on the average gold price during the period the ore is processed. Thus, at higher gold prices, the State Committee and Navoi may deliver lower grade ore, but receive a higher price.

Equity sales at Martha, approximately 92.2% owned by Newmont and located in New Zealand, were 32,200 and 46,600 ounces for the second quarter and the first half of 2002, respectively, with total cash costs of \$104 and \$129 per ounce, respectively. We expect gold sales of approximately 105,000 equity ounces at cash costs of about \$120 per ounce.

At the Ovacik mine in Turkey, gold sales for the second quarter of 2002 were 31,200 ounces with total cash costs of \$120 per ounce. Gold sales for the first half of 2002 were 48,000 ounces with cash costs of \$132 per ounce. Production commenced at this operation in June 2001. We expect gold sales for 2002 of approximately 100,000 ounces at total cash costs of about \$150 per ounce.

At the Batu Hijau mine in Indonesia, copper sales totaled 89.3 million and 100.4 million equity pounds (or pounds attributable to Newmont's ownership or economic interest) for the second quarters of 2002 and 2001, respectively. Decreased copper sales resulted from processing lower grade ore in 2002. Total cash costs were \$0.31 and \$0.36 per pound, after gold sales credits, for the second quarters of 2002 and 2001, respectively. Batu Hijau achieved record low cash costs in second quarter 2002 from operating efficiencies and higher mill throughput. For the first half of 2002 and 2001, copper sales and cash costs were 156.9 million and 170.5 million equity pounds and \$0.36 and \$0.41 per pound, after gold sales credits, respectively. Gold sales, treated as by-product credits, totaled 63,000 and 103,300 ounces for the second quarter and first half of 2002. We expect copper sales in 2002 between 310 million and 340 million equity pounds at cash costs of about \$0.38 to \$0.40 per pound, with gold production of approximately 235,000 equity ounces.

The Company's equity income from Batu Hijau includes gold and silver revenues that are credited against production costs as a by-product credit in the determination of net income for each period presented in the Statements of Consolidated Operations and Comprehensive Income (Loss). These by-product credits represented 40% and 37% of sales, net of smelting and refining charges, and reduced production costs by 57% and 48% for the three-month periods ended June 30, 2002 and 2001, respectively, and 36% and 36% of sales net of smelting and

refining charges and reduced production costs by 49% and 41% for the six-month periods ended June 30, 2002 and 2001, respectively. Such by-product credits are expected to continue while ore is being processed which, based on current engineering models, is estimated to be through the end of 2020. These by-product credits are expected to vary from time to time and are significant to the economics of the Batu Hijau operations. At current copper prices, the Batu Hijau operation would not be profitable without these credits.

At the wholly-owned and operated Golden Grove copper/zinc operation in Western Australia, which was acquired in the Normandy transaction, copper sold was 14.9 million pounds at a total cash cost of \$0.50 per pound for the second quarter of 2002. Year-to-date copper sales at June 30, 2002 were 25.1 million pounds with total cash costs of \$0.48 per pound. Zinc sales were 69.4 million pounds during the second quarter and first half of 2002 with cash costs of \$0.21 per pound. Copper or zinc are produced in dedicated campaigns. Sales from Golden Grove are expected to total 40.0 million to 45.0 million pounds of copper at a total cash cost of approximately \$0.60 per pound and approximately 100 million pounds of zinc at a total cash cost of approximately \$0.28 per pound.

TVX Newmont Americas is 49.9% owned by Newmont and 50.1% owned by TVX Gold Inc. and is treated as an equity investment for reporting purposes. The principal assets are interests in operating gold mines in South America (Paracatu, Crixas and La Coipa) and Canada (Musselwhite and New Britannia). Equity ounces sold for the second quarter and first half of 2002 were 52,000 ounces and 76,200 ounces, respectively. We expect equity gold sales for 2002 of about 145,000 ounces.

Newmont owns a 45.3% holding in Echo Bay Mines Ltd. which is treated as an equity investment for reporting purposes. Newmont exchanged convertible debt securities for common shares of Echo Bay in April 2002. The principal assets of Echo Bay are interests in operating gold mines in Nevada (Round Mountain), Washington State (Kettle River) and Canada (Lupin). Equity ounces sold for the second quarter of 2002 were 62,900 ounces. On January 31, 2003, Kinross Gold Corporation, Echo Bay Mines Ltd. and TVX Gold Inc. were combined, and TVX Gold acquired Newmont's 49.9% interest in the TVX Newmont Americas joint venture. Under the terms of the combination and acquisition, Newmont received a 13.8% interest in the restructured Kinross in exchange for its 45.67% interest in Echo Bay and \$180 million for its interest in TVX Newmont Americas. Newmont recorded a pre-tax gain on the exchange of Echo Bay of approximately \$90 million. See Note 22 to the Consolidated Financial Statements.

