NEWMONT MINING CORP /DE/
Form 10-Q/A
April 11, 2003

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 10-Q/A

(Amendment No. 1)

(Mark One)

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

FOR THE QUARTERLY PERIOD ENDED September 30, 2002

or

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

For the transition period from____________ to____________

Commission File Number: 001-31240

NEWMONT MINING CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**84-1611629**
(State or other jurisdiction incorporation or organization)	**(I.R.S. Employer Identification No.)**
1700 Lincoln Street, Denver, Colorado	**80203**
(Address of principal executive offices)	**(Zip Code)**

303-863-7414

(Registrant s telephone number, including area code)

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

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). x Yes ¨ No

There were 352,366,303 shares of common stock outstanding on November 11, 2002 (and 49,337,593 exchangeable shares).

Explanatory Note

This Amendment No. 1 on Form 10-Q/A (this Amendment) amends the Quarterly Report on Form 10-Q for the quarter ended September 30, 2002, filed November 14, 2002. The Company has filed this Amendment to give effect to the restatement of the Company s financial statements as of and for the nine months ended September 30, 2002 and 2001 as discussed in Note 18 to the Consolidated Financial Statements. As further discussed in Note 18, Newmont had determined that certain adjustments are required to the Consolidated Financial Statements for the three-month periods and nine-month periods ended September 30, 2002 and 2001 and at September 30, 2002. The Company is making adjustments relating to (1) the accounting for a prepaid forward gold sales contract and forward gold purchase contract entered into in July 1999, (2) correcting depreciation rates on certain mining assets at the Company s subsidiary, Minera Yanacocha, (3) depreciation and deferred stripping calculations to exclude material other than proven and probable reserves at the Company s equity accounted Batu Hijau operation, (4) including depreciation, depletion and amortization expense (DD&A) as a capitalized cost in inventory and (5) properly amortizing acquired mineral interests. The adjustments reflected in this filing are described in more detail in Note 18 to this filing. Supplementally effective January 1, 2002, the Company has changed its accounting policy with respect to depreciation, depletion and amortization to exclude future estimated development costs expected to be incurred for certain underground operations. Although we have revised this Amendment to give effect to the adjustments described above and in Note 18, other information contained herein has not been updated. Therefore, you should read this Amendment together with our Annual Report on Form 10-K for the fiscal year ended December 31, 2002, our Amended Annual Report on Form 10-K/A for the fiscal year ended December 31, 2001 and our Amended Quarterly Reports on Form 10-Q/A for the quarters ended March 31 and June 30, 2002, as amended to the date hereof or as subsequently amended, as well as the other documents that we have filed with the Securities and Exchange Commission. Information in such reports and documents updates and supersedes certain information contained in this Amendment.

PART I FINANCIAL INFORMATION

ITEM 1. Financial Statements

NEWMONT MINING CORPORATION

STATEMENTS OF CONSOLIDATED OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

Unaudited. As restated. See Note 18.

	Three Months Ended September 30,	
	2002	**2001**
	(in thousands, except per share)	
Sales and other income		
Sales gold	$ 697,829	$ 424,397
Sales base metals, net	14,339	
Royalties	7,900	268
Dividends, interest, foreign currency exchange and other income (loss)	8,278	(3,559)
	728,346	421,106
Costs and expenses		
Costs applicable to sales gold	410,206	282,452
Costs applicable to sales base metals	10,450	
Depreciation, depletion and amortization	133,649	65,342
Exploration and research	25,356	12,843
General and administrative	29,742	13,677
Interest, net of capitalized interest of $1,618 and $2,881, respectively	33,082	24,643
Write-down of assets	21,994	2,842
Other	7,108	2,953
	671,587	404,752
Operating income	56,759	16,354
Gain (loss) on derivative instruments	(11,191)	943
Pre-tax income before minority interest and equity income of affiliates	45,568	17,297
Income tax (expense) benefit	(10,756)	8,226
Minority interest in income of subsidiaries	(32,495)	(21,230)
Equity income of affiliates	18,443	9,679
Net income	20,760	13,972
Preferred stock dividends		(1,870)

Net income applicable to common shares	$ 20,760	$ 12,102
Net income	$ 20,760	$ 13,972
Other comprehensive income (loss), net of tax	(75,443)	6,789
Comprehensive income (loss)	$ (54,683)	$ 20,761
Net income per common share, basic and diluted	$ 0.05	$ 0.06
Basic weighted average common shares outstanding	401,422	195,880
Diluted weighted average common shares outstanding	402,960	196,068
Cash dividends declared per common share	$ 0.03	$ 0.03

See Notes to Consolidated Financial Statements

NEWMONT MINING CORPORATION

STATEMENTS OF CONSOLIDATED OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

Unaudited. As restated. See Note 18.

