NEWMONT MINING CORP /DE/
Form 10-Q/A
July 28, 2004

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

Form 10-Q/A

(Amendment No. 2)

(Mark One)

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

For the Quarterly Period Ended March 31, 2003

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 of	**(I.R.S. Employer**

Incorporation or Organization)	**Identification No.)**
1700 Lincoln Street **Denver, Colorado** **(Address of Principal Executive Offices)**	**80203** **(Zip Code)**

Registrant s telephone number, including area code (303) 863-7414

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. x Yes ¨ No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12-b2 of the Exchange Act). x Yes ¨ No

There were 359,372,160 shares of common stock outstanding on May 8, 2003 (and 46,824,774 exchangeable shares).

Explanatory Note

This Amendment No. 2 on Form 10-Q/A (this Amendment) amends the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2003 filed on May 9, 2003 (the Original Filing), as amended on October 24, 2003. Newmont Mining Corporation has filed this Amendment to correct an error in the Statements of Consolidated Cash Flows as described in Note 22, Restatement of Statements of Consolidated Cash Flows, as well as to make corresponding textual changes in Item 2, Management s Discussion and Analysis of Results of Operations and Financial Condition and to add related information in Item 4, Controls and Procedures. Other information contained herein has not been updated. Therefore, you should read this Amendment together with other documents that we have filed with the Securities and Exchange Commission subsequent to the filing of the Original Filing. Information in such reports and documents updates and supersedes certain information contained in this Amendment. The filing of this Amendment shall not be deemed an admission that the Original Filing, when made, included any known, untrue statement of material fact or knowingly omitted to state a material fact necessary to make a statement not misleading.

PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

NEWMONT MINING CORPORATION

STATEMENTS OF CONSOLIDATED OPERATIONS AND COMPREHENSIVE INCOME

Unaudited

	Three Months Ended March 31,	
	2003	**2002**
	(in thousands, except per share)	
Revenues		
Sales gold	$ 714,556	$ 482,234
Sales base metals, net	19,433	9,370
Royalties	14,480	3,800
	748,469	495,404
Costs and expenses		
Costs applicable to sales (exclusive of depreciation, depletion and amortization shown separately below)		
Gold	399,009	328,535
Base metals	15,362	10,705
Depreciation, depletion and amortization	130,593	102,186
Exploration and research	21,472	11,567
General and administrative	26,410	21,315
Other	22,019	870
	614,865	475,178
Other income (expense)		
Gain on investments, net	84,337	
Gain on gold commodity derivative instruments, net	55,025	6,331
Loss on extinguishment of debt	(19,530)	
Dividends, interest, foreign currency exchange and other income	31,839	415
Interest expense, net of capitalized interest of $1,290 and $1,222, respectively	(29,946)	(31,137)
	121,725	(24,391)
Pre-tax income (loss) before minority interest, equity income and impairment of affiliates and cumulative effect of a change in accounting principle	255,329	(4,165)
Income tax expense	(62,563)	(1,188)
Minority interest in income of subsidiaries	(37,789)	(10,550)
Equity (loss) income and impairment of affiliates	(3,189)	1,404

Net income (loss) before cumulative effect of a change in accounting principle	151,788	(14,499)
Cumulative effect of a change in accounting principle, net of tax of $11,188 and ($4,147), respectively	(34,533)	7,701
Net income (loss)	117,255	(6,798)
Preferred stock dividends		(1,869)
Net income (loss) applicable to common shares	$ 117,255	$ (8,667)
Net income (loss)	$ 117,255	$ (6,798)
Other comprehensive income, net of tax	41,029	27,878
Comprehensive income	$ 158,284	$ 21,080
Net income (loss) per common share before cumulative effect of a change in accounting principle, basic and diluted	$ 0.38	$ (0.06)
Cumulative effect of a change in accounting principle per common share, basic and diluted	(0.09)	0.03
Net income (loss) per common share, basic and diluted	$ 0.29	$ (0.03)
Basic weighted average common shares outstanding	401,890	281,467
Diluted weighted average common shares outstanding	404,219	281,467
Cash dividends declared per common share	$ 0.04	$ 0.03

See Notes to Consolidated Financial Statements

NEWMONT MINING CORPORATION

CONSOLIDATED BALANCE SHEETS

Unaudited

	March 31, 2003	December 31, 2002
	(in thousands)	
ASSETS		
Cash and cash equivalents	$ 380,316	$ 401,683
Marketable securities - short-term	12,024	13,188
Accounts receivable	27,519	44,510
Inventories	256,370	169,324
Stockpiles and ore on leach pads	246,843	328,993
Prepaid taxes	19,365	28,335
Derivative instruments	1,446	4,575
Deferred stripping costs - short term	30,184	32,085
Deferred income tax assets	47,912	51,451
Other current assets	38,977	39,112
Current assets	1,060,956	1,113,256
Property, plant and mine development, net	2,360,336	2,317,880
Mineral interests and other intangible assets, net	1,408,284	1,415,348
Investments	820,500	1,155,852
Marketable securities - long-term	266,444	
Deferred stripping costs - long-term	31,565	23,302
Long-term stockpiles and ore on leach pads	228,828	199,761
Derivative instruments	3,986	3,022
Deferred income tax assets	834,886	761,428
Other long-term assets	146,704	140,093
Goodwill	3,006,086	3,024,576
Total assets	$ 10,168,575	$ 10,154,518
LIABILITIES		
Current portion of long-term debt	$ 82,858	$ 115,322
Accounts payable	126,879	105,277
Deferred income tax liabilities	7,478	28,469
Derivative instruments	53,371	74,999
Other accrued liabilities	431,695	369,396
Current liabilities	702,281	693,463
Long-term debt	1,577,054	1,701,282
Reclamation and remediation liabilities	423,617	288,536
Deferred revenue from sale of future production	53,841	53,841
Derivative instruments	189,925	388,659
Deferred income tax liabilities	678,042	656,452
Employee related benefits	225,777	234,103
Other long-term liabilities	369,747	364,376
Total liabilities	4,220,284	4,380,712
Commitments and contingencies (Notes 11 and 17)		
Minority interest in subsidiaries	375,124	354,558
STOCKHOLDERS EQUITY		

Preferred stock $5.00 par value; Authorized 5.0 million shares Issued and outstanding none		
Common stock $1.60 par value; Authorized 750 million shares at each period, respectively Issued and outstanding		
Common: 353.8 million and 353.2 million shares issued, less 59 thousand and 9 thousand treasury shares, respectively	566,276	565,019
Exchangeable: 55.9 million shares, less 7.5 million and 7.1 million redeemed shares, respectively		
Additional paid-in capital	5,032,846	5,038,468
Accumulated other comprehensive loss	(22,997)	(64,026)
Retained deficit	(2,958)	(120,213)
Total stockholders equity	5,573,167	5,419,248
Total liabilities and stockholders equity	$ 10,168,575	$ 10,154,518

See Notes to Consolidated Financial Statements

NEWMONT MINING CORPORATION

STATEMENTS OF CONSOLIDATED CASH FLOWS

Unaudited

As Restated. See Note 22

	Three Months Ended March 31, 2003	Three Months Ended March 31, 2002
	(in thousands)	
Operating activities:		
Net income (loss)	$ 117,255	$ (6,798)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation, depletion and amortization	130,593	102,186
Amortization of deferred stripping costs, net	(6,362)	6,049
Deferred tax benefit	(35,400)	(4,293)
Foreign currency exchange (gain) loss	(24,706)	7,626
Minority interest	37,789	10,550
Undistributed (gains) losses of affiliated companies	8,514	(1,404)
Write-down of inventories, stockpiles and ore on leach pads	7,688	8,253
Cumulative effect of a change in accounting principle, net of tax	34,533	(7,701)
Loss on extinguishment of debt	19,530	
Gain on investments, net	(84,337)	
Loss (gain) on sale of assets and other	1,168	(4,451)
Gain on gold commodity derivative instruments, net	(64,849)	(6,331)
(Increase) decrease in operating assets:		
Accounts receivable	5,855	18,920
Inventories	(23,480)	5,305
Other assets	(1,991)	16,642
Increase (decrease) in operating liabilities:		
Accounts payable and other accrued liabilities	68,566	(47,949)
Derivatives	(17,328)	(9,776)
Early settlement of derivatives classified as cash flow hedges	(32,779)	
Other liabilities	(1,448)	(18,873)
Net cash provided by operating activities	138,811	67,955
Investing activities:		
Additions to property, plant and mine development	(82,721)	(51,830)
Advances to joint ventures and affiliates	(56,224)	(24,750)
Proceeds from sale of short-term investments		406,731
Proceeds from the sale of TVX Newmont Americas	170,625	
Early settlement of other derivatives	(4,097)	
Cash consideration for Normandy shares		(440,528)
Cash received from acquisitions, net of transaction costs		422,215
Proceeds from asset sales and other	2,381	269
Net cash provided by investing activities	29,964	312,107
Financing activities:		
Proceeds from long-term debt		450,431
Repayment of long-term debt	(182,787)	(475,244)
Dividends paid on common and preferred stock	(16,089)	(13,792)
Proceeds from stock issuance and other	934	15,739

Net cash used in financing activities	(197,942)	(22,866)
Effect of exchange rate changes on cash	7,800	4,931
Net change in cash and cash equivalents	(21,367)	362,127
Cash and cash equivalents at beginning of period	401,683	149,431
Cash and cash equivalents at end of period	$ 380,316	$ 511,558
Supplemental information:		
Interest paid, net of amounts capitalized of $1,290 and $1,222, respectively	$ 29,557	$ 31,916
Income taxes paid	$ 21,560	$ 13,974

See Notes to Consolidated Financial Statements

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(1) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The following interim Consolidated Financial Statements of Newmont Mining Corporation and its subsidiaries (collectively, Newmont or the Company) are unaudited and prepared in accordance with the rules and regulations of the Securities and Exchange Commission for Form 10-Q. 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. These adjustments are of a normal recurring nature, except for the effects of the February 2002 acquisitions. These interim Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements of Newmont included in its Annual Report on Form 10-K/A for the year ended December 31, 2002.

The Company s Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of the Company s Consolidated Financial Statements requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and the related disclosure of contingent assets and liabilities at the date of the period. The more significant areas requiring the use of management estimates and assumptions relate to mineral reserves that are the basis for future cash flow estimates and units-of-production depreciation, depletion and amortization calculations; environmental, reclamation and closure obligations; estimates of recoverable gold and other minerals in stockpile and leach pads inventories; asset impairments (including impairments of goodwill, long-lived assets, and investments); write-downs of inventory to net realizable value; post-employment, post-retirement and other employee benefit liabilities; valuation allowances for deferred tax assets; reserves for contingencies and litigation; and the fair value and accounting treatment of financial instruments. The Company bases its estimates on the Company s historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Accordingly, actual results may differ significantly from these estimates under different assumptions or conditions.

References to A$ refer to Australian currency, CDN$ to Canadian currency and $ or US$ to United States currency.

Certain amounts for the three months ended March 31, 2002 and at December 31, 2002 have been reclassified to conform to 2003 presentation.

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(2) ACQUISITIONS OF NORMANDY AND FRANCO-NEVADA AND GOODWILL

During the first quarter of 2002, Newmont acquired Franco-Nevada and Normandy. The effective date for accounting purposes of the acquisitions was February 15, 2002. For more information on the acquisitions and the related purchase price allocation, see Note 3 to the Consolidated Financial Statements in the Annual Report on Form 10-K for the year ended December 31, 2002, filed on March 27, 2003.

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

	Three months ended March 31, 2002
Revenues	$ 651.3
Net loss applicable to common shares before cumulative effect of a change in accounting principle	$ (149.7)
Net loss applicable to common shares	$ (142.0)
Basic and diluted loss per common share before cumulative effect of a change in accounting principle	$ (0.38)
Basic and diluted loss per common share	$ (0.36)
Basic and diluted weighted average common shares outstanding	393.9

On a pro forma basis during the quarter ended March 31, 2002, the net loss reflects mark-to-market losses on derivative instruments totaling $161.3 million, net of tax. The above pro forma amounts do not include the application of hedge accounting to significant portions of the acquired derivative instruments, as hedge accounting documentation was not in place during those periods prior to the acquisition. The pro forma information is not indicative of the results of operations that would have occurred had the acquisitions been consummated on January 1, 2002. The information is not indicative of the combined company s future results of operations.