Merchant Banking

Newmont's merchant banking business holds royalty interests, which were acquired as a result of the Franco-Nevada acquisition. Royalty interests are generally in the form of a net smelter return (NSR) royalty that provides for the payment either in cash or physical metal (in kind) of a specified percentage of production, less certain specified transportation and refining costs. In some cases, Newmont owns a net profit interest (NPI) entitling Newmont to a specified percentage of the net profits, as defined in each case, from a particular mining operation. The majority of NSR royalty revenue and NPI revenue can be received in kind at the option of Newmont. Newmont earned \$10.6 million and \$13.8 million of royalty revenue for the second quarter and first half of 2002, respectively. For the period February 15, 2002 through December 31, 2002, we expect royalty revenue to total approximately \$35 million.

Financial Results

Consolidated gold sales include 100% of Minera Yanacocha, Kori Kollo and Tanami and Newmont equity production elsewhere, but exclude Batu Hijau, TVX Newmont Americas and Echo Bay Mines, which are accounted for as equity investments. Results for the first half of 2002 only include activities from companies acquired in the Normandy and Franco-Nevada acquisitions from February 16, 2002 forward. The increase in consolidated sales revenue in the first quarter of 2002 from the comparable 2001 period primarily resulted from

higher gold prices and the inclusion of sales from the Newmont Australia acquisition as shown in the following tables (unaudited):

	Three Months Ended June 30,	
	2002	2001
Consolidated gold sales (in millions)(1)	\$ 609.6	\$ 367.3
Consolidated production ounces sold (000)(1)	1,951.6	1,372.0
Average price realized per consolidated ounce(1)	\$ 314	\$ 268
Average spot price received per ounce	\$ 312	\$ 268

Increase (decrease) in consolidated gold sales due to (unaudited):

	Three Months Ended June 30, 2002 vs. 2001	
	(As restated and in millions)	
Consolidated production(1)	\$ 7.5	
Average price received(1)		62.5
Newmont Australia gold sales		172.3
	\$ 242.3	

	Six Months Ended June 30,	
	2002	2001
Consolidated gold sales (in millions)(1)	\$ 1,091.8	\$ 791.4
Consolidated production ounces sold (000)(1)	3,606.3	2,977.3
Average price realized per consolidated ounce(1)	\$ 304	\$ 266
Average spot price received per ounce	\$ 301	\$ 266

Increase (decrease) in consolidated gold sales due to:

	Six Months Ended June 30,	
	2002 vs. 2001	
(As restated and in millions)		
Consolidated production(1)	\$ (49.7)	
Average price received(1)		99.6
Newmont Australia gold sales		250.5

(1) As restated. See Note 20 to the Consolidated Financial Statements.

Sales base metals include \$29.9 and \$40.5 million from copper/zinc sales from the Golden Grove copper/zinc operation in Western Australia and \$2.7 and \$3.6 million from cobalt sales from the Kasese operation in Uganda for the second quarter and first half of 2002, respectively. In August 2001, Newmont entered into an agreement to sell its 86% interest in Banff Resources Ltd., which holds a 64% interest in Kasese. We are currently evaluating the financial statement impact of this transaction.

Royalties during the second quarter and first half of 2002 of \$11.2 million and \$15.0 million, respectively.

Dividends, interest, foreign currency exchange and other income was \$14.8 million and \$3.3 million during the second quarters of 2002 and 2001, respectively, and \$15.3 million and \$6.7 million during the first half of 2002 and 2001, respectively.

Gain on sale of Lihir of \$47.3 million was recorded during the second quarter of 2002 when Newmont sold its 9.7% equity holding in Lihir Gold Limited. As a result, Newmont is no longer a shareholder of Lihir. Newmont realized proceeds of \$84 million on the sale.