	Nine Months Ended September 30,	
	2002	**2001**
	(in thousands, except per share)	
Sales and other income		
Sales gold	$ 1,789,579	$ 1,215,795
Sales base metals, net	46,644	
Royalties	22,902	447
Gain on sale of marketable securities of Lihir	47,298	
Dividends, interest, foreign currency exchange and other income	23,536	3,140
	1,929,959	1,219,382
Costs and expenses		
Costs applicable to sales gold	1,106,616	808,997
Costs applicable to sales base metals	29,572	
Depreciation, depletion and amortization	359,437	222,015
Exploration and research	55,711	43,463
General and administrative	78,709	44,552
Interest, net of capitalized interest of $3,912 and $9,523, respectively	99,320	71,357
Write-down of assets	37,891	9,986
Merger and restructuring		60,510
Other	6,187	8,203
	1,773,443	1,269,083
Operating income (loss)	156,516	(49,701)
Gain (loss) on derivative instruments	(14,338)	1,797
Pre-tax income (loss) before minority interest, equity income of affiliates and cumulative effect of a change in accounting principle	142,178	(47,904)
Income tax (expense) benefit	(41,765)	12,181
Minority interest in income of subsidiaries	(62,329)	(44,646)
Equity income of affiliates	37,167	13,448
Net income (loss) before cumulative effect of a change in accounting principle	75,251	(66,921)
Cumulative effect of a change in accounting principle, net of tax of $4,147 (Note 12)	7,701	
Net income (loss)	82,952	(66,921)
Preferred stock dividends	(3,738)	(5,607)
Net income (loss) applicable to common shares	$ 79,214	$ (72,528)
Net income (loss)	$ 82,952	$ (66,921)

Other comprehensive income (loss), net of tax	(17,737)	12,088
Comprehensive income (loss)	$ 65,215	$ (54,833)
Net income (loss) before cumulative effect of a change in accounting principle per common share, basic and diluted	$ 0.20	$ (0.37)
Cumulative effect of a change in accounting principle per common share, basic and diluted	0.02	
Net income (loss) per common share, basic and diluted	$ 0.22	$ (0.37)
Basic weighted average common shares outstanding	360,577	194,720
Diluted weighted average common shares outstanding	362,023	194,720
Cash dividends declared per common share	$ 0.09	$ 0.09

See Notes to Consolidated Financial Statements

NEWMONT MINING CORPORATION

CONSOLIDATED BALANCE SHEETS

	September 30, 2002	December 31, 2001
	(unaudited) As restated. See Note 18.	
	(in thousands)	
ASSETS		
Cash and cash equivalents	$ 292,148	$ 149,431
Short-term investments	15,418	8,185
Accounts receivable	39,041	19,088
Inventories	569,234	452,114
Marketable securities of Lihir		66,918
Current portion of deferred stripping costs	44,013	71,486
Prepaid taxes	36,874	29,229
Current portion of deferred income tax assets	28,700	7,792
Other current assets	113,555	42,780
Current assets	1,138,983	847,023
Property, plant and mine development, net	2,337,493	1,930,249
Mineral interests and other intangibles, net	1,847,247	176,998
Investments	1,012,976	543,324
Deferred stripping costs	18,859	20,145
Long-term inventories	141,334	117,692
Derivative instruments	3,889	
Deferred income tax assets	504,824	403,447
Other long-term assets	173,426	102,810
Goodwill	2,568,935	
Total assets	$ 9,747,966	$ 4,141,688
LIABILITIES		
Current portion of long-term debt	$ 100,931	$ 192,151
Accounts payable	124,896	80,884
Current portion of deferred income tax liabilities	39,144	32,919
Derivative instruments	65,034	
Other accrued liabilities	325,799	214,065
Current liabilities	655,804	520,019
Long-term debt	1,725,428	1,234,718
Reclamation and remediation liabilities	260,287	176,934
Deferred revenue from sale of future production	53,841	53,841
Derivative instruments	391,748	
Deferred income tax liabilities	549,247	140,800
Employee related benefits	167,382	159,542
Other long-term liabilities	197,299	93,220
Total liabilities	4,001,036	2,379,074
Commitments and contingencies (Notes 8, 9 and 16)		
Minority interest in subsidiaries	349,090	262,848