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Changes in the carrying amount of goodwill allocated to reporting units during 2002 and for the first three months of 2003 are summarized in the following table (unaudited, in millions):

	Nevada	Other North America	Total North America	Yanacocha	Other South America	Total South America
Balance at January 1, 2002	$	$	$	$	$	$
Purchase price allocation	40.9		40.9			
Impairment losses						
Gain (loss) on disposal of separate reporting units						
Balance at December 31, 2002	40.9		40.9			
Reversal of allowances for acquired deferred tax assets						
Impairment losses						
Gain (loss) on disposal of separate reporting units						
Balance at March 31, 2003	$ 40.9	$	40.9	$	$	$

	Pajingo	Other Australia	Total Australia	Zarafshan-Newmont	Other International Operations	Total Gold
Balance at January 1, 2002	$	$	$	$	$	$
Purchase price allocation	56.9	140.8	197.7			238.6
Impairment losses						
Gain (loss) on disposal of separate reporting units						
Balance at December 31, 2002	56.9	140.8	197.7			238.6
Reversal of allowances for acquired deferred tax assets		(18.5)	(18.5)			(18.5)
Impairment losses						
Gain (loss) on disposal of separate reporting units						
Balance at March 31, 2003	$ 56.9	$ 122.3	$ 179.2	$	$	$ 220.1

Base Metals	Exploration	Merchant Banking	Corporate and Other	Consolidated

Balance at January 1, 2002	$	$	$	$	$
Purchase price allocation	31.5	1,129.5	1,625.0		3,024.6
Impairment losses					
Gain (loss) on disposal of separate reporting units					
Balance at December 31, 2002	31.5	1,129.5	1,625.0		3,024.6
Reversal of allowances for acquired deferred tax assets					(18.5)
Impairment losses					
Gain (loss) on disposal of separate reporting units					
Balance at March 31, 2003	$ 31.5	$ 1,129.5	$ 1,625.0	$	$ 3,006.1

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

During the three months ended March 31, 2003, the Company reversed a valuation allowance for deferred tax assets related to capital loss carryforwards in Australia due to capital gains generated by the sale of TVX Newmont Americas during the period. The valuation allowance was originally recorded as part of the purchase price allocation for the acquisition of Normandy and was therefore reversed against goodwill.

(3) INVENTORIES

	At March 31, 2003	At December 31, 2002
	(unaudited, in thousands)	
Current:		
In-process	$ 115,814	$ 46,435
Precious metals	32,277	19,467
Materials and supplies	106,782	103,310
Other	1,497	112
	$ 256,370	$ 169,324

Write-downs of inventories included in *Costs applicable to sales* totaled $5.8 million and $1.5 million for the first quarters of 2003 and 2002, respectively. Write-downs in 2003 include write-downs of precious metals inventory of $1.3 million at Minahasa, $0.7 million at Bronzewing, $0.6 million at Martha and $3.2 million at Golden Grove. Write-downs in 2002 primarily related to $1.1 million for in-process inventories at Nevada.

(4) STOCKPILES AND ORE ON LEACH PADS

	At March 31, 2003	At December 31, 2002
	(unaudited, in thousands)	
Current:		
Stockpiles	$ 102,974	$ 104,997
Ore on leach pads	143,869	223,996
	$ 246,843	$ 328,993
Long-term:		
Stockpiles	$ 147,082	$ 136,116
Ore on leach pads	81,746	63,645

	$ 228,828	$ 199,761

Write-downs of stockpiles and ore on leach pads included in *Costs applicable to sales* totaled $1.9 million and $6.8 million for the first quarters of 2003 and 2002, respectively, to reduce the carrying value of stockpiles and ore on leach pads to net realizable value. Stockpile and ore on leach pad write-downs in 2003 included $0.9 million at Martha for stockpiles and $0.8 million and $0.2 million, respectively, for stockpiles and ore on leach pads at Nevada. Write-downs in 2002 primarily related to $6.7 million for stockpiles at Nevada.

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(5) GAIN ON INVESTMENTS, NET

Gain on investments for the three months ended March 31, 2003 and 2002 is summarized as follows:

	Three months ended March 31,	
	2003	**2002**
Gain on exchange of Echo Bay shares for Kinross marketable securities	$ 84,337	$

Lihir Gold

At March 31, 2002, the Company held a 9.74% interest in Lihir Gold, which was accounted for as an investment in marketable securities. During the three month period ended March 31, 2002, unrealized holding gains of $11.0 million were credited to *Other comprehensive income, net of tax* to reflect the market value increase during the period. On April 12, 2002, Newmont sold its equity holding in Lihir Gold through a block trade to Macquarie Equity Capital Markets Limited in Australia for approximately $84 million, resulting in the recognition of a pre-tax gain of approximately $47.3 million in the *Statement of Consolidated Operations*.

Kinross Gold Corporation

On January 31, 2003, Kinross Gold Corporation (Kinross), Echo Bay Mines Ltd. (Echo Bay) 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 then 45.67% interest in Echo Bay and $180 million for its interest in TVX Newmont Americas. Cash proceeds of $170.6 million were received immediately after the close of the transaction. The remaining $9.4 million, originally held in escrow, was received subsequent to the end of the first quarter. Newmont recognized a pre-tax gain of $84.3 million in the transaction.

Newmont classifies its investment in Kinross as a long-term, available-for-sale marketable security. Changes in the fair value of the investment in Kinross are marked-to-market with the changes recorded in *Other comprehensive income, net of tax*. At March 31, 2003, the fair value of the Kinross investment was $266.4 million. During the quarter ended March 31, 2003, a loss of $46.0 million was recorded to *Other comprehensive income, net of tax* for changes in the fair value of the investment (see Note 12). If the decline in value of the Kinross shares continues, Newmont may record a loss for an other-than-temporary decline in value in a future period.

Sales of Debt Securities

As part of the Franco-Nevada acquisition in February 2002, the Company acquired significant investments in marketable debt securities. These debt securities were classified as available for sale and recorded at fair value of $402.6 million under purchase accounting. All such securities were sold immediately after the Franco-Nevada acquisition for net proceeds of $402.9 million, resulting in the recognition of a pre-tax gain of $0.3 million, which is included in *Dividends, interest, foreign currency exchange, and other income* for the quarter ended March 31, 2002.

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(6) DEFERRED STRIPPING COSTS

Movements in the deferred stripping costs balance were as follows:

	At March 31, 2003	At December 31, 2002
	(unaudited, in thousands)	
Opening balance	$ 55,387	$ 91,631
Additions	40,566	65,371
Amortization	(34,204)	(101,615)
Closing balance	$ 61,749	$ 55,387

(7) PROPERTY, PLANT AND MINE DEVELOPMENT

	At March 31, 2003			At December 31, 2002		
	Cost	Accumulated Depreciation and Depletion	Net Book Value	Cost	Accumulated Depreciation and Depletion	Net Book Value
			(unaudited, in thousands)			
Land	$ 72,236	$	$ 72,236	$ 71,521	$	$ 71,521
Buildings and equipment	4,171,224	(2,480,413)	1,690,811	4,129,292	(2,376,431)	1,752,861
Mine development	1,073,584	(639,671)	433,913	1,005,166	(580,594)	424,572
Asset retirement cost	131,493	(65,790)	65,703			
Construction-in-progress	97,673		97,673	68,926		68,926
Total	$ 5,546,210	$ (3,185,874)	$ 2,360,336	$ 5,274,905	$ (2,957,025)	$ 2,317,880
Leased assets included above in property, plant and mine development are as follows:						
Leased assets	$ 361,889	$ (154,231)	$ 207,658	$ 361,889	$ (146,884)	$ 215,005

10

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(8) MINERAL INTERESTS AND OTHER INTANGIBLE ASSETS

	At March 31, 2003			At December 31, 2002		
	Carrying Value	Accumulated Amortization	Net Book Value	Carrying Value	Accumulated Amortization	Net Book Value
			(unaudited, in thousands)			
Mineral Interests:						
Production stage						
Mineral interests	$ 793,949	$ (346,538)	$ 447,411	$ 712,098	$ (325,822)	$ 386,276
Royalties net smelter returns	223,089	(16,225)	206,864	222,614	(12,751)	209,863
Royalties net profit interest	17,767	(3,294)	14,473	17,340	(3,231)	14,109
	1,034,805	(366,057)	668,748	952,052	(341,804)	610,248
Development stage						
Mineral interests	114,832		114,832	92,757		92,757
Royalties net smelter returns	1,420		1,420	1,321		1,321
Royalties net profit interest	6,363	(68)	6,295	5,921	(50)	5,871
	122,615	(68)	122,547	99,999	(50)	99,949
Exploration stage						
Mineral interests	542,435	(10,602)	531,833	632,284	(8,449)	623,835
Royalties-net smelter returns	5,751	(394)	5,357	5,700	(314)	5,386
	548,186	(10,996)	537,190	637,984	(8,763)	629,221
Total mineral interests	1,705,606	(377,121)	1,328,485	1,690,035	(350,617)	1,339,418
Oil and Gas:						
Producing property						
Royalties net refining returns	40,798	(4,831)	35,967	37,964	(3,842)	34,122
Working interest	19,805	(1,713)	18,092	18,430	(1,400)	17,030
	60,603	(6,544)	54,059	56,394	(5,242)	51,152
Non-producing property						
Royalties net refining returns	5,106		5,106	4,751		4,751
Working interest	7,619		7,619	7,090		7,090
	12,725		12,725	11,841		11,841
Total oil and gas	73,328	(6,544)	66,784	68,235	(5,242)	62,993

Other	13,015		13,015	12,937		12,937
Total	$ 1,791,949	$ (383,665)	$ 1,408,284	$ 1,771,207	$ (355,859)	$ 1,415,348

The Company s mineral interests and oil and gas interests intangible assets are subject to amortization. The aggregate amortization expense for the three-month periods ended March 31, 2003 and 2002 was $21.5 million and $15.4 million, respectively.

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(9) INVESTMENTS AND EQUITY INCOME OF AFFILIATES

Investments in Affiliates:

	At March 31, 2003	At December 31, 2002
	(unaudited, in thousands)	
Investments in affiliates:		
Batu Hijau	$ 610,002	$ 610,075
TVX Newmont Americas		183,028
Echo Bay Mines		210,643
Australian Magnesium Corporation	95,757	44,244
AGR Matthey Joint Venture	11,588	11,213
	$ 717,347	$ 1,059,203
Other:		
Newmont Australia infrastructure bonds	103,153	96,649
	$ 820,500	$ 1,155,852

Equity Income (Loss) of Affiliates:

	Three Months Ended March 31, 2003	2002
	(unaudited, in thousands)	
Batu Hijau	$ 7,353	$ 1,404
TVX Newmont Americas	810	
Australian Magnesium Corporation	(11,727)	
AGR Matthey Joint Venture	375	
Total	$ (3,189)	$ 1,404

Investment in Batu Hijau

The Company and an affiliate Sumitomo Corporation (Sumitomo) are partners with interests of 56.25% and 43.75%, respectively, in the Nusa Tenggara Partnership (NTP), which holds 80% of P.T. Newmont Nusa Tenggara (PTNNT), the owner of the Batu Hijau copper/gold mine in Indonesia. Due to the significant participating rights provided to Sumitomo under the terms of the NTP partnership agreement, the Company uses the equity method to account for its investment in NTP. The Company and Sumitomo have an indirect 45% and 35% interest, respectively, in PTNNT. The remaining 20% interest is held by an unrelated Indonesian company. Because the Company and Sumitomo have carried the investment of the 20% owner, the Company and Sumitomo recognize 56.25% and 43.75% of PTNNT s net income (loss), respectively, until recouping the bulk of its construction investment, including interest. Under the Contract of Work, a portion of PTNNT not already owned by Indonesian nationals must be offered for sale to the Indonesian government or to Indonesian nationals, beginning in the sixth year after mining operations commenced. The effect of this provision could potentially reduce the Company s and Sumitomo s ownership to 49% by the end of the tenth year after mining operations commenced.

The Company s equity investment in PTNNT was $610.0 million and $610.1 million at March 31, 2003 and December 31, 2002, respectively, based on accounting principles generally accepted in the United States. At March 31, 2003, differences between 56.25% of PTNNT s net assets of $253.2 million and Newmont s investment included (i) $45.2 million for Newmont s contribution prior to the formation of NTP;

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(ii) $108.0 million for the fair market value adjustment recorded by Newmont in conjunction with the purchase of a subsidiary minority interest, net of amortization; (iii) $393.4 million for the contributions and interest income recorded by Newmont classified as debt and interest expense by PTNNT; (iv) negative $121.6 million for contributions to PTNNT, through NTP, by Sumitomo disproportionate to its equity interest, net of amounts recorded; (v) negative $76.9 million for stockholders equity of the carried interest partner; (vi) $9.2 million for other intercompany charges; and (vii) negative $0.5 million for other adjustments recorded by Newmont. At December 31, 2002, differences between 56.25% of PTNNT s net assets of $257.6 million and Newmont s investment included (i) $45.2 million for Newmont s contribution prior to the formation of NTP; (ii) $109.1 million for the fair market value adjustment recorded by Newmont in conjunction with the purchase of a subsidiary minority interest, net of amortization; (iii) $391.2 million for the contributions and interest income recorded by Newmont classified as debt and interest expense by PTNNT; (iv) negative $122.6 million for contributions in PTNNT, through NTP, by Sumitomo disproportionate to its equity interest, net of amounts recorded; (v) negative $76.9 million for stockholders equity of the carried interest partner; (vi) $7.1 million for other intercompany charges; and (vii) negative $0.6 million for other adjustments recorded by Newmont. Certain of these amounts are amortized or depreciated on a units-of-production basis on proven on probable reserves. Below is a description of Newmont s equity income (loss) in PTNNT, where the net income (loss) reflects the elimination of interest between PTNNT and NTP.