Costs of sales include total cash costs and provisions for estimated final reclamation expenses related to consolidated production. The increase in *Costs of sales* and *Depreciation, depletion and amortization* for the second quarter and first half of 2002 from the same prior year's periods resulted primarily from the February 2002 acquisitions and higher overall cash costs in 2002. See the Reconciliation of *Costs of sales* to total cash costs on pages 48 to 51 for costs of sales by operation. For the full year 2002, we expect depreciation, depletion and amortization to total between \$560 to \$600 million. *Depreciation, depletion and amortization* for the quarters ended June 30, 2002 and 2001 and for the first halves of 2002 and 2001 were as follows by operation:

	Depreciation, Depletion and Amortization			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2002	2001	2002	2001
	(in millions and unaudited)			
North America:				
Nevada	\$ 25.2	\$ 24.2	\$ 52.0	\$ 59.6
Mesquite, California	1.5	1.6	3.0	4.0
La Herradura, Mexico	0.7	0.8	1.5	1.5
Golden Giant, Canada	5.6	3.2	10.1	8.3
Holloway, Canada	1.3	1.8	3.1	3.6
Total North America	34.3	31.6	69.7	77.0
South America:				
Yanacocha, Peru(1)	26.2	19.4	61.2	46.7
Kori Kollo, Bolivia	3.8	4.7	6.9	9.9
Total South America(1)	30.0	24.1	68.1	56.6
Australia:				
Kalgoorlie	2.2		3.4	
Yandal operations	9.6		15.8	
Tanami operations	9.9		13.0	
Pajingo	6.4	1.0	9.9	2.1
Other	1.6		3.1	
Total Australia	29.7	1.0	45.2	2.1
Other Operations:				
Minahasa, Indonesia	3.3	5.3	6.2	11.5
Zarafshan-Newmont, Uzbekistan	3.1	3.1	5.4	6.2
Martha, New Zealand	4.5		6.3	
Ovacik, Turkey	2.8		3.5	
Total Other Operations	13.7	8.4	21.4	17.7
Other:				
Merchant banking	6.0		8.2	
Base metals operations	6.7		7.0	
Corporate and other	3.2	1.6	6.2	3.3
Total Other	15.9	1.6	21.4	3.3

Total Newmont(1)	\$ 123.6	\$ 66.7	\$ 225.8	\$ 156.7
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(1) As restated. See Note 20 to the Consolidated Financial Statements.

Interest expense, net of capitalized interest, was \$35.1 million and \$23.6 million for the second quarter of 2002 and 2001, respectively. For the first half of 2002 and 2001, interest expense, net of capitalized interest, was \$66.2 million and \$46.7 million, respectively. For the full year 2002, we expect interest expense to be between \$110 million and \$115 million.

General and administrative expenses totaled \$27.7 million and \$15.0 million for the second quarter of 2002 and 2001, respectively. For the first halves of 2002 and 2001, general and administrative expenses were \$49.0 million and \$30.9 million, respectively. The increase in 2002 reflects the February acquisitions. For the full year 2002, we expect general and administrative expenses to total approximately \$95 million.

The Company recorded *Write-downs of assets* of \$7.6 million and \$1.2 million for the three months ended June 30, 2002 and 2001, respectively, and recorded \$15.9 million and \$7.1 million for the six months then ended, respectively. These write-downs related primarily to lower of cost or net realizable value write-downs of inventory resulting from capitalizing depreciation, depletion and amortization in inventory.

Income tax (expense) benefit in the second quarter of 2002 was \$29.8 million, compared to \$1.4 million during the second quarter of 2001. Income tax expense was \$31.0 million for the first half of 2002, while the Company reported an income tax benefit of \$4.0 million for the first half of 2001.

Merger and restructuring expenses in the first half of 2001 of \$60.5 million (\$43.7 million, net of tax) included \$28.1 million of transaction and related costs associated with the Battle Mountain merger and \$32.4 million of restructuring expenses that included \$22.1 million for voluntary early retirement pension benefits and \$10.3 million for employee severance and office closures. Merger costs of approximately \$90 million for the Normandy and Franco-Nevada acquisitions were capitalized.

Loss on derivative instruments of \$9.5 million and \$14.7 million were recorded for the second quarters of 2002 and 2001, respectively. Newmont recorded losses on derivative instruments of \$3.1 million for the first half of 2002 and gains on derivative instruments of \$0.9 million for the first half of 2001. These gains and losses reflect the non-cash change in fair value of those instruments not qualifying for hedge accounting treatment, and for the 2002 period, the ineffective portion of those instruments which do qualify for hedge accounting treatment. Over the life of the contracts, any unrealized gains or losses will be recorded in income.

Equity income of affiliates reflected an equity gain (loss) in Batu Hijau of \$13.5 million and \$8.3 million for the second quarters of 2002 and 2001, respectively, and \$14.9 million and \$3.8 million for the first halves of 2002 and 2001, respectively. Batu benefited in 2002 from an increased mill throughput rate of 143,000 tons per day, an 8% increase over the design rate, and continued positive grade reconciliations to the mine plan. *Equity income of affiliates* in 2002 also includes equity gain (loss) in TVX Newmont Americas, AMC and Echo Bay Mines in the second quarter of 2002 of \$3.1 million, \$0 and \$0.7 million, respectively, for the second quarter of 2002 and \$3.2 million, \$(0.6) million and \$0.7 million, respectively for the first half of 2002.