STOCKHOLDERS EQUITY		
Convertible preferred stock		11,500
Common stock	559,734	313,881
Additional paid-in capital	5,060,613	1,458,369
Accumulated other comprehensive loss	(27,185)	(9,448)
Retained deficit	(195,322)	(274,536)
Total stockholders equity	5,397,840	1,499,766
Total liabilities and stockholders equity	$ 9,747,966	$ 4,141,688

See Notes to Consolidated Financial Statements

NEWMONT MINING CORPORATION

STATEMENTS OF CONSOLIDATED CASH FLOWS

Unaudited. As restated. See Note 18.

	Nine Months Ended September 30, 2002	Nine Months Ended September 30, 2001
	(in thousands)	
Operating activities:		
Net income (loss)	$ 82,952	$ (66,921)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation, depletion and amortization	359,437	222,015
Amortization of deferred stripping costs, net	28,759	19,389
Deferred tax benefit	(26,685)	(40,797)
Foreign currency exchange (gain) loss	(9,990)	5,283
Write-down of assets	37,891	9,986
Minority interest, net of dividends	58,329	39,447
Undistributed earnings of affiliated companies	(27,542)	(13,448)
Cumulative effects of changes in accounting principles, net of tax	(7,701)	
Gain on sale of marketable securities of Lihir	(47,298)	
Noncash merger and restructuring expenses		14,667
Gain on sale of assets and other	(5,915)	(7,592)
(Increase) decrease in operating assets:		
Accounts receivable	17,765	(2,502)
Inventories	(11,926)	49,402
Other assets	49,013	21,785
Increase (decrease) in operating liabilities:		
Accounts payable and other accrued liabilities	(25,474)	(41,216)
Other liabilities	(26,471)	13,531
Net cash provided by operating activities	445,144	223,029
Investing activities:		
Additions to property, plant and mine development	(238,171)	(318,067)
Proceeds from sale of short-term investments	407,443	
Proceeds from sale of marketable securities of Lihir	84,002	
Proceeds from settlement of cross currency swaps	50,816	
Net cash effect of acquisitions	(88,114)	
Repayments from (advances to) joint ventures and affiliates	(24,750)	8,780
Proceeds from asset sales and other	18,459	2,073
Net cash provided by (used in) investing activities	209,685	(307,214)
Financing activities:		
Repayment of short-term debt		(10,000)
Proceeds from long-term debt	493,371	1,013,550
Repayment of long-term debt	(1,026,858)	(931,196)
Dividends paid on common and preferred stock	(37,931)	(23,219)

Decrease in restricted cash		40,000
Proceeds from stock issuances	67,964	5,366
Other	(4)	479
Net cash provided by (used in) financing activities	(503,458)	94,980
Effect of exchange rate changes on cash	(8,654)	2,163
Net change in cash and cash equivalents	142,717	12,958
Cash and cash equivalents at beginning of period	149,431	77,558
Cash and cash equivalents at end of period	$ 292,148	$ 90,516
Supplemental information:		
Interest paid, net of amounts capitalized of $3,912 and $9,523, respectively	$ 95,624	$ 65,389
Income taxes paid, net of refunds	$ 65,920	$ 56,379