Newmont s first quarter equity income in PTTNT was $7.4 million for 2003 versus $1.4 million for the same period in 2002. Newmont s equity income for the three months ended March 31, 2003 was based on 56.25% of PTTNT s net loss of $8.9 million, adjusted for the elimination of $1.8 million of inter-company interest, $1.7 million of inter-company management fees, the cumulative effect of reclamation and remediation liabilities of $8.0 million and other adjustments of $0.9 million. For the comparable 2002 period, Newmont s equity income was based on 56.25% of PTNNT s net loss of $6.4 million, adjusted for the elimination of $1.1 million of inter-company interest, $2.7 million of inter-company management fees, and amortization adjustments of $1.2 million.

Newmont and its partner provide a contingent support line of credit to PTNNT. During the three month periods ended March 31, 2003 and 2002, respectively, Newmont funded $0.0 and $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.

The following is NTP summarized financial information based on accounting principles generally accepted in the United States. The results of operations and assets and liabilities are not reflected in the Company s Consolidated Financial Statements. As described earlier, the Company accounts for NTP as an equity investment.

	Three Months Ended March 31,	
	2003	**2002**
	(unaudited, in thousands)	
Revenues, net of smelting and refining costs	$ 74,873	$ 71,905
Revenues from by-product sales credited to production costs	$ 33,612	$ 22,133
Gross profit (loss)	$ 10,155	$ (4,326)
Net income (loss) before cumulative effect of a change in accounting principle	$ 5,960	$ (4,430)
Net income (loss)	$ (8,258)	$ (4,430)

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

In the three-month period ended March 31, 2003, NTP recorded a charge of $14.2 million to reflect the cumulative effect of the adoption of Statement of Financial Accounting Standards (SFAS) No. 143 Accounting for Asset Retirement Obligations.

	At March 31, 2003	At December 31, 2002
	(unaudited, in thousands)	
Current assets	$ 350,435	$ 313,110
Property, plant and mine development, net	$ 1,634,458	$ 1,658,912
Mineral interest	$ 185,844	$ 188,294
Other assets	$ 345,622	$ 282,133
Debt and related interest to partners and affiliates	$ 260,726	$ 259,793
Other current liabilities	$ 194,366	$ 103,117
Long-term debt third parties (including current portion)	$ 935,771	$ 935,771
Other liabilities	$ 152,159	$ 163,346

For the three months ended March 31, 2003 and 2002, PTNNT recorded gross revenues, before smelting and refining costs, of $78.9 million and $95 million, respectively, which were subject to final pricing adjustments. The average price adjustment for copper was 6.3% and 2.2% for the three months ended March 31, 2003 and 2002, respectively. The average price adjustment for gold was 1.6% and 0.6% for the three months ended March 31, 2003 and 2002, respectively.

By-product commodities, gold and silver, represented 45% and 31% of sales, net of smelting and refining charges, and reduced production costs by 45% and 39% for the three-month periods ended March 31, 2003 and 2002, respectively.

At March 31, 2003, PTNNT had consolidated embedded copper derivatives on 108.6 million pounds of copper recorded at an average price of $0.73 per pound. These derivatives are expected to be finally priced during the second quarter of 2003. A one-cent movement in the average price used for these derivatives will have an approximate $0.7 million impact on PTNNT s 2003 net income.

PTNNT entered into a series of copper hedging transactions in March 2002. At March 31, 2002, 23,400 metric tonnes of copper were hedged. These contracts were settled during the second quarter of 2002. These contracts allowed PTNNT to realize an average price of $1,619 per metric tonne (approximately $0.73 per pound).

In 2001, PTNNT entered into two diesel hedging contracts for 360,000 barrels each at a fixed price of $27.39 per barrel and $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. Each contract is settled monthly. In December 2002, PTNNT entered into an additional hedge contract for 60,000 barrels over the following 12 months at a fixed price of $27.50 per barrel. These contracts have all been designated as cash flow hedges and the fair value at March 31, 2003 and December 31, 2002 was $1.3 million and $0.6 million, respectively. At March 31, 2003, 140,000 barrels are outstanding for these contracts.

TVX Newmont Americas and Echo Bay Mines Ltd.

Newmont had a 49.9% interest and an equity investment of $183.0 million in TVX Newmont Americas joint venture at December 31, 2002. The Company s equity income from TVX Newmont Americas was $0.8 million, and $5.3 million in dividends were received during the quarter ended March 31, 2003. On January 31, 2003, Newmont sold its interest in TVX Newmont Americas for $180 million.

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

On January 31, 2003, Kinross, Echo Bay and TVX Gold Inc. were combined. Under the terms of the combination and acquisition, Newmont received a 13.8% interest in the restructured Kinross in exchange for its then 45.67% interest in Echo Bay. Newmont recorded a pre-tax gain on the transactions of $83.4 million (See Note 4).

Australian Magnesium Corporation

As of December 31, 2002, Newmont had a 22.8% equity and voting interest in Australian Magnesium Corporation (AMC) and a loan receivable from AMC in the amount of A$37 million (approximately $22 million). On January 3, 2003, Newmont contributed A$100 million (approximately $56.2 million) in equity to AMC increasing its ownership to 40.9%. However, due to additional equity contributions by other shareholders on January 31, 2003, Newmont s interest decreased to 27.8%. At March 31, 2003, the Company s investment in AMC, exclusive of the loan receivable, was $95.8 million.

In the first quarter of 2003, Newmont s equity loss in AMC was $0.7 million and Newmont recorded an increase of $7.0 million to *Additional paid-in capital* on the dilution of its interest in AMC (discussed above). In addition, the Company recorded a write down of $11.0 million to the investment balance for an other than temporary decline in value. See Note 18, Subsequent Events.

At March 31, 2003, differences between the Company s share of $107.8 million of AMC s net assets and Newmont s investment include: (i) a negative $105.0 million adjustment for the fair market value of property, plant and mine development; (ii) $22.5 million for an outstanding receivable from AMC; and (iii) total fair market value increases of $70.4 million to mineral interests. At December 31, 2002, differences between the Company s share of $50.0 million of AMC s net assets and Newmont s investment include: (i) a negative $51.9 million adjustment for the fair market value of property, plant, equipment and mine development; (ii) a $11.2 million provision for Newmont s liability to contribute additional equity at a share price above fair market value; (iii) $22.5 million for an outstanding receivable from AMC; and (iv) total fair market value increases of $34.8 million to mineral interests.

AGR Matthey Joint Venture

Newmont holds a 40% interest in a joint venture with the West Australian Mint and Johnson Matthey (Australia) Ltd. known as AGR Matthey Joint Venture (AGR). Newmont has no guarantees related to this investment. At March 31, 2003 and December 31, 2002, the difference between Newmont s investment in AGR and its $11.9 million ($11.5 million at December 31, 2002) share of AGR s net assets consisted of a $0.3 million reduction in long-lived assets recorded by Newmont.

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(10) LONG-TERM DEBT

	March 31, 2003	December 31, 2002
	(unaudited, in thousands)	
Sale-leaseback of refractory ore treatment plant	$ 298,944	$ 307,880
8 3/8% debentures, net of discount	182,553	204,658
8 5/8% notes, due May 2011, net of discount	222,222	274,339
Newmont Australia 7 5/8% notes, net of premium	121,100	152,690
Newmont Australia 7 1/2% notes, net of premium	91,493	101,850
Newmont Yandal 8 7/8% notes	237,220	237,220
6% convertible subordinated debentures	99,980	99,980
Medium-term notes	17,000	32,000
Newmont Australia infrastructure bonds	105,965	99,680
Prepaid forward sales obligation	145,000	145,000
Interest rate swaps	(8,078)	(6,684)
Project financings, capital leases and other	146,513	167,991
	1,659,912	1,816,604
Current maturities	(82,858)	(115,322)
	$ 1,577,054	$ 1,701,282

Scheduled minimum long-term debt repayments are $58.3 million for the remainder of 2003, $176.8 million in 2004, $439.2 million in 2005, $86.0 million in 2006, $74.8 million in 2007 and $824.8 million thereafter.

During the three months ended March 31, 2003, the Company repurchased $23.0 million of 8 3/8% debentures, $52.3 million of 8 5/8% debentures due in May 2011, $30.9 million of Newmont Australia 7 5/8% notes and $10.0 million of Newmont Australia 7 1/2% notes for total cash consideration of $135.8 million. As a result of these debt repurchases, the Company recognized a *Loss on extinguishment of debt* of $19.5 million.

(11) RECLAMATION AND REMEDIATION

The Company 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. The Company 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. The Company 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.

Effective January 1, 2003, the Company adopted SFAS No. 143. As a result, *Reclamation and remediation liabilities* increased by $120.7 million for the fair value of the estimated asset retirement obligations, *Other accrued liabilities* increased by $2.3 million for worker participation bonuses in Peru (bonuses required by law at Minera Yanacocha based on net income), *Deferred income tax assets* increased by $6.9 million, *Property, plant and mine development, net* increased by $69.1 million, *Minority interest in subsidiaries* decreased by $16.2 million and a $34.5 million loss was recorded in the *Cumulative effect of a change in accounting principle, net of tax.* At March 31, 2003 and December 31, 2002, $376.0 million and $254.1 million, respectively, were accrued for reclamation obligations relating to currently or recently producing mineral properties.

In addition, the Company is involved in several matters concerning environmental obligations associated with former, primarily historic, mining activities. Generally, these matters concern developing and implementing

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

remediation plans at the various sites involved. $66.7 million and $48.1 million were accrued for such obligations at March 31, 2003 and December 31, 2002, respectively. These amounts are also included in *Reclamation and remediation liabilities*.

The following is a reconciliation of the total liability for asset retirement obligations (unaudited, in thousands):

Balance December 31, 2002	$ 302,229
Impact of adoption of SFAS No. 143	120,707
Additions to liabilities	20,533
Liabilities settled	(6,478)
Accretion expense	5,744
Revisions	
Balance March 31, 2003	$ 442,735

The current portions of *Reclamation and remediation liabilities* of $19.1 million and $13.7 million at March 31, 2003 and December 31, 2002, respectively, are included in *Other accrued liabilities*.

On a pro forma basis, the liabilities for asset retirement obligations would have been $420.0 million and $422.9 million at January 1, 2002 and December 31, 2002, respectively, if SFAS No. 143 had been applied at the beginning of 2002.

There were no assets that were legally restricted for purposes of settling asset retirement obligations at March 31, 2003.

The table below presents the impact of the accounting change for the three-month period ended March 31, 2003 and the pro forma effect for the three-month period ended March 31, 2002 as if the change had been in effect for that period (unaudited, in thousands, except per share data):

	Three months ended	
Increase/(decrease) to net income	**March 31, 2003**	**March 31, 2002 (Pro forma)**
Costs applicable to sales (exclusive of depreciation, depletion and amortization shown separately below)		
Gold	$ 5,302	$ 153

Base Metals	90	
Depreciation, depletion, and amortization	(3,413)	(3,307)
Income tax (expense) benefit	(693)	1,104
Minority interest	(958)	627
Equity loss of affiliate	(480)	(340)
Net income (loss) before cumulative effect of a change in accounting principle	$ (152)	$ (1,763)
Net income (loss) before cumulative effect of a change in accounting principle per common share, basic and diluted	$ 0.00	$ (0.01)

17

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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 period ended March 31, 2002 as if the Company had adopted the SFAS No. 143 as of January 1, 2002 (unaudited, in thousands, except per share data):

	Three months ended March 31, 2002	
	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, basic and diluted**
As reported	$ (16,368)	$ (0.06)
Change in accounting method SFAS No. 143	(1,763)	(0.01)
Pro forma	$ (18,131)	$ (0.07)

(12) SALES CONTRACTS, COMMODITY AND DERIVATIVE INSTRUMENTS

Newmont has a no hedging philosophy and generally sells its gold 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 Normandy s acquisition, three of its affiliates had a substantial derivative instrument position. These three affiliates are now known as Newmont Gold Treasury Pty Ltd., Newmont NFM and Newmont Yandal Operations Limited (NYOL). Newmont is not required to place collateral with respect to its commodity instruments and there are no margin calls associated with such contracts. A number of NYOL s hedging positions, however, are governed by agreements that confer on the relevant counterparties a right to terminate the position prior to its agreed scheduled maturity date. Such a termination would result in an immediate cash settlement of that contract based on the contract s market value on the date of termination. Exercise of termination rights may result in a cash settlement obligation to NYOL hedge counterparties in excess of funds available to NYOL. NYOL obligations, however, are non-recourse to Newmont and its other subsidiaries.

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 March 31, 2003 of US$0.60 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. Floating put options valuations include a deferred premium cost which is payable in gold ounces upon expiration of the options.

For the quarters ended March 31, 2003 and 2002, gains of $22.9 million and $1.0 million, respectively, were included in income in *Gain on gold commodity derivative instruments* for the ineffective portion of derivative instruments designated as cash flow hedges, and gains of $32.1 million and $5.3 million, respectively, for the change in fair value of gold commodity contracts that do not qualify as hedges. The amount anticipated to be reclassified from *Accumulated other comprehensive loss,* to income for derivative instruments during the next 12 months is a gain of approximately $9.2 million. The maximum period over which hedged forecasted transactions are expected to occur is 8.7 years.