In June 2001, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) Nos. 141 and 142, *Business Combinations* and *Goodwill and Other Intangible Assets*, respectively. Upon adoption as required on January 1, 2002, the Company reclassified \$177.0 million of mineral interest intangible assets, as defined by SFAS 142, from *Property, plant and mine development, net to Mineral interests and other intangible assets, net*. The Company now amortizes the carrying values of intangible assets taking into account residual values, over their useful lives. As discussed in Note 2 to the Consolidated Financial Statements, the 2002 acquisitions of Normandy and Franco-Nevada were accounted for as purchases under SFAS 141 and a significant portion of the \$4.4 billion purchase price represents goodwill, resulting from the excess of the purchase price over the fair value of net assets acquired. Such goodwill will not be amortized, but will be subject to impairment testing at least annually, as required by SFAS 142.

In August 2001, the FASB issued SFAS No. 143 *Accounting for Asset Retirement Obligations*, which established uniform methodology for accounting for estimated reclamation and abandonment costs. The statement will be adopted as required on January 1, 2003, when Newmont will record the estimated fair value of reclamation liabilities (asset retirement obligation or ARO) and increase the carrying amount of the related

assets (asset retirement cost or ARC) to be retired in the future. The ARC will be depreciated over the life of the related assets and will be adjusted for changes resulting from revisions to either the timing or amount of the

original ARO fair value estimate. Newmont expects to record approximately \$60 to \$75 million in the ARC, net, increases of approximately \$110 million to \$135 million to the ARO, increases of approximately \$1 million to \$3 million to accrued liabilities for worker participation bonuses in Peru, increases to deferred tax assets of approximately \$10 million to \$14 million, a reduction to Newmont's investment in Batu Hijau of approximately \$3 million to \$9 million, and a reduction in minority interest in subsidiaries of approximately \$14 million to \$18 million, at January 1, 2003, with a cumulative effect of adoption of approximately \$30 million to \$40 million to be recorded in results of operations in the first quarter of 2003.

In August 2001, the FASB issued SFAS No. 144 Accounting for the Impairment or Disposal of Long-Lived Assets, which established a single accounting model, based on the framework of SFAS No. 121 Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of, for long-lived assets to be disposed of by sale. The statement was adopted January 1, 2002 and there was no impact in the Company's financial position or results of operations upon adoption.

In May 2002, the FASB issued SFAS No. 145 Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections. The statement nullified SFAS 4, SFAS 44 and SFAS 64 and established that gains and losses from extinguishment of debt should be classified as extraordinary items only if they meet the criteria of APB Opinion No. 30 Reporting the Results of Operations Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions. The Statement also amends SFAS Statement No. 13 Accounting for Leases to require sale-leaseback accounting for certain lease modifications that have economic effects that are similar to sale-leaseback transactions and makes technical corrections to various other FASB statements. For the provisions of the statement relating to the extinguishment of debt, SFAS 145 is effective for fiscal years beginning after May 15, 2002. The provisions relating to SFAS 13 are effective for transactions occurring after May 15, 2002, and all other provisions are effective for financial statements issued on or after May 15, 2002. There was no impact in the Company's financial position or results of operations upon adoption.

In June 2002, the FASB issued SFAS No. 146 Accounting for Costs Associated with Exit or Disposal Activities which addressed financial accounting and reporting for costs associated with exit or disposal activities. It nullified Emerging Issues Task Force (EITF) Issue No. 94-3 Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring). SFAS 146 requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred rather than at the date of an entity's commitment to an exit plan as was required under EITF No. 94-3. SFAS 146 also establishes that fair value is the objective for initial measurement of the liability. SFAS 146 is effective for exit or disposal activities initiated after December 31, 2002, and we do not anticipate any impact in the Company's financial position or results of operations upon adoption except with respect to those exit or disposal activities that are initiated by the Company after that date.

In December 2002, the FASB issued SFAS No. 148 Accounting for Stock-Based Compensation Transition and Disclosure to provide alternative methods for voluntary transition to the fair value based method of accounting for stock based compensation. SFAS 148 also amends the disclosure provisions of SFAS No. 123 Accounting for Stock-Based Compensation to require prominent disclosure about the effects on reported net income of an entity's accounting policy decisions with respect to stock-based employee compensation. Finally, this Statement amends APB Opinion No. 28 Interim Financial Reporting, to require disclosure about those effects in interim financial information. SFAS 148 is effective for fiscal years ending after December 15, 2002.