See Notes to Consolidated Financial Statements

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

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

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

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

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

Restatements

As further discussed in Note 18, Newmont has determined that certain adjustments are required to restate the Consolidated Financial Statements for the three-month and nine-month periods ended September 30, 2002 and 2001 and at September 30, 2002. Overall the adjustments decreased net income in the third quarters of 2002 and 2001 by $3.3 million or $0.01 per share and $9.4 million or $0.05 per share, respectively, and decreased the net income for the nine months ended September 30, 2002 by $7.6 million or $0.02 per share and increased the net loss for the nine months ended September 30, 2001 by $21.5 million, or $0.11 per share. The adjustments also increased the Stockholders equity of the Company at September 30, 2002 by $22.7 million. The adjustments were necessary (i) to account for a prepaid forward sales contract and a forward purchase contract as a single borrowing; (ii) to correct depreciation rates on certain mining assets at the Company s subsidiary, Minera Yanacocha; (iii) to record the impact in the Company s investment in Batu Hijau, accounted for under the equity method, for correcting its depreciation and deferred stripping calculations so as to exclude material other than proven and probable reserves; (iv) to include depreciation, depletion and amortization expense as a capitalized cost in inventory; and (v) to properly amortize acquired mineral interests. See Note 18 for a detailed description of the effects of this restatement. All amounts in the accompanying footnotes have been adjusted for these restatements as appropriate.

Newmont has restated the Financial Statements contained in its previously filed Amendment No. 1 to the March 31, 2002 Form 10-Q/A, the June 30, 2002 Form 10-Q and the December 31, 2001 Form 10-K to reflect the restatement adjustments discussed in Note 18.

Inventories

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

The major classifications of inventory are as follows:

Stockpiles

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

Ore on Leach Pads

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

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

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

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

In-process

In-process inventories represent materials that are currently in the process of being converted to a saleable product. Conversion processes vary depending on the nature of the ore and the specific mining operation, but include mill in-circuit, leach in-circuit, flotation and column cells, and carbon in-pulp inventories. In-process material is measured based on assays of the material fed to process and the projected recoveries of the respective plants. In-process inventories are valued at the average cost of the material fed to process attributable to the source material coming from the mine, stockpile or leach pad plus the in-process conversion costs, including applicable depreciation relating to the process facility, incurred to that point in the process.

Precious Metals

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

Deferred Stripping Costs

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

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

At the Company s equity accounted Batu Hijau operation, deferred stripping costs are charged to *Production costs* as copper and gold are produced and sold using the UOP method based on estimated recoverable pounds and ounces, respectively, of proven and probable ore reserves, using a stripping ratio based on total tons to be moved to total pounds of copper and ounces of gold to be recovered over the life of the mine. In the fourth quarter of 2002, NTP determined that PTNNT had incorrectly included material other than proven and probable reserves in its deferred stripping calculations. As a result, NTP has restated its financial statements beginning with the fourth quarter of 1999 through the third quarter of 2002. (See Note 18.)

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

Historically, Newmont classified deferred stripping costs as a component of *Property, Plant and Mine Development* on the *Consolidated Balance Sheets*. Effective January 1, 1999, Newmont has classified these costs as separate line items, *Deferred stripping costs* and *Current portion of deferred stripping costs*, on the *Consolidated Balance Sheets.* Total deferred stripping costs as of September 30, 2002 and December 31, 2001 of $62.9 million and $91.6 million, include current portions of $44.0 million and $71.5 million, respectively. In addition, Newmont has historically classified additions to deferred stripping costs as a component of *Additions to property, plant and mine development* in *Investing activities* in the *Statements of Consolidated Cash Flows*. Effective January 1, 1999, Newmont also has classified additions to deferred stripping costs as a component of *Amortization of deferred stripping costs, net* in *Operating activities* in the *Statements of Consolidated Cash Flows*. Additions to deferred stripping costs for the nine-month periods ended September 30, 2002 and 2001 of $13.5 million and $11.3 million, respectively, have been reclassified to conform to the current presentation. The foregoing changes, which have no impact to reported earnings, have been made to more accurately reflect the operating nature of the deferred stripping method.

Property, Plant and Mine Development

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

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

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

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

During the third quarter of 2002, Newmont changed its accounting policy, retroactive to January 1, 2002, with respect to DD&A of Property, Plant and Mine Development to exclude future estimated development costs expected to be incurred for certain underground operations. Previously, the Company had included these costs and associated reserves in its DD&A calculations at certain of its underground mining operations. In addition, the Company further revised its policy such that costs incurred to access specific ore blocks or areas that only provide benefit over the life of that area are depreciated, depleted or amortized over the reserves associated with

the specific ore area. These changes were made to better match DD&A with the associated ounces of gold sold and to remove the inherent uncertainty in estimating future development costs in arriving at DD&A rates. See discussion of accounting changes in Note 12.