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Gold Forward Sales Contracts

Newmont had the following gold forward sales contracts at March 31, 2003 (unaudited):

	Expected Maturity Date or Transaction Date							Fair Value	
Gold Forward Sales Contracts:	**2003**	**2004**	**2005**	**2006**	**2007**	**Thereafter**	**Total/ Average**	**March 31, 2003**	**December 31, 2002**
(A$ denominated)								**US$ (000)**	
Fixed Forwards:									
Ounces	743	306	52	52	25		1,178	$ (48,615)	$ (138,095)
Average price	$ 310	$ 302	$ 297	$ 283	$ 271	$	$ 305		
Floating Rate Forwards:									
Ounces			61	231	256	26	574	$ (24,983)	$ (37,401)
Average price	$	$	$ 354	$ 365	$ 376	$ 387	$ 370		
Synthetic Forwards:									
Ounces	39	80	80	80	80	80	439	$ (17,587)	$ (34,222)
Average price	$ 334	$ 325	$ 325	$ 325	$ 325	$ 325	$ 326		
Total:									
Ounces	782	386	193	363	361	106	2,191	$ (91,185)	$ (209,717)
Average price	$ 311	$ 307	$ 327	$ 345	$ 357	$ 340	$ 326		

Gold Put Option Contracts

Newmont had the following gold put option contracts at March 31, 2003 (unaudited):

	Expected Maturity Date or Transaction Date							Fair Value	
Put Option Contracts:	**2003**	**2004**	**2005**	**2006**	**2007**	**Thereafter**	**Total/ Average**	**March 31, 2003**	**December 31, 2002**
								US$ (000)	
US$ Denominated Fixed Purchased Puts:									
Ounces	157	203	205	100	20		685	$ (6,234)	$ (6,774)
Average price	$ 292	$ 292	$ 292	$ 338	$ 397	$	$ 302		
A$ Denominated Fixed Purchased Puts:									

Ounces	83	88	33				204	$ (1,913)	$ (3,690)
Average price	$ 333	$ 339	$ 321		$	$	$ 334		
A$ Denominated Floating Forward Purchased Puts:									
Ounces			207	69	2	213	491	$ (1,407)	$ (12,140)
Average price	$	$	$ 354	$ 365	$ 376	$ 367	$ 361		
Total:									
Ounces	240	291	445	169	22	213	1,380	$ (9,554)	$ (22,603)
Average price	$ 306	$ 306	$ 323	$ 349	$ 395	$ 367	$ 328		

Note: Through December 31, 2002, the floating forward purchased put option contracts were accounted for as cash flow hedges as they were statistically proven to qualify as highly effective cash flow hedges through that date. However, due to changes in market conditions during the first quarter of 2003, these contracts were no longer considered highly effective cash flow hedges. The effect of this change was a gain of $5.4 million that was recorded in *Gain on gold commodity derivative instruments, net* in income for the first quarter of 2003.

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Convertible Put Options and Other Instruments

Newmont had the following gold convertible put option contracts and other instruments outstanding at March 31, 2003 (unaudited):

	Expected Maturity Date or Transaction Date							Fair Value	
Convertible Put Options and Other Instruments:	**2003**	**2004**	**2005**	**2006**	**2007**	**Thereafter**	**Total/ Average**	**March 31, 2003**	**December 31, 2002**
(A$ denominated)								**US$ (000)**	
Floating Convertible Put Options:									
Ounces					42	982	1,024	$ (56,963)	$ (102,952)
Average price	$	$	$	$	$ 376	$ 405	$ 404		
Knock-out/knock-in Contracts:									
Ounces	46	37	49				132	$ (3,619)	$ (6,794)
Average price	$ 331	$ 331	$ 331	$	$	$	$ 331		
Indexed Forward Contracts:									
Ounces			33	65	65	33	196	$ (12,482)	$ (15,740)
Average price	$	$	$ 325	$ 325	$ 325	$ 325	$ 325		
Total:									
Ounces	46	37	82	65	107	1,015	1,352	$ (76,064)	$ (125,486)
Average price	$ 331	$ 331	$ 329	$ 325	$ 345	$ 402	$ 385		

Sold Convertible Put Options

Newmont had the following gold convertible put option contracts and other instruments outstanding at March 31, 2003 (unaudited):

	Expected Maturity Date or Transaction Date							Fair Value	
Sold Convertible Put Options Contracts:	**2003**	**2004**	**2005**	**2006**	**2007**	**Thereafter**	**Total/ Average**	**March 31, 2003**	**December 31, 2002**
(A$ denominated)								**US$ (000)**	
Ounces		30	60	60	60	30	240	$ 7,596	$ 14,295
Average price	$	$ 353	$ 356	$ 359	$ 362	365	$ 359		

Sold Put Options

Newmont had the following sold put option contracts and other instruments outstanding at March 31, 2003 (unaudited):

	Expected Maturity Date or Transaction Date							Fair Value	
Sold Put Options Contracts:	**2003**	**2004**	**2005**	**2006**	**2007**	**Thereafter**	**Total/ Average**	**March 31, 2003**	**December 31, 2002**
(A$ Denominated)								**US$ (000)**	
Ounces			48	64	64	32	208	$ (4,690)	$
Average price	$	$	$ 350	$ 354	$ 359	$ 362	$ 356		

Note: Sold put options are contracts that give a third party the right, but not the obligation, to sell a specified number of gold ounces to Newmont at a specified strike price on a set date. This position was originally overlaid with a bought put position, however, the bought position was closed out during the three months ended March 31, 2003. As the contracts are to buy gold, they cannot be treated as cash flow hedges; they are therefore marked to market with the change reflected in income.

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Price-Capped Sales Contracts

Newmont had the following price-capped forward sales contracts outstanding at March 31, 2003 (unaudited):

	Expected Maturity Date or Transaction Date							Fair Value	
Price-capped Contracts:	**2003**	**2004**	**2005**	**2006**	**2007**	**Thereafter**	**Total/ Average**	**March 31, 2003**	**December 31, 2002**
(US$ Denominated)								**US$ (000)**	
Ounces			500			1,850	2,350	n/a	n/a
Average price	$	$	$ 350	$	$	$ 384	$ 377		

Note: The fair value of the price-capped sales contracts of $53.9 million was recorded as deferred revenue in September 2001 and will be included in sales revenue as delivery occurs in 2005 through 2011. The forward sales contracts are accounted for as normal sales contracts under SFAS No. 133 Accounting for Derivative Instruments and Hedging Activities .

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. Newmont Australia also receives US$ fixed interest payments and pays 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 March 31, 2003 and December 31, 2002 had a negative fair value of $50.9 million and $87.2 million, respectively.

Other Sales Contracts, Commodity and Derivative Instruments

Foreign Currency Contracts

Newmont acquired certain 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, resulting in a loss of $10.9 million for the three months ended March 31, 2002.

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 ended June 30, 2002 and the contracts are currently undesignated. The contracts are accounted for on a mark-to-market basis. At March 31, 2003 and December 31, 2002 they had a negative fair value of $13.3 million and $21.9 million, respectively.

Interest Rate Swap Contracts

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 both March 31, 2003 and December 31, 2002. Half of these contracts expire in July 2005 and half expire in May 2011. For the quarters ended March 31, 2003 and March 31, 2002, these transactions resulted in a reduction in interest expense of $1.7 million and $1.5 million, respectively. These transactions have been designated as fair value hedges and had a fair value of $18.2 million and $13.8 million at March 31, 2003 and December 31, 2002, respectively.

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(13) STATEMENT OF COMPREHENSIVE INCOME (LOSS)

	Three Months Ended March 31,	
	2003	2002
	(unaudited, in thousands)	
Net income (loss)	$ 117,255	$ (6,798)
Other comprehensive income, net of tax:		
Unrealized (loss) gain on marketable equity securities, net of tax of $14,995 and ($5,911), respectively	(50,843)	10,978
Foreign currency translation adjustments	5,963	836
Changes in fair value of cash flow hedge instruments, net of tax of ($32,103) and ($6,885), respectively	74,907	16,064
Exchange of Echo Bay shares for Kinross shares, net of tax of ($5,924)	11,002	
Total other comprehensive income, net of tax	41,029	27,878
Comprehensive income	$ 158,284	$ 21,080

(14) DIVIDENDS, INTEREST, FOREIGN CURRENCY EXCHANGE AND OTHER INCOME

	Three Months Ended March 31,	
	2003	2002
	(unaudited, in thousands)	
Interest income	$ 2,205	$ 2,796
Foreign currency exchange gains (losses)	24,706	(7,626)
Loss on sale of marketable securities		(368)
Gain on sale of exploration properties	1,273	1,736
Insurance settlements		3,500
Other	3,655	377
Total	$ 31,839	$ 415

(15) ACCOUNTING CHANGES

Depreciation, Depletion and Amortization

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 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. The cumulative effect of this change in accounting principle through December 31, 2001 increased net income during three months ended March 31, 2002 by $7.7 million, net of tax of $4.1 million, and increased net income per share by $0.03.

Reclamation and Remediation

In August 2001, the Financial Accounting Standards Board (FASB) issued SFAS No. 143, which established uniform methodology for accounting for estimated reclamation and abandonment costs. The statement was adopted as required on January 1, 2003. See Note 11 for complete disclosure of the impact of adopting SFAS 143.

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(16) SEGMENT INFORMATION

Financial information relating to Newmont s segments is as follows:

Three Months Ended March 31, 2003

(Unaudited, in millions)

	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	$ 221.0	$ 40.3	$ 261.3	$ 229.5	$ 20.7	$ 250.2	$ 25.8	$ 124.6	$ 150.4
Royalties	$	$	$	$	$	$	$	$	$
Gain on investments, net	$	$	$	$	$	$	$	$	$
Loss on extinguishment of debt	$	$	$	$	$	$	$	$	$
Interest income	$	$	$	$ 0.4	$	$ 0.4	$	$ 1.3	$ 1.3
Interest expense	$	$	$	$ 1.4	$	$ 1.4	$	$ 8.9	$ 8.9
Exploration and research expense	$ 3.3	$	$ 3.3	$ 1.9	$	$ 1.9	$ 0.3	$ 1.4	$ 1.7
Depreciation, depletion and amortization	$ 31.6	$ 10.2	$ 41.8	$ 35.5	$ 2.1	$ 37.6	$ 5.6	$ 22.0	$ 27.6
Pre-tax income (loss) before minority interest, equity income (loss) and cumulative effect	$ 37.4	$ 3.0	$ 40.4	$ 104.1	$ 5.7	$ 109.8	$ 11.1	$ (3.5)	$ 7.6
Equity loss and impairment of Australian Magnesium Corporation	$	$	$	$	$	$	$	$	$
Equity income of affiliates	$	$	$	$	$	$	$	$ 1.2	$ 1.2
Cumulative effect of a change in accounting principal, net of tax	$ (14.4)	$ (3.4)	$ (17.8)	$ (32.4)	$ (0.2)	$ (32.6)	$ 0.8	$ (1.1)	$ (0.3)
Amortization of deferred stripping, net	$ (6.6)	$ (0.1)	$ (6.7)	$	$	$	$	$ (1.0)	$ (1.0)
Capital expenditures (as restated see Note 22)	$ 22.2	$ 0.4	$ 22.6	$ 35.3	$ 0.5	$ 35.8	$ 1.7	$ 9.1	$ 10.8
Deferred stripping costs	$ 43.9	$ 6.5	$ 50.4	$	$	$	$	$ 10.9	$ 10.9
Total assets	$ 1,488.8	$ 138.6	$ 1,627.4	$ 1,203.4	$ 29.6	$ 1,233.0	$ 180.5	$ 1,578.2	$ 1,758.7

	Zarafshan-Newmont, Uzbekistan	Other International Operations	Total Gold	Base Metals	Exploration	Merchant Banking	Corporate and Other	Consolidated
Sales, net	$ 21.2	$ 31.5	$ 714.6	$ 19.4	$	$	$	$ 734.0

Royalties	$	$	$	$	$	$ 14.5	$	$ 14.5
Gain on investments, net	$	$	$	$	$	$ 84.3	$	84.3
Loss on extinguishment of debt	$	$	$	$	$	$ (19.5)	$	$ (19.5)
Interest income	$	$	$ 1.7	$	$	$ 0.1	$ 0.4	$ 2.2
Interest expense	$ 0.2	$	$ 10.5	$	$	$	$ 19.4	$ 29.9
Exploration and research expense	$	$ 1.8	$ 8.7	$ 0.7	$ 7.4	$	$ 4.7	$ 21.5
Depreciation, depletion and amortization	$ 2.6	$ 7.2	$ 116.8	$ 7.1	$ 0.8	$ 4.7	$ 1.2	$ 130.6
Pre-tax income (loss) before minority interest, equity income (loss) and cumulative effect	$ 9.8	$ 2.2	$ 169.8	$ (3.8)	$ (8.1)	$ 73.5	$ 23.9	$ 255.3
Equity loss and impairment of Australian Magnesium Corporation	$	$	$	$	$	$	$ (11.7)	$ (11.7)
Equity income of affiliates	$	$	$ 1.2	$	$	$	$ 7.3	$ 8.5
Cumulative effect of a change in accounting principal, net of tax	$ (1.3)	$ (3.2)	$ (55.2)	$ (0.2)	$	$	$ 20.9	$ (34.5)
Amortization of deferred stripping, net	$	$ (1.3)	$ (6.4)	$	$	$	$	$ (6.4)
Capital expenditures (as restated see Note 22)	$ 0.5	$ 7.1	$ 76.8	$ 2.0	$ 0.1	$	$ 3.7	$ 82.7
Deferred stripping costs	$	$ 0.5	$ 61.8	$	$	$	$	$ 61.8
Total assets	$ 104.7	$ 173.4	$ 4,897.2	$ 245.3	$ 1,276.7	$ 2,262.2	$ 1,487.2	$ 10,168.6