In November 2002, the FASB issued FIN 45 Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others, an Interpretation of FASB Statements 5, 57, 107 and Rescission of FASB Interpretation No. 34. FIN 45 requires recognition and measurement of guarantees entered into or modified beginning on January 1, 2003 and requires expanded disclosure of guarantees as of December 31, 2002. The Company has conformed its disclosures with respect to guarantees outstanding at December 31, 2002 to the requirements of FIN 45 in its 2002 Annual Report in Form 10-K.

In January 2003, the FASB issued FIN 46 Consolidation of Variable Interest Entities, which provides guidance on the identification of, and financial reporting for, entities over which control is achieved through means other than voting rights. FIN 46 impacts accounting for variable interest entities created after January 31, 2003 and requires expanded disclosure of variable interest entities for financial statement issued after January 31, 2003. The Company has determined that there will be no impact on its financial position and results of operations upon adoption.

Other comprehensive income (loss), net of tax, included a \$2.4 million and \$13.3 million gains for temporary changes in fair value on marketable securities for the second quarters of 2002 and 2001, respectively. The second quarter of 2002 also included a \$39.1 million gain for the effective portion of the change in fair value of cash flow hedge instruments resulting from the acquisition of the Normandy hedge position in February 2002, compared to a loss of \$1.5 million for the same period in 2001. The second quarters of 2002 and 2001 also included gains (losses) from foreign currency translation of \$17.3 million and \$(5.5) million, respectively. The second quarter of 2002 also included a \$29.0 million adjustment for the sale of Lihir. For the first halves of 2002 and 2001, other comprehensive income (loss), net of tax, included \$2.7 million and \$9.0 million gains for temporary changes in fair value on marketable securities. The second quarter of 2002 also included a \$55.1 million gain for the effective portion of the change in fair value of cash flow hedge instruments resulting from the acquisition of the Normandy hedge position in February 2002, compared to a \$2.4 million gain for the same period in 2001. The first halves of 2002 and 2001 also included gains (losses) from foreign currency translation of \$18.1 million and \$(6.1) million, respectively. The first half of 2002 also included an \$18.3 million adjustment for the sale of Lihir.

EXPLORATION ACTIVITIES

Following the acquisitions of Normandy and Franco-Nevada in mid-February, exploration activities have focused on ongoing near-mine and operating district programs, as well as selected regional generative programs and projects outside the operating districts. A preliminary consolidated exploration program for March through December 2002 was also prepared, identifying synergies from overlapping programs, redundant personnel and re-alignment of strategic priorities. Exploration and research expenditures totaled \$18.8 million and \$30.4 million for the second quarter and first half of 2002, respectively, compared to \$15.3 million and \$30.6 million for the second quarter and first half of 2001. We expect total 2002 exploration expenditures to be \$70 million to \$75 million.

In Nevada, underground development drilling continues to test the 5,000-foot long corridor between Deep Post and Deep Star (Gold Margin Area). Preliminary Deep Post extension drill results show intercepts of 30 to 125 feet with a range of 0.49 to 0.86 opt gold grades. We also continue to see other exploration and extension opportunities in Nevada, including further extensions of the Gold Quarry pit near Twin Creeks, at depth in the Lone Tree pit and at Emigrant Springs, south of Carlin.

Drilling at Yanacocha was focused on oxide deposits at Corimayo and Chaquicocha Alta and the western extension of the Chaquicocha Sur sulfide zone, with good intersections in each area. The Corimayo ore zone has been extended to the southeast with recent drill intersections featuring high gold grades of 0.15 to 0.44 opt.

In Australia, further intersections with visible gold have been obtained in underground drilling of the west side zone at Jundee in the Yandal belt. At Golden Grove, high-grade zinc mineralization from 17% to 30% with precious metal credits was recorded in extensional drilling of the Ethel-Catalpa zones.

Major drilling campaigns are underway at Akim and Yamfo-Sefwi in Ghana and at Martabe in Indonesia, with the objective of extending the deposits along strike and at depth.

LIQUIDITY AND CAPITAL RESOURCES

During the first half of 2002, cash flow from operations (\$198.1 million) and proceeds from sale of short-term investments (\$406.7 million), the sale of marketable securities in Lihir (\$84.0 million), the settlement of cross currency swaps (\$50.8 million) and the issuance of stock (\$62.9 million) funded capital expenditures (\$148.9 million), net repayments of debt (\$422.7 million), cash paid for acquisitions, net of cash received, (\$87.9 million) and dividends (\$25.9 million) and provided a \$136.0 million increase in cash. Cash and cash equivalents at June 30, 2002 were \$285.4 million, compared with \$149.4 million at December 31, 2001. In 2002, Newmont expects sufficient cash flows to fund capital expenditures, dividends and debt reduction.