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

Mineral Interests and Other Intangible Assets

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

Mineral Interests

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

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

Royalty Interests

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

Residual Values

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

Expected Useful Lives

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

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

The Company evaluates the residual value and the associated remaining amortization period on a property-by-property basis at least annually. Any changes in estimates of useful lives and residual values are accounted for prospectively from the date of the change in accordance with Accounting Principles Board (APB) Opinion No. 20 Accounting Changes. See Note 5 for additional disclosures associated with *Mineral interests and other intangible assets, net.*

Accounting for Merchant Banking Activities

Newmont accounts for its merchant banking activities on a historical cost basis in a separate wholly-owned subsidiary, which is included in the consolidated financial statements. Merchant banking activities include the development of value optimization strategies for operating and non operating assets, managing the equity investment portfolio, business development activities related to potential merger and acquisition analysis and negotiations, managing and building the royalty business, mobilizing and monetizing inactive exploration properties, capitalizing on Newmont s proprietary technology know-how and acting as an internal resource for other corporate divisions to improve and maximize business outcomes. For segment reporting purposes, the merchant banking business is considered to be a separate operating segment because it engages in activities from which it earns revenues and incurs expenses and its operating results are regularly and separately reviewed by the Chief Operating Decision Maker.

Reclassifications

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

Foreign Currency Translation

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

(2) Acquisitions of Normandy and Franco-Nevada

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

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

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

The purchase price for these acquisitions totaled $4.4 billion, composed of 197.4 million Newmont shares (or share equivalents), $462.1 million in cash and approximately $90 million of direct costs. The value of Newmont shares (or share equivalents) was $19.01 per share based on the average market price of the shares over the two-day period before and after January 2, 2002, the last trading day before the final and revised terms for the Normandy and Franco-Nevada acquisitions were announced.

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

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

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

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

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

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

Residual purchase price allocated to goodwill	$	1,168.5

The purchase price allocations for Normandy and Franco-Nevada are preliminary and were finalized following the completion of an independent appraisal at the end of 2002 (see Note 21). The final purchase price allocations differed from the preliminary allocation presented above, particularly with respect to the amounts allocated to acquired property, plant and mine development, mineral reserves, undeveloped mineral interests, exploration properties, equity investments in mining operations, intangibles and goodwill. The final purchase price allocation may result in increases in future depreciation, depletion and amortization charges. The Company does not currently anticipate this goodwill will be deductible for tax purposes.

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

	Nine months ended	
	September 30, 2002	**September 30, 2001**
	(unaudited)	
Sales and other income (1)	$ 2,085.3	$ 1,931.4
Net loss applicable to common shares before cumulative effect of a change in accounting principle (1)	$ (67.4)	$ (152.8)
Net loss applicable to common shares (1)	$ (59.7)	$ (152.8)
Basic and diluted loss per common share before cumulative effect of a change in accounting principle (1)	$ (0.17)	$ (0.39)
Basic and diluted loss per common share (1)	$ (0.15)	$ (0.39)
Basic and diluted weighted average common shares outstanding	396.5	392.0

(1) As restated. See Note 18.

On a pro forma basis during the first nine months of 2002 and 2001, the net loss reflects mark-to-market losses on derivative instruments totaling $174.7 million and $132.3 million, respectively, net of tax. The above pro forma amounts do not include the application of hedge accounting prior to the acquisition to significant portions of acquired derivative instruments as hedge accounting documentation was not in place during these periods. The net loss for the first nine months of 2001 includes $43.7 million of expenses, net of tax, associated with Newmont s merger with Battle Mountain Gold Company (Battle Mountain). The pro forma information is not indicative of the results of operations that would have occurred had the acquisitions been consummated on January 1, 2001 and 2002, respectively. The information is not indicative of the combined Company s future results of operations.