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Three Months Ended March 31, 2002

(Unaudited, in millions)

	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	$ 176.3	$ 35.6	$ 211.9	$ 140.2	$ 19.9	$ 160.1	$ 16.8	$ 56.2	$ 73.0
Royalties	$	$	$	$	$	$	$	$	$
Interest income	$	$	$	$ 0.1	$	$ 0.1	$ 0.2	$ 1.4	$ 1.6
Interest expense	$ 0.1	$	$ 0.1	$ 2.9	$ 0.1	$ 3.0	$ 0.2	$ 5.9	$ 6.1
Exploration and research expense	$ 2.4	$	$ 2.4	$ 1.8	$ 0.4	$ 2.2	$ 0.2	$ 0.6	$ 0.8
Depreciation, depletion and amortization	$ 26.8	$ 8.6	$ 35.4	$ 35.0	$ 3.1	$ 38.1	$ 3.5	$ 12.0	$ 15.5
Pre-tax income (loss) before minority interest, equity income (loss) and cumulative effect	$ (8.9)	$ 2.4	$ (6.5)	$ 27.7	$ 4.9	$ 32.6	$ 7.8	$ (11.8)	$ (4.0)
Equity income (loss) of affiliates	$	$	$	$	$	$	$	$	$
Amortization of deferred stripping, net	$ 6.3	$ (0.3)	$ 6.0	$	$	$	$	$	$
Cumulative effect	$ 0.9	$ 7.2	$ 8.1	$	$	$	$ (0.4)	$	$ (0.4)
Capital expenditures	$ 8.7	$ 3.2	$ 11.9	$ 26.4	$ 0.2	$ 26.6	$ 2.1	$ 5.3	$ 7.4
Total assets	$ 1,811.5	$ 180.0	$ 1,991.5	$ 1,054.6	$ 45.6	$ 1,100.2	$ 264.0	$ 2,211.4	$ 2,475.4

	Zarafshan-Newmont, Uzbekistan	Other International Operations	Total Gold	Base Metals	Exploration	Merchant Banking	Corporate and Other	Consolidated
Sales, net	$ 15.2	$ 22.0	$ 482.2	$ 9.4	$	$	$	$ 491.6
Royalties	$	$	$	$	$	$ 3.8	$	$ 3.8
Interest income	$	$	$ 1.7	$	$	$ 0.8	$ 0.3	$ 2.8
Interest expense	$ 0.1	$	$ 9.3	$	$	$	$ 21.8	$ 31.1
Exploration and research expense	$	$	$ 5.4	$ 0.1	$ 3.4	$	$ 2.7	$ 11.6
Depreciation, depletion and amortization	$ 2.3	$ 5.4	$ 96.7	$ 0.3	$ 1.5	$ 2.2	$ 1.5	$ 102.2
Pre-tax income (loss) before minority interest, equity income (loss) and cumulative effect	$ 5.4	$ 2.3	$ 29.5	$ (1.3)	$ (4.9)	$ 1.3	$ (28.8)	$ (4.2)
Equity income (loss) of affiliates	$	$	$	$	$	$ (0.5)	$ 1.9	$ 1.4
Amortization of deferred stripping, net	$	$	$ 6.0	$	$	$	$	$ 6.0
Cumulative effect	$	$	$ 7.7	$	$	$	$	$ 7.7
Capital expenditures	$ 1.9	$ 0.8	$ 48.6	$ 1.6	$ 0.2	$	$ 1.4	$ 51.8
Total assets	$ 108.0	$ 541.2	$ 6,216.3	$ 534.3	$ 230.8	$ 2,082.2	$ 1,056.2	$ 10,117.8

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(17) COMMITMENTS AND CONTINGENCIES

General

The Company follows Statement of Financial Accounting Standards No. 5, Accounting for Contingencies, in determining its accruals and disclosures with respect to loss contingencies. Accordingly, estimated losses from loss contingencies are accrued by a charge to income when information available prior to issuance of the financial statements indicates that it is probable that an asset had been impaired or a liability had been incurred and the amount of the loss can be reasonably estimated. If a loss contingency is not probable or reasonably estimable, disclosure of the loss contingency is made in the financial statements when it as at least reasonably possible that a loss may be incurred.

Operating Segments

The Company s operating segments are identified in Note 16. Except as noted in this paragraph, all of the Company s commitments and contingencies specifically described in this Note 17 relate to the Corporate and Other category. The Newmont Madencilik A.S. matters are related to the Other International operating segment. The Nevada Operations matters under Newmont USA Limited are related to the Nevada operating segment. The Minera Yanacocha matters are related to the Yanacocha operating segment. The Yandal Gold Pty Ltd. and the Newmont Australia Limited are related to the Other Australia operating segment.

Environmental

The Company 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. The Company 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. The Company 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 March 31, 2003 and December 31, 2002, $376.0 million and $254.1 million, respectively, were accrued for reclamation costs relating to currently or recently producing mineral properties.

The Company is involved in several matters concerning environmental obligations associated with former, primarily historic, mining activities. Generally, these matters concern developing and implementing remediation plans at the various sites involved. The Company 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 the Company s best estimate of its liability for these matters, $66.7 million and $48.1 million were accrued for such obligations at March 31, 2003 and December 31, 2002, respectively. These amounts are included in *Other accrued liabilities* and *Reclamation and remediation liabilities*. Depending upon the ultimate resolution of these matters, the Company believes that it is reasonably possible that the liability for these matters could be as much as 46% greater or 33% lower than the amount accrued at March 31, 2003. 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.

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Battle Mountain Resources, Inc.-100% Newmont Owned

San Luis, Colorado: The San Luis open-pit gold mine in southern Colorado was operated by Battle Mountain Resources, Inc. 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 Resources has made all submittals required by the CDPHE notice and conducted the required response activities. Battle Mountain Resources negotiated a settlement with CDPHE resolving alleged violations that became 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 filed a judicial appeal in the District Court for Costilla County, Colorado and Battle Mountain intervened to protect its interest in the settlement. In May 2002 this matter was resolved and the settlement was upheld in favor of CDPHE and Battle Mountain Resources.

Dawn Mining Company LLC (Dawn) 51% Newmont Owned

Midnite Mine Site: 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 United States Environmental Protection Agency (EPA).

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 the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA). In March 2003, the EPA notified Dawn and Newmont that it had thus far expended $11.5 million on the remedial investigation feasibility study under CERCLA.

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 intends to 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.

Dawn Mill: Dawn also owns a uranium mill site facility, located on private land near Ford, Washington, which is subject to state and federal regulation. In late 1999, Dawn sought 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.

Idarado Mining Company (Idarado   )-80.1% Newmont Owned

Telluride and Ouray, Colorado: In July 1992, Newmont and Idarado signed a consent decree with the State of Colorado (State   ), which was agreed to by the U.S. District Court of Colorado to settle a lawsuit brought by the State under CERCLA.

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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. All of this work is substantially completed.

Newmont Madencilik A.S. 100% Newmont Owned

The Ovacik mine has a long history of legal challenges to the operation of the mine and, in particular, its use of cyanide in gold production. These challenges involve a multitude of proceedings and have a complex procedural history that, in June 2001, resulted in a judicial order granting the plaintiffs request to cancel Ovacik s operating permits. Newmont has appealed this decision and, at present, the mine continues to operate under interim licenses pending the outcome of Newmont s appeal. In addition, the Ovacik mine is the subject of a separate action being brought against the Turkish government in the European Court of Human Rights (ECHR). The plaintiffs in that case assert that the Turkish government s authorization of operating permits and use of cyanide for the Ovacik mine violates Turkish law and Turkey s obligations under the European Convention on Human Rights. Plaintiffs have asked, among other things, that the ECHR grant interim relief ordering the shutdown of the mine pending the ECHR s hearing and decision on the merits. Newmont has filed an application to intervene in this action, but as yet has not received permission to do so. Newmont cannot reasonably predict the final outcome of any of the above described legal proceedings. Either the Turkish courts or the ECHR, however, might grant relief that could require the closure of the mine or the interruption of mining activities.

Newmont Capital Limited 100% Newmont Owned

Lava Cap Mine Site: In February 1999, EPA placed the Lava Cap mine site in Nevada County, California on the National Priorities List under CERCLA. The EPA then initiated a remedial investigation/feasibility study under CERCLA to determine environmental conditions and remediation options at the site.

Newmont Capital owned the property for approximately three years from 1984 to 1986 but never mined or conducted exploration at the site. The EPA asserts that Newmont Capital is responsible for clean up costs incurred at the site. Newmont Capital has sought to resolve this matter through a de minimis settlement with EPA. The parties have entered into a tolling agreement until December 31, 2003 to facilitate settlement negotiations with respect to potential claims under CERCLA. Based on Newmont Capital s limited involvement at Lava Cap mine, it does not believe it has any liability for environmental conditions at the site, and intends to vigorously defend any formal claims by the EPA. Newmont cannot reasonably predict the likelihood or outcome of any future action against it arising from this matter.

Newmont USA Limited 100% Newmont Owned

Pinal Creek: Newmont is a defendant in a lawsuit brought in U.S. District Court in Arizona by the Pinal Creek Group, alleging that the company and others are responsible for some portion of costs incurred to address groundwater contamination emanating from copper mining operations located in the area of Globe and Miami, Arizona. Two former subsidiaries of Newmont, Pinto Valley Copper Corporation and Magma Copper Company (now known as BHP Copper Inc.), owned some of the mines in the area between 1983 and 1987. The court has dismissed plaintiffs claims seeking to hold Newmont liable for the acts or omissions of its former subsidiaries.

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Based on information presently available, Newmont believes it has strong defenses to plaintiffs remaining claims, including, without limitation, that Newmont s agents did not participate in any pollution causing activities; that Newmont s liabilities, if any, were contractually transferred to one of the plaintiffs; that portions of plaintiffs claimed damages are not recoverable; and that Newmont s equitable share of liability, if any, is small. While Newmont has denied liability and is vigorously defending these claims, we cannot reasonably predict the final outcome of this lawsuit.

Nevada Operations: In November 2002, Great Basin Mine Watch and the Mineral Policy Center (Appellants) filed suit in U.S. District Court in Nevada against the Department of the Interior and the Bureau of Land Management (BLM), challenging and seeking to enjoin the BLM s July 2002 Record of Decision approving the company s amended Plan of Operations covering the Gold Quarry South Layback Project, and the BLM s September 2002 Record of Decision approving a new Plan of Operations for the company s proposed Leeville Mine. Appellants seek a declaration that the BLM s decisions were unlawful and an injunction prohibiting Newmont s approved activities. Newmont has intervened in this action on behalf of the government defendants and has filed an answer denying all of Appellants claims. While Newmont believes that this appeal is without merit, an unfavorable outcome could result in additional conditions on operations that could have a material adverse effect on the company s financial position or results of operations.

In October 2002, Great Basin Mine Watch (Appellant) filed an appeal with the Nevada State Environmental Commission, challenging the Nevada Division of Environmental Protection s (NDEP) renewal of the Clean Water Act discharge permit for Newmont s Gold Quarry Mine. This permit governs the conditions under which Newmont may discharge mine-dewatering water in connection with its ongoing mining operations. Appellant alleges that the terms of the renewed permit violate the Clean Water Act and Nevada water quality laws. Newmont has intervened in this action on behalf of the NDEP. While Newmont believes that this appeal is without merit, an unfavorable outcome could result in additional conditions on operations that could have a material adverse effect on the company s financial position or results of operations.

In December 2002, Great Basin Mine Watch filed an appeal with the Nevada State Environmental Commission challenging NDEP s November 2002 decision renewing a water pollution control permit for Newmont s Lone Tree Mine. This appeal alleges that NDEP s renewal violated various procedural and substantive requirements under Nevada s water quality laws. Newmont has intervened in this appeal. A hearing before the Nevada State Environmental Commission was held on February 25-26, 2003 in Carson City, Nevada. At the close of the hearing, the Commission ruled in favor of NDEP on all claims, and affirmed NDEP s renewal of the permit. Great Basin Mine Watch appealed this decision in the Nevada District Court in Carson City.