INVESTING ACTIVITIES AND CAPITAL EXPENDITURES

Capital expenditures were as follows:

	Six Months Ended June 30,	
	2002	2001
	(unaudited) (in millions)	
North America	\$ 27.6	\$ 30.5
South America	70.3	166.2
Australia	27.3	1.5
Other operations	12.7	5.9
Projects and capitalized interest	2.9	5.9
Total	\$ 140.8	\$ 210.0

Expenditures for North American operations during the first half of 2002 included \$20.7 million related to activities in Nevada, which included expenditures for the development of the Deep Post, Leeville, Chukar and Midas underground mines and other new project development. South American capital expenditures were primarily at Yanacocha (\$69.7 million 100% basis) for leach pad expansion, carbon columns and other ongoing expansion work. Australian capital expenditures were primarily for mine development at Tanami (\$8.1 million) and Yandal (\$8.2 million), mine development and equipment for the conversion to owner mining at Pajingo (\$5.7 million) and various projects at other sites. Capital expenditures in the 2001 period were primarily for the development of the Deep Post underground mine in Nevada and the development of the La Quinua project at Minera Yanacocha.

Newmont expects to spend approximately \$450 million for capital expenditures during 2002, including \$100 million for Nevada, \$200 million for Yanacocha and about \$100 million at its Australian operations. Expenditures for projects at Nevada include about \$21.0 million for Leeville and \$7.0 million for the Gold Quarry South Layback, \$9.0 million for Deep Post and \$3 million for Chukar, as well as \$10 million for Midas underground mine development. Development of the Leeville underground mine and the Gold Quarry South Layback (GQSL) in Nevada is proceeding. We project total capital expenditures for Leeville and GQSL of approximately \$180 million and \$36 million, respectively. We expect Leeville to commence production in 2006 and GQSL in 2004. At Yanacocha, approximately \$200 million will be spent primarily on leach pad expansion. Budgeted Australian expenditures include \$24 million at Yandal and \$23 million at Tanami.

On May 9, 2002, Batu Hijau completed a restructuring of its \$1.0 billion project financing facility (Senior Debt) that provides PTNNT the capability to defer up to a total of \$173.4 million in principal payments scheduled for 2002 and 2003. Any deferred principal amounts will be amortized between 2004 and 2010. Under this restructuring, Batu Hijau is not permitted to pay dividends or make other restricted payments to Newmont or its partner as long as any amount of deferred principal is outstanding; however, there is no restriction on prepaying any of the deferred principal amounts. Amounts currently outstanding under the project financing facility total \$913.4 million. Newmont and our partner provide a contingent support line of credit to PTNNT.

During the first half of 2002, Newmont funded \$24.8 million under this contingent support facility as our pro-rata share for capital expenditures. Additional support from Newmont and its partner, available under this facility, is \$115.0 million, of which Newmont's pro-rata share is \$64.7 million.

During the first half of 2002, \$406.7 million was realized from sales of short-term investments. In April 2002, we sold all of our marketable securities in Lihir Gold Limited, representing a 9.7% equity interest in this company with gold mining operations in Papua New Guinea. Proceeds of \$84.0 million were realized and a pre-tax gain of approximately \$47.3 million was recognized in the second quarter of 2002. Newmont expects more than \$400 million in 2002 on non-core asset sales, of which approximately \$216 million has been realized to date including the sale of Lihir and Franco-Nevada's sales of investments prior to the February acquisition.

Financing Activities

Scheduled minimum long-term debt repayments are \$74 million for the remainder of 2002, \$89 million in 2003, \$180 million in 2004, \$500 million in 2005, \$99 million in 2006, \$77 million in 2007 and \$916 million thereafter.

In March 2002, Newmont, through an indirect, wholly-owned subsidiary, made an offer to repurchase any and all of the outstanding 8.875% Senior Notes due 2008 of Normandy Yandal Operations Limited (Normandy Yandal), an indirect wholly-owned subsidiary of Newmont. As of the offer date, \$300 million principal amount of notes was outstanding. The repurchase offer was made pursuant to the terms of an Indenture dated as of April 7, 1998, between Normandy Yandal and the Bank of New York, as Trustee. The Indenture requires that Normandy Yandal, following a Change of Control as defined in the Indenture, make an offer to repurchase the notes at a repurchase price of 101% of the principal amount of the notes, plus accrued and unpaid interest to the repurchase date. Although the applicable provisions of the Indenture can be read to the contrary, Newmont is taking the position that a Change of Control occurred on February 20, 2002 when Newmont acquired control of Normandy. The Indenture provides that Normandy Yandal is not required to make the Change of Control Offer if a third party makes the offer. Newmont's offer, however, should not be construed as a commitment by Newmont to provide ongoing financial or credit support to Normandy Yandal. The Change of Control Offer was open until May 14, 2002 and resulted in the redemption of \$62.8 million of the outstanding notes.