The allocation of goodwill to reporting units is preliminary and was finalized by the end of 2002 (see Note 21); therefore, the final allocation differed from the preliminary allocation below (see Note 21). Changes in the carrying amount of goodwill by reporting unit during the first nine months of 2002 are summarized in the following table (in millions, and unaudited):

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

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

	Base Metals	Exploration	Merchant Banking	Corporate and Other	Consolidated
Balance at January 1, 2002	$	$	$	$	$
Preliminary purchase price allocation	159.0		1,130.3		2,506.9
Impairment losses					
Gain (loss) on disposal of separate reporting units					

Balance at March 31, 2002	$ 159.0	$	$ 1,130.3	$	$ 2,506.9
Preliminary purchase price allocation for compulsory acquisition of Normandy	7.9				62.0
Impairment losses					
Gain (loss) on disposal of separate reporting units					
Balance at June 30, 2002	$ 166.9	$	$ 1,130.3	$	$ 2,568.9
Balance at September 30, 2002	$ 166.9	$	$ 1,130.3	$	$ 2,568.9

(3) Inventories

	At September 30, 2002	At December 31, 2001
	(unaudited)	(in thousands)
Current:		
Stockpiles	$ 84,551	$ 168,501
Ore on leach pad	223,328	147,656
In-process	102,711	32,297
Precious metals	51,422	10,179
Materials and supplies	107,112	92,556
Other	110	925
	$ 569,234	$ 452,114
Long-term:		
Stockpiles	$ 81,374	$ 18,464
Ore on leach pad	59,960	99,228
	$ 141,334	$ 117,692

(4) Property, Plant and Mine Development

	At September 30, 2002			At December 31, 2001		
	Cost	Accumulated Depreciation and Depletion	Net Book Value	Cost	Accumulated Depreciation and Depletion	Net Book Value
			(in thousands)			
Land	$ 96,242	$	$ 96,242	$ 86,388	$	$ 86,388
Buildings and equipment	3,942,031	(2,298,121)	1,643,910	3,491,231	(2,068,149)	1,423,082
Mine development	994,940	(584,903)	410,037	842,409	(519,484)	322,925
Construction-in-progress	187,304		187,304	97,854		97,854
Total	$ 5,220,517	$ (2,883,024)	$ 2,337,493	$ 4,517,882	$ (2,587,633)	$ 1,930,249

(5) Mineral Interests and Other Intangible Assets

	At September 30, 2002			At December 31, 2001		
	Gross Carrying Value	Accumulated Amortization	Net Book Value	Gross Carrying Value	Accumulated Amortization	Net Book Value
			(in thousands)			
Mineral Interests:						
Producing property						
Proven and probable reserves	$ 956,383	$ (285,285)	$ 671,098	$ 365,566	$ (205,716)	$ 159,850
Undeveloped mineral interests	411,564	(2,609)	408,955	17,148		17,148
Royalties	300,778	(11,708)	289,070			
	1,668,725	(299,602)	1,369,123	382,714	(205,716)	176,998
Non-producing property						
Proven and probable reserves	130,214		130,214			
Undeveloped mineral interests	244,904	(3,442)	241,462			
Royalties	12,367	(226)	12,141			
	387,485	(3,668)	383,817			
Total mineral interests	2,056,210	(303,270)	1,752,940	382,714	(205,716)	176,998
Oil and gas:						
Producing property						
Royalties	43,552	(2,960)	40,592			
Working interest	24,022	(762)	23,260			
	67,574	(3,722)	63,852			
Non-producing property						
Royalties	13,008		13,008			
Working interest	4,747		4,747			
	17,755		17,755			
Total oil and gas	83,329	(3,722)	81,607			
Other	12,700		12,700			
Total	$ 2,154,239	$ (306,992)	$ 1,847,247	$ 382,714	$ (205,716)	$ 176,998

The Company s mineral interests and oil and gas interests intangible assets are subject to amortization. The aggregate amortization expense for the three month and nine month periods ended September 30, 2002 was $46.9 million and $101.3 million, respectively.