Gray Eagle Mine Site: By letter dated September 3, 2002, the EPA notified Newmont that the EPA had expended $2.6 million in response costs to address environmental conditions associated with a historic tailings pile located at the Grey Eagle Mine site near Happy Camp, California, and requested that Newmont pay those costs. The EPA has identified four potentially responsible parties, including Newmont. Newmont does not believe it has any liability for environmental conditions at the Grey Eagle Mine site, and intends to vigorously defend any formal claims by the EPA. Newmont cannot reasonably predict the likelihood or outcome of any future action against it arising from this matter.

Resurrection Mining Company (Resurrection) 100% Newmont Owned

Leadville, Colorado: Newmont, Resurrection and other defendants were named in lawsuits filed by the State of Colorado under CERCLA in 1983, which were subsequently consolidated with a lawsuit filed by EPA in 1986. These proceedings sought to compel the defendants to remediate the impacts of pre-existing, historic

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

mining activities near Leadville, Colorado, which date back to the mid-1800s, 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% of these costs, but 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.

Other Legal Matters

Newmont USA Limited 100% Newmont Owned

Peru: In February 2002, a French citizen filed a complaint against the Company and certain of its subsidiaries and former officers, Compañia de Minas Buenaventura, S.A.A. (Buenaventura), one of Buenaventura s subsidiaries, and other individuals, in U.S. District Court in Denver. The plaintiff alleges that he had an arrangement with Normandy Mining Limited, under which his fee was dependent on the outcome of the Minera Yanacocha shareholder dispute (which was resolved in 2000 pursuant to a comprehensive settlement agreement among the parties). The suit alleges that the defendants violated the federal Racketeer Influenced Corrupt Organization Act (RICO), and a parallel Colorado statute, by corrupting the Peruvian Supreme Court in 1998. Various common law torts including conspiracy, defamation, and tortious interference with beneficial economic interests are also alleged. The suit seeks damages of not less than $25 million plus interest (which could be subject to trebling), as well as unspecified punitive damages. A motion to dismiss this lawsuit is currently pending before the Court, and the Company is and will continue to vigorously defend itself against these allegations.

Minera Yanacocha 51.35% Newmont Owned

Choropampa: In June 2000, a transport contractor of Minera Yanacocha spilled approximately 151 kilograms of elemental mercury near the town of Choropampa, Peru, which is located 53 miles (85 kilometers) southwest of the mine. Elemental mercury is a byproduct of gold mining and was sold to a Lima firm for use in medical instruments 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.

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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 elemental 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 appealed 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 and by the same plaintiffs who filed the September 2001 lawsuit. These actions also seek compensatory and punitive damages based on claims associated with the elemental mercury spill incident. All but one of these lawsuits has been stayed pending the outcome of the appeal in the September 2001 matter. A motion to stay the one remaining lawsuit is currently pending before the Denver District Court.

Additional lawsuits relating to the Choropampa incident were filed against Minera Yanacocha in the local courts of Cajamarca, Peru, in May 2002 by over 900 Peruvian citizens. A significant number of the plaintiffs in these lawsuits previously have entered into 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: 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 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 challenged this ordinance on the grounds that, under Peruvian law, local governments lack authority to create such areas. The case was heard in early 2003, and on April 30, 2003, the Constitutional Tribunal issued a decision holding that, because Minera Yanacocha acquired the mining concessions in the Cerro Quilish area many years before the adoption of the contested ordinance, its rights were not impacted by the ordinance.

Minera Yanacocha is committed to completing a full environmental impact study prior to initiating any 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.

Newmont Australia Limited 100% Newmont Owned

Australian Taxation Office Review: In February 1999, Normandy (now Newmont Australia Limited) sold certain subsidiary companies in a transaction that resulted in net cash proceeds of A$663 million. The sale did not give rise to any tax liability to Newmont Australia Limited because of the tax basis that Newmont Australia Limited had in the shares in the subsidiaries and the capital losses available to Newmont Australia Limited to offset the net gain of the sale. This transaction is currently the subject of a review by the Australian Taxation Office (ATO), which commenced in early 2001 and is still ongoing. The ATO has sought documents from Newmont Australia Limited, the buyer of the subsidiaries and other parties. It is not yet known whether the ATO will disagree with the tax treatment of the transaction. Newmont Australia Limited believes that its tax treatment

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

was in accordance with the provisions of the relevant tax laws. The Company cannot reasonably predict what future action the ATO may take in relation to this matter.

Yandal Gold Pty Ltd. 100% Newmont Owned

Newmont Yandal Operations: In a Federal Court action brought by the Australian Securities and Investment Commission (ASIC) against Yandal Gold Pty Ltd., a subsidiary of Newmont Australia Limited, Edensor Nominees Pty Ltd (Edensor), and others in relation to the 1999 acquisition of Great Central Mines (GCM , now named Newmont Yandal Operations Limited), the judge found violations of the Australian Corporations Law and ordered payment by Edensor to ASIC of A$28.5 million for distribution to former GCM shareholders. The judge also entered an order allowing the former shareholders to elect to reacquire their shares in GCM. After appeals to the Full Federal Court and the High Court on jurisdictional matters, the Full Federal Court rejected Edensor s appeal on the merits and in September 2002, the High Court declined further review of the matter. Newmont Australia Limited had previously agreed to pay one-half of the A$28.5 million and, after finalizing an additional commercial transaction with Edensor in relation to certain mining properties and interests, Newmont Australia Limited paid in full A$28.5 million plus interest to ASIC in September 2002 all of which has been accounted for as part of the Normandy purchase price. Newmont Australia Limited filed a motion with the Federal Court to negate that portion of its original order granting former GCM shareholders the right to reacquire their shares and ASIC consented to the orders sought in this motion. On February 18, 2003, the Court granted the application for the consent orders such that the former GCM shareholders will not have the opportunity to reacquire their shares in GCM.

Income Taxes

The Company operates in numerous countries around the world and accordingly it is subject to, and pays annual income taxes with under the various income tax regimes in the countries in which it operates. Some of these tax regimes are defined by contractual agreements with the local government, but many of which are the general corporate income tax laws of the country. The Company has historically filed, and continues to file, all required income tax returns and to pay the taxes reasonably determined to be due. The tax rules and regulations in many countries are highly complex and subject to interpretation. From time to time the Company will undergo a review of its historic income tax filings and in connection with such reviews, disputes can arise with the taxing authorities over the interpretation of the rules or the application of certain rules to the Company s business conducted within the country involved. As of March 31, 2003 and December 31, 2002 the Company has income taxes (and related interest and penalties, if applicable) in the amount of $321.5 million. This amount represents what the Company believes will be the probable outcome from the settlement of such disputes for all tax years for which additional income taxes can be assessed.

Guarantee of Third Party Indebtedness

Newmont USA Limited has guaranteed Pollution Control Revenue Bonds with a principal amount of $35.7 million, due 2009, of BHP Copper Inc., formerly known as Magma Copper Company. At the time the bonds were issued, Magma was a wholly-owned subsidiary of Newmont USA Limited. Magma was spun-off as an independent, separately traded company in 1987, and was acquired in 1995 by the company now known as BHP Billiton Limited. Newmont USA Limited will be required to perform under the guarantee in the event that BHP Copper defaults on the bonds; in that event, Newmont USA Limited would be liable for the amount of any unpaid principal and interest outstanding at the time of the default. It is expected that Newmont USA Limited will be required to remain liable on this guarantee as long as the bonds remain outstanding. Newmont USA Limited currently has no carrying value for this contingent liability, because it does not expect to have to pay any

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

amount under the guarantee in the future given the financial strength of BHP Copper s parent company. In the event that it does have to perform under the guarantee, Newmont USA Limited would have a right of subrogation to the bondholders.

Other Commitments and Contingencies

In a 1993 asset exchange, a wholly-owned subsidiary transferred a coal lease under which the subsidiary had collected advance royalty payments totaling $484 million. From 1994 to 2018, remaining advance payments under the lease to the transferee total $390 million. In the event of title failure as stated in the lease, this subsidiary has a primary obligation to refund previously collected payments and has a secondary obligation to refund any of the $390 million collected by the transferee, if the transferee fails to meet its refund obligation. The subsidiary has no direct liability to the lessor and has title insurance on the leased coal deposits of $240 million covering the secondary obligation. The Company and the subsidiary regard the circumstances entitling the lessor to a refund as remote. The Company has agreed to maintain the subsidiary s net worth at $108 million until July 1, 2025.

The Company has minimum royalty obligations on one of its producing mines in Nevada for the life of the mine. Amounts paid as a minimum royalty (where production royalties are less than the minimum obligation) in any year are recoverable in future years when the minimum royalty obligation is exceeded. Although the minimum royalty requirement may not be met in a particular year, the Company expects that over the mine life, gold production will be sufficient to meet the minimum royalty requirements.

As part of its ongoing business and operations, the Company and its affiliates are required to provide surety bonds, bank letters of credit and bank guarantees as financial support for various purposes, including environmental reclamation, exploration permitting, workers compensation programs and other general corporate purposes. At March 31, 2003 and December 31, 2002, there were $195.0 million and $177.0 million of outstanding letters of credit, surety bonds and bank guarantees (excluding the surety bond supporting the prepaid forward transaction described in the Financing Activities section of Management s Discussion and Analysis of Results of Operations and Financial Condition). The surety bonds, letters of credit and bank guarantees reflect fair value as a condition of their underlying purpose and are subject to fees competitively determined in the market place. 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 closure. Generally, bonding requirements associated with environmental regulation are becoming more restrictive. In addition, the surety markets for certain types of environmental bonding used by the Company have become increasingly constrained. The Company, 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.

Newmont is from time to time involved in various legal proceedings related to its business. Except as discussed above, management does not believe that adverse decisions in any pending or threatened proceeding or that amounts that may be required to be paid by reason thereof will have a material adverse effect on the Company s financial condition or results of operations.

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(18) PRO FORMA STOCK OPTION COMPENSATION EXPENSE

The Company applies the intrinsic value method in accordance with Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees, and related interpretations in accounting for stock options. Accordingly, because stock option exercise prices equal the market value on the date of grant, no compensation cost has been recognized for its stock options. Had compensation cost for the options been determined based on market value at grant dates in 2003 and 2002 as prescribed by SFAS No. 123, Accounting for Stock Based Compensation, the Company s net income and earnings per share would have been the pro forma amounts indicated below (in millions, except per share):

	Three Months Ended March 31,	
	2003	**2002**
Net income (loss) applicable to common shares		
As reported	$ 117.3	$ (8.7)
SFAS 123 expense	(2.8)	(1.7)
Pro forma	$ 114.5	$ (10.4)
Net income (loss) per share, basic and diluted		
As reported	$ 0.29	$ (0.03)
SFAS 123 expense	(0.01)	(0.01)
Pro forma	$ 0.28	$ (0.04)

33

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(19) CONDENSED CONSOLIDATING FINANCIAL STATEMENTS

Consolidating Statement of Operations	Three Months Ended March 31, 2003				
	Newmont Mining Corporation	Newmont USA	Other Subsidiaries	Eliminations	Newmont Mining Corporation Consolidated
			(unaudited, in millions)		
Revenues					
Sales gold	$	$ 557.7	$ 156.9	$	$ 714.6
Sales base metals, net			19.4		19.4
Royalties			15.0	(0.5)	14.5
		557.7	191.3	(0.5)	748.5
Costs and expenses					
Costs applicable to sales (exclusive of depreciation, depletion and amortization shown separately below)					
Gold		292.0	107.6	(0.6)	399.0
Base metals			15.4		15.4
Depreciation, depletion and amortization		87.5	43.1		130.6
Exploration and research		10.8	10.7		21.5
General and administrative		19.9	6.4	0.1	26.4
Other		24.6	4.9	(7.6)	21.9
		434.8	188.1	(8.1)	614.8
Other income (expense)					
Gain on investments, net			91.9	(7.6)	84.3
Gain on gold commodity derivative instruments			55.0		55.0
Loss on extinguishment of debt		(14.3)	(5.2)		(19.5)
Dividends, interest, foreign, currency exchange and other income (loss) intercompany	24.9	2.8	4.1		31.8
Dividends, interest, foreign curreny exchange and other income (loss)	4.9	4.2	3.9	(13.0)	
Interest expense intercompany	(2.2)	(3.4)	(7.4)	13.0	
Interest, net of capitalized interest	(0.5)	(20.6)	(8.8)		(29.9)
	27.1	(31.3)	133.5	(7.6)	121.7
Pre-tax income before minority interest, equity income and impairment of affiliates, and cumulative effect of a change in accounting principle	27.1	91.6	136.7		255.4
Income tax expense	(9.5)	(20.9)	(32.2)		(62.6)
Minority interest in (income) loss of subsidiaries		(39.0)	(3.6)	4.8	(37.8)

Equity income (loss) and impairment of affiliates	99.6	7.4	4.2	(114.4)	(3.2)
Net income (loss) before cumulative effect of a change in accounting principle	117.2	39.1	105.1	(109.6)	151.8
Cumulative effect of a change in accounting principle, net of tax		(31.5)	(3.0)		(34.5)
Net income (loss)	117.2	7.6	102.1	(109.6)	117.3
Preferred stock dividends					
Net income (loss) applicable to common shares	$ 117.2	$ 7.6	$ 102.1	$ (109.6)	$ 117.3