In April 2002, Newmont repaid its \$150 million 8.625% notes. In May 2002, Newmont repaid the \$170.6 million outstanding under the A\$490 million committed revolving multi-option facility, closing it out, and increased the Newmont \$600 million facility to \$750 million, with the addition of a \$150 million Australian bank tranche. Newmont temporarily drew down approximately \$445 million from the credit facility in February 2002 in connection with the acquisition of Normandy. However, by March 31, 2002, the credit facility had been repaid, and there was no balance outstanding at June 30, 2002.

In April 2002, Newmont announced the redemption of all issued and outstanding shares of its \$3.25 convertible preferred stock as of May 15, 2002. We paid a redemption price of \$50.325 per share, plus \$0.8125 per share for all accrued dividends at the redemption date. In settlement of the total redemption price of \$51.1375 per share, Newmont issued to holders of record 1.9187 shares of its common stock. This redemption eliminated \$7.5 million of annual preferred stock dividends prospectively.

On April 26, 2002, Newmont filed a post effective amendment to previous Registration Statements on Form S-3 filed with the Securities and Exchange Commission for the purpose of increasing its existing universal shelf registration from \$500 million to \$1.0 billion. This filing provides us the capability to access capital markets for debt or equity securities as required and as market conditions warrant.

SAFE HARBOR STATEMENT

The foregoing discussion and analysis, as well as certain information contained elsewhere in this Quarterly Report, contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and are intended to be covered by the safe harbor created thereby. Such forward-looking statements include, without limitation, (i) estimates of future gold production for specific operations and on a consolidated basis, (ii) estimates of future production costs and other expenses for specific operations and on a consolidated basis, (iii) estimates of future capital expenditures and other cash needs for specific operations and on a consolidated basis and expectations as to the funding thereof, and (iv) estimates of future costs and other liabilities for certain environmental and related health matters.

Where Newmont expresses an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, such forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from such forward-looking statements. Important factors that could cause actual results to differ materially from such forward-looking statements (cautionary statements) are disclosed under Risk Factors in the Newmont Annual Report on Form 10-K for the year ended December 31, 2001 as well as other filings with the Securities and Exchange Commission. Many of these factors are beyond Newmont's ability to control or predict. Readers are cautioned not to put undue reliance on forward-looking statements.

All subsequent written and oral forward-looking statements attributable to Newmont or to persons acting on its behalf are expressly qualified in their entirety by the cautionary statements. Newmont disclaims any intent or obligation to update publicly any forward-looking statements set forth in this Report, whether as a result of new information, future events or otherwise.

PART II OTHER INFORMATION**ITEM 4. Submission Of Matters To A Vote Of Security Holders**

At the Annual Meeting of Stockholders held on May 15, 2002, all sixteen directors nominated to serve as directors of the Company were elected. The vote was as follows:

<u>Nominee</u>	<u>For</u>	<u>Withheld</u>	<u>Abstentions</u>	<u>Non-Votes</u>
Glen A. Barton	251,231,118	39,085,043	0	0
Vincent A. Calarco	265,632,606	24,683,555	0	0
James T. Curry, Jr.	265,695,042	24,621,119	0	0
Joseph P. Flannery	266,256,933	24,059,228	0	0
M. Craig Haase	266,387,339	23,928,822	0	0
Michael S. Hamson	266,396,617	23,919,544	0	0
Leo I. Higdon, Jr.	266,276,940	24,039,221	0	0
Pierre Lassonde	266,387,622	23,928,539	0	0
Robert J. Miller	266,253,734	24,062,427	0	0
Wayne W. Murdy	266,392,158	23,924,003	0	0
Robin A. Plumbridge	265,638,744	24,677,417	0	0
John B. Prescott	265,052,939	25,263,222	0	0
Moeen A. Qureshi	266,222,276	24,093,885	0	0
Michael K. Reilly	266,353,722	23,962,439	0	0
Seymour Schulich	266,390,840	23,925,357	0	0
James V. Taranik	265,638,786	24,677,375	0	0

ITEM 5. Other Information

Under Newmont's by-laws, stockholders must give advance notice of nominations for a director or other business to be addressed at the annual 2003 Annual Meeting of Stockholders no later than the close of business on March 17, 2002. The advance notice must have been delivered to the attention of the Secretary of the Corporation at 1700 Lincoln St., Denver, Colorado, 80203. On page 5 of Newmont's 2002 Proxy Statement, the deadline date is mistakenly given as January 28, 2002. A statement correcting this mistake will be included in a Special Report to Shareholders that will be mailed to all Newmont shareholders in the third quarter of 2002.