(6) Deferred Stripping Costs

Movements in the deferred stripping costs balance were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2002	**2001**	**2002**	**2001**
	(in thousands)			
Opening balance	$ 82,728	$ 121,339	$ 91,631	$ 129,041
Additions	5,355	378	13,455	11,307
Amortization	(25,211)	(12,065)	(42,214)	(30,696)
Closing balance	$ 62,872	$ 109,652	$ 62,872	$ 109,652

17

(7) Investments

	At September 30, 2002	At December 31, 2001
	(in thousands)	
	(unaudited)	
Investments in affiliates:		
Batu Hijau (1)	$ 597,011	$ 543,324
TVX Newmont Americas	168,564	
Echo Bay Mines	109,796	
Australian Magnesium Corporation	33,526	
Australian Gold Refinery	11,213	
	920,110	543,324
Other:		
Infrastructure bond	92,866	
	$ 1,012,976	$ 543,324

(1) As restated. See Note 18.

Investments in Affiliated Companies

Batu Hijau

Newmont has an indirect 45% interest in P.T. Newmont Nusa Tenggara (PTNNT), the owner of the Batu Hijau copper/gold mine in Indonesia, through its 56.25% interest in the Nusa Tenggara Partnership (NTP) which owns 80% of PTNNT. The equity investment in Batu Hijau was $597.0 million and $543.3 million at September 30, 2002 and December 31, 2001, respectively, based on accounting principles generally accepted in the U.S. Differences between 56.25% of NTP s net assets and Newmont s investment include (i) $197.8 million for the fair market value adjustment recorded by NTP in conjunction with Newmont s initial contribution, (ii) $30.5 million for intercompany charges, (iii) $110.5 million for the fair market value adjustment recorded by Newmont in conjunction with the purchase of a subsidiary minority interest, and (iv) $139.8 million for contributions recorded by Newmont that were classified as debt by NTP. Certain of these amounts are amortized or depreciated on a unit-of-production basis. (See Note 15 for a description of Newmont s equity income (loss) in Batu Hijau, where the net income (loss) reflects the elimination of interest between PTNNT and NTP).

PTNNT s senior debt $1.0 billion project financing facility was guaranteed by Newmont and its partner until project completion tests were met in October 2000, at which time such debt became non-recourse to Newmont. Scheduled repayments of this debt are in semi-annual installments of $43.4 million through November 2010, and $22.1 million from May 2011 through November 2013.

On May 9, 2002, PTNNT completed a restructuring of its $1.0 billion project financing facility that provides PTNNT the capability to defer up to a total of $173.5 million in principal payments scheduled for 2002 and 2003. Any deferred principal amounts will be repaid between 2004 and

2010. Under this restructuring, PTNNT is not permitted to pay dividends or make other restricted payments to NTP s partners as long as any amount of deferred principal is outstanding. However, there is no restriction on prepaying any of the deferred principal amounts. Amounts outstanding under the project financing facility total $913.3 million at September 30, 2002.

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

In the fourth quarter of 2002, NTP determined that PTNNT had incorrectly included material other than proven and probable reserves in its depreciation and deferred stripping calculations. NTP also determined that PTNNT had incorrectly included third party smelting and refining charges as a component of production costs when such charges are more properly reflected as a reduction of revenue based on the terms of NTP s sales contracts. Furthermore NTP determined that PTNNT had incorrectly excluded DD&A as a capitalized cost in inventory. As result, NTP restated its financial statements from 1999 through September 2002. (See Note 18.)

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

	Three months ended September 30,		Nine months ended September 30,	
	2002	**2001**	**2002**	**2001**
	(unaudited and in thousands)			
Revenues, net of smelter and refining costs (2)	$ 95,922	$ 102,354	$ 261,910	$ 278,885
Revenues from by-product sales credited to production costs	$ 53,836	$ 52,026	$ 113,311	$ 115,100
Net income (loss) before cumulative effect of a change in accounting principle (1)	$ 17,780	$ 5,741	$ 26,531	$ (16,915)
Net income (loss) (1)	$ 17,780	$ 5,741	$ 26,531	$ (16,942)

	At September 30, 2002	At December 31, 2001
	(in thousands)	
	(unaudited)	
Current assets (1)	$ 276,343	$ 162,686
Property, plant and mine development, net (1)	$ 1,680,255	$ 1,737,504
Intangible mineral interests	$ 195,897	$ 202,830
Other assets (1)	$ 284,519	$ 273,737
Debt and related interest to partners and affiliate	$ 258,583	$ 254,891
Other current liabilities (1)	$ 95,775	$ 124,153
Long-term debt-third parties (including current portion)	$ 935,771	$ 935,771
Other liabilities (1)	$ 80,603	$ 163,993

(1) As restated. See Note 18.
(2) As restated to reflect smelting and refining costs as a reduction of revenue.