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Consolidating Statement of Operations	Newmont Mining Corporation	Newmont USA	Other Subsidiaries	Eliminations	Newmont Mining Corporation Consolidated
	Three Months Ended March 31, 2002				
	(unaudited, in millions)				
Revenues					
Sales gold	$	$ 403.9	$ 78.3	$	$ 482.2
Sales base metals, net			9.4		9.4
Royalties		0.6	3.4	(0.2)	3.8
		404.5	91.1	(0.2)	495.4
Costs and expenses					
Costs applicable to sales (exclusive of depreciation, depletion and amortization shown separately below)					
Gold		276.0	52.6	(0.1)	328.5
Base metals			10.7		10.7
Depreciation, depletion and amortization		81.1	21.1		102.2
Exploration and research		9.0	2.6		11.6
General and administrative		16.8	4.5		21.3
Other		3.0	(2.1)		0.9
		385.94	89.4	(0.1)	475.2
Other income (expense)					
Gain on gold commodity derivative instruments			6.3		6.3
Dividends, interest, foreign currency exchange and other income (loss) intercompany		0.5	2.1	(2.6)	
Dividends, interest, foreign currency exchange and other income (loss)		5.1	(4.7)		0.4
Interest expense intercompany			(2.9)	2.9	
Interest, net of capitalized interest		(25.2)	(5.9)		(31.1)
		(19.6)	(5.1)	0.3	(24.4)
Pre-tax (loss) income before minority interest, equity income (loss) and impairment of affiliates, and cumulative effect of a change in accounting principle		(1.0)	(3.4)	0.2	(4.2)
Income tax benefit (expense)		1.7	(2.9)		(1.2)
Minority interest in (income) loss of subsidiaries		(10.7)	1.7	(1.5)	(10.5)
Equity income (loss) and impairment of affiliates	(6.8)	1.5	(1.5)	8.2	1.4
Net (loss) income before cumulative effect of a change in accounting principle	(6.8)	(8.5)	(6.1)	6.9	(14.5)
Cumulative effect of a change in accounting principle, net of tax		7.7			7.7

Net (loss) income	(6.8)	(0.8)	(6.1)	6.9	(6.8)
Preferred stock dividends	(1.9)				(1.9)
Net (loss) income applicable to common shares	$ (8.7)	$ (0.8)	$ (6.1)	$ 6.9	$ (8.7)

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Consolidating Balance Sheets	Newmont Mining Corporation	Newmont USA	Other Subsidiaries	Eliminations	Newmont Mining Corporation Consolidated
	At March 31, 2003				
	(unaudited, in millions)				
Assets					
Cash and cash equivalents	$	$ 257.2	$ 123.1	$	$ 380.3
Marketable securities short-term		0.6	11.4		12.0
Accounts receivable	6.9	11.9	160.3	(151.6)	27.5
Inventories		195	60.7		256.4
Stockpiles and ore on leach pads		220.4	26.4		246.8
Prepaid taxes		19.4			19.4
Derivative instruments			1.4		1.4
Deferred stripping costs short-term		24.8	5.4		30.2
Deferred income tax assets		(3.8)	51.7		47.9
Other current assets	361.7	58.1	226.5	(607.3)	39.0
Current assets	368.6	784.3	666.9	(758.9)	1,060.9
Property, plant and mine development, net		1,968.2	392.1		2,360.3
Mineral interests and other intangible assets, net		263.5	1,144.8		1,408.3
Investments		610.0	1,062.8	(852.3)	820.5
Investment in subsidiaries	4,653.0		1,930.8	(6,583.8)	
Marketable securities long-term			266.4		266.4
Deferred stripping costs long-term		25.6	6.0		31.6
Long-term stockpiles and ore on leach pads		206.5	22.3		228.8
Derivative instruments			4.0		4.0
Deferred income tax assets	25.4	481.3	328.2		834.9
Other long-term assets	0.9	337.7	37.2	(229.0)	146.8
Goodwill		93.7	2,912.4		3,006.1
Total assets	$ 5,047.9	$ 4,770.8	$ 8,773.9	$ (8,424.0)	$ 10,168.6
Liabilities					
Current portion of long-term debt	$	$ 59.4	$ 23.5	$	$ 82.9
Accounts payable	108.7	77.5	90.9	(150.2)	126.9
Deferred income tax liabilities		8.1	(0.6)		7.5
Derivative instruments			53.4		53.4
Other accrued liabilities	70.1	457.2	512.3	(608.0)	431.6
Current liabilities	178.8	602.2	679.5	(758.2)	702.3
Long-term debt		1,004.7	572.4		1,577.1
Reclamation and remediation liabilities		297.2	126.4		423.6
Deferred revenue from sale of future production		53.8			53.8
Derivative instruments			189.9		189.9
Deferred income tax liabilities	49.0	156.7	472.3		678.0
Employee related benefits		216.5	9.3		225.8
Other long-term liabilities	162.9	106.1	329.8	(229.0)	369.8

Total liabilities	390.7	2,437.2	2,379.6	(987.2)	4,220.3
Minority interest in subsidiaries		402.5	382.1	(409.5)	375.1
Stockholders equity					
Preferred stock			60.7	(60.7)	
Common stock	566.3		0.1	(0.1)	566.3
Additional paid-in capital	4,116.9	2,031.7	5,673.7	(6,789.5)	5,032.8
Accumulated other comprehensive (loss) income	(23.0)	(49.6)	(30.5)	80.1	(23.0)
Retained (deficit) earnings	(3.0)	(51.0)	308.2	(257.1)	(2.9)
Total stockholders equity	4,657.2	1,931.1	6,012.2	(7,027.3)	5,573.2
Total liabilities and stockholders equity	$ 5,047.9	$ 4,770.8	$ 8,773.9	$ (8,424.0)	$ 10,168.6

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

	At December 31, 2002				
Consolidating Balance Sheets	**Newmont Mining Corporation**	**Newmont USA**	**Other Subsidiaries**	**Eliminations**	**Newmont Mining Corporation Consolidated**
	(unaudited, in millions)				
Assets					
Cash and cash equivalents	$	$ 165.1	$ 236.6	$	$ 401.7
Marketable securities short-term		0.6	12.6		13.2
Accounts receivable	14.2	43.1	184.4	(197.2)	44.5
Inventories		126.4	42.9		169.3
Stockpiles and ore on leach pads		308.9	20.1		329.0
Prepaid taxes		28.3			28.3
Derivative instruments			4.6		4.6
Deferred stripping costs short-term		25.1	7.0		32.1
Deferred income tax assets		4.6	46.9		51.5
Other current assets	331.9	163.8	216.4	(673.0)	39.1
Current assets	346.1	865.9	771.5	(870.2)	1,113.3
Property, plant and mine development, net		1,947.4	370.5		2,317.9
Mineral interests and other intangible assets, net		243.6	1,171.7		1,415.3
Marketable securities long-term		610.1	3,276.7	(2,731.0)	1,155.8
Investment in subsidiaries	4,516.9			(4,516.9)	
Deferred stripping costs long-term		18.6	4.7		23.3
Long-term inventories		171.1	28.7		199.8
Derivative instruments			3.0		3.0
Deferred income tax assets		481.1	280.3		761.4
Other long-term assets	1.0	338.3	28.0	(227.2)	140.1
Goodwill		93.7	2,930.9		3,024.6
Total assets	$ 4,864.0	$ 4,769.8	$ 8,866.0	$ (8,345.3)	$ 10,154.5
Liabilities					
Current portion of long-term debt	$	$ 91.5	$ 23.8	$	$ 115.3
Accounts payable	115.9	81.4	104.9	(196.9)	105.3
Deferred income tax liabilities		26.9	1.6		28.5
Derivative instruments			75.0		75.0
Other accrued liabilities	48.3	486.3	508.2	(673.4)	369.4
Current liabilities	164.2	686.1	713.5	(870.3)	693.5
Long-term debt		1,090.1	611.2		1,701.3
Reclamation and remediation liabilities		168.0	120.5		288.5
Deferred revenue from sale of future production		53.8			53.8
Derivative instruments			388.7		388.7
Deferred income tax liabilities	49.0	155.2	452.2		656.4
Employee related benefits		232.8	1.3		234.1
Other long-term liabilities	161.0	95.1	335.6	(227.3)	364.4
Total liabilities	374.2	2,481.1	2,623.0	(1,097.6)	4,380.7

Minority interest in subsidiaries		379.3	365.1	(389.8)	354.6
Stockholders equity					
Convertible preferred stock			60.7	(60.7)	
Common stock	565.0		0.1	(0.1)	565.0
Additional paid-in capital	4,109.0	2,022.2	5,688.7	(6,781.5)	5,038.4
Accumulated other comprehensive income (loss)	(64.0)	(54.3)	(74.7)	129.0	(64.0)
Retained (deficit) earnings	(120.2)	(58.5)	203.1	(144.6)	(120.2)
Total stockholders equity	4,489.8	1,909.4	5,877.9	(6,857.9)	5,419.2
Total liabilities and stockholders equity	$ 4,864.0	$ 4,769.8	$ 8,866.0	$ (8,345.3)	$ 10,154.5

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

	Three Months Ended March 31, 2003				
Statement of Consolidating Cash Flows	**Newmont Mining Corporation**	**Newmont USA**	**Other Subsidiaries**	**Eliminations**	**Newmont Mining Corporation Consolidated**
	(unaudited, in millions, as restated - see Note 22)				
Operating activities:					
Net income (loss)	$ 117.3	$ 7.6	$ 102.0	$ (109.6)	$ 117.3
Adjustments to reconcile net income (loss) to net cash provided by operating activities	(50.3)	188.6	(114.1)		24.2
Change in working capital	34.6	(20.4)	(16.0)	(0.9)	(2.7)
Net cash (used in) provided by operating activities	101.6	175.8	(28.1)	(110.5)	138.8
Investing activities:					
Additions to property, plant and mine development		(62.0)	(20.7)		(82.7)
Advances to joint ventures and affiliates			(56.2)		(56.2)
Proceeds from sale of TVX Newmont Americas			170.6		170.6
Investments in affiliates and other	(99.0)	(6.4)	(5.9)	109.6	(1.7)
Net cash provided by (used in) investing activities	(99.0)	(68.4)	87.8	109.6	30.0
Financing activities:					
Net borrowings (repayments)	10.6	(15.9)	(177.5)		(182.8)
Dividends paid on common and preferred stock	(14.1)		(2.0)		(16.1)
Proceeds from stock issuance and other	0.9		(0.9)	0.9	0.9
Net cash provided by (used in) financing activities	(2.6)	(15.9)	(180.4)	0.9	(198.0)
Effect of exchange rate changes on cash		0.6	7.2		7.8
Net change in cash and cash equivalents		92.1	(113.5)		(21.4)
Cash and cash equivalents at beginning of period		165.1	236.6		401.7
Cash and cash equivalents at end of period	$	$ 257.2	$ 123.1	$	$ 380.3

	Three Months Ended March 31, 2002				
Statement of Consolidating Cash Flows	**Newmont Mining Corporation**	**Newmont USA**	**Other Subsidiaries**	**Eliminations**	**Newmont Mining Corporation Consolidated**
	(unaudited, in millions, as restated)				
Operating activities:					
Net income (loss)	$ (11.3)	$ (0.8)	$ (6.1)	$ 11.4	$ (6.8)

Adjustments to reconcile net income (loss) to net cash provided by operating activities		90.2	20.3		110.5
Change in working capital		(39.3)	4.5	(0.9)	(35.7)
Net cash (used in) provided by operating activities	(11.3)	50.1	18.7	10.5	68.0
Investing activities:					
Additions to property, plant and mine development		(40.9)	(10.9)		(51.8)
Proceeds from sale of short-term investments			406.7		406.7
Net cash effect of acquisitions			(18.3)		(18.3)
Investments in affiliates and other	11.3	(24.7)	0.3	(11.4)	(24.5)
Net cash provided by (used in) investing activities	11.3	(65.6)	377.8	(11.4)	312.1
Financing activities:					
Net borrowings (repayments)		(23.7)	(1.1)		(24.8)
Dividends paid on common and preferred stock	(13.8)				(13.8)
Proceeds from stock issuance and other	13.8	183.3	(181.3)		15.8
Net cash provided by (used in) financing activities		159.6	(182.4)		(22.8)
Effect of exchange rate changes on cash			4.9		4.9
Net change in cash and cash equivalents		144.1	219.0	(0.9)	362.2
Cash and cash equivalents at beginning of period		149.4			149.4
Cash and cash equivalents at end of period	$	$ 293.5	$ 219.0	$ (0.9)	$ 511.6

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(20) SUBSEQUENT EVENTS

Australian Magnesium Corporation

On April 17, 2003, Australian Magnesium Corporation (AMC) announced that it was unlikely that it would reach agreement with its independent engineering firm for a fixed price contract for the development of the Stanwell Magnesium Project (the Project). The Project, which is AMC s primary asset, is 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.

The existing funding arrangements for the Project amount to approximately A$1.5 billion (approximately $870 million), including contingencies and cost overrun reserves. Preliminary indications by AMC are that the project may now require A$150 million to A$200 million (approximately $87 million to $116 million) of funds in addition to the existing funding arrangements and potentially some form of third-party project financing support. AMC is currently reviewing various options for funding and developing the Project and has engaged another engineering firm to conduct a detailed cost and schedule analysis by June 2003.