On page 19 of Newmont's Annual Report on Form 10-K for the fiscal year ended December 31, 2001, the second paragraph under "New Zealand" states that "Normandy NFM Limited, an 87.45% owned subsidiary of Newmont, owns a 67.06% interest in the Martha mine. This statement is incorrect, and should read, "Normandy Mining Limited (now known as Newmont Australia Limited), a 100% owned subsidiary of Newmont, owns a 67.06% interest in the Martha Mine. "Otter Gold Mines Limited, an 89.9% owned subsidiary of Newmont, owns the remaining 32.94% interest in the Martha Mine. As a result, Newmont now has an approximate 92% interest in the Martha mine.

On pages 4 and 19, respectively, of Newmont's Annual Report on Form 10-K for the fiscal year ended December 31, 2001, the paragraphs under "Copper Production" and "Golden Grove" incorrectly state that Newmont's Golden Grove operation in Western Australia produced concentrates containing 242.5 million pounds of copper for the 12 months ended June 30, 2001. These paragraphs should state that for the 12 months ended June 30, 2001, Golden Grove produced concentrates containing 24.3 million pounds of copper.

ITEM 6. Exhibits and Reports on Form 8-K

- (a) The exhibits to this report are listed in the Exhibit Index.
- (b) Reports filed on Form 8-K during the quarter ended June 30, 2002

Report dated April 2, 2002 related to the sale of equity holding in Lihir Gold Limited, filed on April 3, 2002.

Report dated April 12, 2002 related to the redemption of preferred stock, filed on April 16, 2002.

Report dated February 15, 2002 (Form 8-K/A) and filed on April 16, 2002, amending Form 8-K filed on March 1, 2002, to amend Item 7 in its entirety to include pro forma financial information.

Report dated May 23, 2002 related to naming PricewaterhouseCoopers as auditors, filed on May 30, 2002.

Report dated May 23, 2002 (Form 8-K/A) and filed on June 4, 2002, amending the Form 8-K filed on May 30, 2002, amending the text naming the auditors.

(c) Employment Agreement by and between Newmont Global Employment Limited Partnership and Pierre Lassonde, executed on April 23, 2002, to be effective as February 16, 2002.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

NEWMONT MINING CORPORATION

(Registrant)

By: /s/ BRUCE D.
HANSEN

Bruce D. Hansen

Senior Vice President and

Chief Financial Officer

**(Principal Financial
Officer)**

Date: April 10, 2003

By: /s/ DAVID W. PEAT

David W. Peat

**Vice President and Global
Controller**

**(Principal Accounting
Officer)**

Date: April 10, 2003

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

(Section 302 Certification of the Sarbanes-Oxley Act of 2002)

I, Wayne W. Murdy, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q/A of Newmont Mining Corporation;
2. Based on my knowledge, this Quarterly Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Quarterly Report;
3. Based on my knowledge, the financial statements, and other financial information included in this Quarterly Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this Quarterly Report;

/s/ WAYNE W. MURDY

Wayne W. Murdy

Chief Executive Officer

April 10, 2003

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CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

(Section 302 Certification of the Sarbanes-Oxley Act of 2002)

I, Bruce D. Hansen, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q/A of Newmont Mining Corporation;
2. Based on my knowledge, this Quarterly Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Quarterly Report;
3. Based on my knowledge, the financial statements, and other financial information included in this Quarterly Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this Quarterly Report;

/s/ BRUCE D. HANSEN

Bruce D. Hansen

Chief Financial Officer

April 10, 2003

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NEWMONT MINING CORPORATION

EXHIBIT INDEX

Exhibit

Number	Description
12.1	Computation of Ratio of Earnings to Fixed Charges and Preferred Dividends, filed herewith.
12.2	Computation of Ratio of Earnings to Fixed Charges, filed herewith.
99.1	Chief Executive Officer Certification Pursuant to U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, furnished herewith. ¹
99.2	Chief Financial Officer Certification Pursuant to U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, furnished herewith. ¹

¹ This document is being furnished in accordance with SEC Release Nos. 33-8212 and 34-47551.