At December 31, 2002, Newmont had a 22.8% equity and voting interest in AMC and a loan receivable from AMC in the amount of A$37 million (approximately $22.5 million). In addition, Newmont had an obligation to contribute to AMC A$100 million in equity by January 31, 2003 and a Newmont subsidiary had provided to AMC an A$90 million contingent equity commitment in the event that the Project does not achieve certain specified production and operating criteria by December 2006. On January 3, 2003, Newmont purchased an additional 167 million shares at A$0.60 per share for a total of A$100 million (approximately $56.2 million) increasing its ownership to 40.9%. However, due to additional equity contributions by other shareholders on January 31, 2003, Newmont s interest was decreased to 27.8%. In support of the project financing effort, Newmont restructured the A$90 million contingent equity commitment during the first quarter into an A$75 million (approximately $45 million) contingent convertible debt and equity facility that would be available to fund certain project cost overruns. At March 31, 2003, the Company s investment in AMC, exclusive of the loan receivable, was $73.3 million.

Newmont has also guaranteed a $30 million obligation payable by AMC to Ford Motor Company (Ford) in the event the Project does not meet certain specified production and operating criteria by November 2005. AMC has indemnified Newmont for this obligation, but this indemnity is unsecured.

Following the April 17, 2003 announcement, AMC s share price has declined substantially and was A$0.24 per share on May 8, 2003. As a result, Newmont wrote down the carrying value of its investment at March 31, 2003 to the quoted market price of the AMC shares at that date of $A0.43 per share and recorded an other than temporary decline in market value of $11 million. At current prices, Newmont would expect to record an additional write down in the second quarter of approximately $30 million. Recovery of Newmont s remaining investment in AMC, collection of its loan receivable from AMC, and the Project s satisfaction of the obligation to Ford are largely dependent on AMC s ability to obtain the necessary funding to satisfactorily complete the Project.

Newmont is also the guarantor of an A$71 million (approximately $43 million) amortizing loan facility of AMC s subsidiary, QMC Finance Pty Ltd (QMC), of which A$69.8 million (approximately $42 million) was outstanding as of March 31, 2003. The QMC loan facility, which is secured by the assets of Queensland Magnesia Pty Ltd, expires in November 2006.

QMC is also a party to hedging contracts, which have been guaranteed by Newmont. The contracts include a series of foreign exchange forward contracts and bought put options, the last of which expire in June 2006. As of March 31, 2003, the fair value of these contracts was a negative A$3.8 million (approximately $2.4 million).

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The guarantees under the QMC loan facility and hedging contracts could be called in the event of a default by QMC. Newmont s liability under QMC loan facility guarantee is limited to the total amount of outstanding borrowings under the facility at the time the guarantee is called. Newmont s maximum potential liability under its guarantee of the QMC hedging contracts, however, would depend on the market value of the hedging contracts at the time the guarantee is exercised. The principal lender and counterparty under the QMC loan and hedging facilities also has a fixed and floating charge over certain assets of AMC. In the event the guarantees are called, Newmont would have a right of subrogation to the lender under Australian law.

Newmont NFM Limited Scheme of Arrangement

On April 2, 2003, the shareholders of Normandy NFM Limited (an Australian corporation trading as Newmont NFM on the Australian Stock Exchange or ASX) voted to approve the proposed scheme of arrangement under which Newmont NFM would become a wholly owned subsidiary of Newmont Australia Limited, a wholly owned subsidiary of Newmont Mining Corporation. The Federal Court in Sydney, Australia approved the scheme on April 11, 2003 and the scheme became effective on April 14, 2003 after the orders of the Federal Court were filed with the Australian Securities and Investments Commission. Under the terms of the scheme, Newmont NFM shareholders could receive 4.40 ASX listed Newmont Mining Corporation CHESS Depositary Interests (CDIs), with each CDI equivalent to 0.1 Newmont Mining Corporation common shares. As an alternative to receiving Newmont Mining Corporation CDIs, shareholders may sell their Newmont NFM shares back to the company under a concurrent buy-back offer of A$16.50 per Newmont NFM share. On April 29, 2003, Newmont Mining Corporation issued 4,437,506 common shares to the CHESS Depository Nominees Pty Ltd., and in turn, 44,375,060 CDIs were issued to former NFM shareholders. The market value of the issued Newmont Mining Corporation shares was approximately $105 million, based on the average quoted value of the shares of $23.58 two days before and after November 28, 2002, the date the terms of the transaction were agreed upon and announced. The market value of the issued shares, together with the cash consideration of approximately $10 million paid to those shareholders who elected to accept the buy-back offer, gave rise to a total purchase price of approximately $115 million. The Company is in the process of quantifying the direct costs of the transaction, which will also be treated as part of the purchase price. The transaction will be accounted for as a purchase of minority interest in accordance with SFAS No. 141 Business Combinations in the second quarter of 2003. Newmont NFM was delisted from the ASX in April 2003.

Hedge Book Settlements

In line with the Company s no-hedging philosophy, the combined Newmont and Normandy hedge books were reduced by 1,053,203 commited ounces and by 116,713 uncommitted ounces from April 1, 2003 through May 2, 2003. The total ounce reduction included scheduled deliveries of 91,633 ounces and the buy-back of 1,078,283 ounces at a cost of $21.0 million. As of May 2, 2003, the Normandy hedge books were reduced to 2,641,469 million committed ounces of gold.

(21) SUPPLEMENTARY DATA

Ratio of Earnings to Fixed Charges

The ratio of earnings to fixed charges for the three-month period ended March 31, 2003 was 8.7. For the three-month period ended March 31, 2002, the ratio of earnings to fixed charges was less than 1:1 as earnings were inadequate to cover fixed charges by a deficiency of $1.8 million. 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

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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.

(22) RESTATEMENT OF STATEMENTS OF CONSOLIDATED CASH FLOWS

The Statements of Consolidated Cash Flows for the three-month periods ended March 31, 2003 and 2002 have been restated. The Company has determined that it had incorrectly classified the impact of foreign currency exchange rate changes among *Net cash provided by operating activities* and *Effect of exchange rate changes on cash* in the Statements of Consolidated Cash Flows and, therefore, a restatement is required to classify the impact of foreign currency exchange rate changes to the proper line items. In addition, for the three-month period ended March 31, 2003, the Company corrected certain misclassifications between *Net cash provided by operating activities* and *Net cash provided by investing activities*.

The following Condensed Statements of Consolidated Cash Flows for the three-month periods ended March 31, 2003 and 2002 set forth the effects of these restatements:

	Three Months Ended March 31, 2003		
	As Previously Reported	Adjustments	As Restated
		(in thousands)	
Net cash provided by operating activities	$ 135,996	$ 2,815	$ 138,811
Net cash provided by investing activities	31,374	(1,410)	29,964
Net cash used in financing activities	(197,942)		(197,942)
Effect of exchange rate changes on cash	9,205	(1,405)	7,800
Net change in cash and cash equivalents	(21,367)		(21,367)
Cash and cash equivalents at the beginning of period	401,683		401,683
Cash and cash equivalents at the end of period	$ 380,316	$	$ 380,316

	Three Months Ended March 31, 2002		
	As Previously Reported	Adjustments	As Restated
		(in thousands)	
Net cash provided by operating activities	$ 71,155	$ (3,200)	$ 67,955
Net cash provided by investing activities	312,107		312,107
Net cash used in financing activities	(22,866)		(22,866)
Effect of exchange rate changes on cash	1,731	3,200	4,931

Net change in cash and cash equivalents	362,127		362,127
Cash and cash equivalents at the beginning of period	149,431		149,431
Cash and cash equivalents at the end of period	$ 511,558	$	$ 511,558

41

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 or the Company). The discussion should be read in conjunction with the Consolidated Financial Statements and Management s Discussion and Analysis included in Newmont s Annual Report on Form 10-K/A for the year ended December 31, 2002. References to A$ refer to Australian currency, CDN$ to Canadian currency, and US$ or $ to United States currency.

Restatements

As further described in Note 22 to the Consolidated Financial Statements, Newmont has determined that certain adjustments are required to restate the Statements of Consolidated Cash Flows for the three-month periods ended March 31, 2003 and 2002. The Company has determined that it incorrectly classified the impact of foreign currency exchange rate changes among *Net cash provided by operating activities* and *Effect of exchange rate changes on cash* in the Statements of Consolidated Cash Flows and, therefore, a restatement is required to classify the impact of foreign currency exchange rate changes to the proper line items. In addition, for the three-month period ended March 31, 2003, the Company corrected certain misclassifications between *Net cash provided by operating activities* and *Net cash provided by investing activities*.

In total, the restatements increased *Net cash provided by operating activities* by $2.8 million, decreased *Net cash provided by investing activities* by $1.4 million and decreased *Effect of exchange rate changes on cash* by $1.4 million for the three-month period ended March 31, 2003. The restatements decreased *Net cash provided by operating activities* by $3.2 million and increased *Effect of exchange rate changes on cash* by $3.2 million for the three-month period ended March 31, 2002. The restatements had no effect on the Statements of Consolidated Operations and Comprehensive Income or the Consolidated Balance Sheets at or for the three-month periods ended March 31, 2003 and 2002.

Accounting Changes

Depreciation, depletion and amortization

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, 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. The cumulative effect of this change in accounting principle through December 31, 2001 increased net income during the three months ended March 31, 2002 by $7.7 million, net of tax of $4.1 million, and increased net income per share by $0.03.

Reclamation

In August 2001, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 143, Accounting for Asset Retirement Obligations, which established uniform methodology for accounting for estimated reclamation and abandonment costs. Newmont adopted the statement on January 1, 2003 when the Company recorded the estimated fair value of reclamation liabilities (asset retirement obligation or ARO) and increased 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. The cumulative effect of this change in accounting principle decreased net income during the quarter ended March 31, 2003 by $34.5 million, net of tax of $6.9 million, and decreased net income per share by $0.09.

On a pro forma basis, the liabilities for asset retirement obligations would have been $420.0 million and $422.9 million at January 1, 2002 and December 31, 2002, respectively, if SFAS No. 143 had been applied at the beginning of 2002.

The table below presents the impact of the accounting change for the three-month period ended March 31, 2003 and the pro forma effect for the three-month period ended March 31, 2002 as if the change had been in effect for that period (unaudited, in thousands, except per share data):

	Three months ended	
Increase/(decrease) to net income	**March 31, 2003**	**March 31, 2002 (Pro forma)**
Costs applicable to sales (exclusive of depreciation, depletion and amortization shown separately below)		
Gold	$ 5,302	$ 153
Base metals	90	
Depreciation, depletion, and amortization	(3,413)	(3,307)
Income tax (expense) benefit	(693)	1,104
Minority interest	(958)	627
Equity loss of affiliate	(480)	(340)
Net income (loss) before cumulative effect of a change in accounting principle	$ (152)	$ (1,763)
Net income (loss) before cumulative effect of a change in accounting principle per common share, basic and diluted	$ 0.00	$ (0.01)

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 period ended March 31, 2002 as if the Company had adopted the SFAS No. 143 as of January 1, 2002 (unaudited, in thousands, except for per share data):

	Three months ended March 31, 2002	
	Net loss applicable to common shares before cumulative effect of a change in accounting principle	**Net loss per share before cumulative effect of a change in accounting principle, basic and diluted**
As reported	$ (16,368)	$ (0.06)
Change in accounting method SFAS No. 143	(1,763)	(0.01)

Pro forma	$ (18,131)	$ (0.07)

Acquisitions of Normandy Mining Limited and Franco-Nevada Mining Corporation Limited

On February 16, 2002, pursuant to a Canadian Plan of Arrangement, Newmont acquired 100% of Franco-Nevada Mining Corporation Limited (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 Mining Limited (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 $4.3 billion, composed of 197.0 million Newmont shares (or share equivalents), $461.7 million in cash and approximately $90.3 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 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 has 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 $3.0 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. In conjunction with the preparation of the Consolidated Financial Statements for 2002, the Company finalized the purchase price allocation for the Normandy and Franco-Nevada acquisitions. The final purchase price allocation resulted in an increase in goodwill from approximately $2.6 billion to approximately $3.0 billion.

Summary

Newmont recognized net income applicable to common shares of $117.3 million ($0.29 per share) in the first quarter of 2003 compared with a net loss of $8.7 million ($0.03 per share) in the first quarter of 2002. The first quarter of 2003 included, net of tax, $42.2 million ($0.10 per share) for non-cash gains on derivative instruments, $68.0 million gain ($0.17 per share) for the exchange of Echo Bay Mines Ltd. (Echo Bay) shares for shares of Kinross Gold Corporation (Kinross), $14.9 million ($0.04 per share) gain on the translation of intercompany loans with Canadian subsidiaries, a write-down of the investment in Australian Magnesium Corporation of $11.0 million ($0.03 per share) for an other-than-temporary decline in value, $13.0 million ($0.03 per share) loss on extinguishment of debt and a $34.5 million loss ($0.09 per share) for the cumulative effect of a change in accounting principle associated with the January 1