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

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

Concentrate sales are initially recorded based on 100% of the provisional sales prices. Until final settlement occurs, adjustments to the provisional sales prices are made to take into account metal price changes, based upon the month-end spot price and metal quantities upon receipt of the final assay and weight certificates, if different from the initial certificate. PTNNT previously marked to market its provisional sales based on the month end spot prices. Effective January 1, 2002, PTNNT changed its methodology to mark to market its provisional sales based on the forward price for the estimated month of settlement. This change in methodology did not have a material effect on net income for the nine months ended September 30, 2002. The principal risks associated with recognition of sales on a provisional basis include metal price fluctuations between the date recorded and the date of final settlement. In addition, in the event of a significant decline in metal prices between the provisional pricing date and the final settlement-pricing period, it is reasonably possible that PTNNT would be required to return a portion of the sales proceeds received based on the provisional invoice. For the nine months ended September 30, 2002 and 2001, PTNNT had recorded revenues of $85 million and $71 million, respectively, which were subject to final pricing adjustments. The average price adjustment for copper was 2.8% and (3.9%) for the nine months ended September 30, 2002 and 2001, respectively. The average price adjustment for gold was 1.3% and (0.2%) for the nine months ended September 30, 2002 and 2001, respectively.

PTNNT s sales based on a provisional sales price contain an embedded derivative which is required to be separated from the host contract for accounting purposes. The host contract is the receivable from the sale of the concentrates at the forward LME price at the time of sale. The embedded derivative, which does not qualify for hedge accounting, is marked-to-market through earnings each period prior to final settlement. At September 30, 2002, PTNNT had consolidated embedded copper derivatives on 129 million pounds recorded at an average price of $0.66 per pound. These derivatives are expected to be finally priced during the fourth quarter of 2002. A one- cent movement in the average price used for these derivatives will have an approximate $0.8 million impact on PTNNT s 2002 net income.

Revenue from the sale of by-products, consisting of gold and silver, is credited to production costs applicable to sales in the determination of net income for each period presented. These by-product commodities represented 56% and 51% of sales, net of smelting and refining charges, and reduced production costs by 72% and 70% for the three-month periods ended September 30, 2002 and 2001, respectively, and 43% and 41% of sales, net of smelting and refining charges, and reduced production costs by 58% and 51% for the nine-month periods ended September 30, 2002 and 2001, respectively. Gold and silver revenues are significant to the economics of the Batu Hijau operations. At current copper prices, the Batu Hijau operation would not be profitable without these credits.

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

Consistent with the contracts described above, PTNNT entered into a series of copper hedging transactions that were completed by September 30, 2002.

In 2001, PTNNT purchased A$15 million at an average price of US$0.4971. Those contracts covered 1.5 million Australian dollars each month and were designated a cash flow hedges with the net effect of marking to market the contracts recorded in *Accumulated other comprehensive income*. The outstanding Australian dollar contracts at September 30, 2002 in the amount of US$0.8 million (A$1.5 million) were settled in October 2002.

PTNNT entered into two diesel hedging contracts for 360,000 barrels each at a fixed price of US$27.39 per barrel and US$27.98 per barrel, respectively. Each of these contracts covers purchases of 15,000 barrels monthly and will expire in August and September of 2003, respectively. Each contract is settled monthly. At September 30, 2002, 345,000 barrels are outstanding for these contracts.

TVX Newmont Americas

At September 30, 2002, Newmont has a 49.9% interest in TVX Newmont Americas. The principal assets of TVX Newmont Americas are interests in the following operating gold mines in South America and Canada:

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

On January 31, 2003, Newmont sold its 49.9% interest in TVX Newmont Americas (see Note 21).

Echo Bay Mines Ltd.

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

On January 31, 2003 Newmont exchanged its investment in Echo Bay for an interest in Kinross Gold Corporation (see Note 21).

Australian Magnesium Corporation

Newmont has a 22.8% voting interest in Australian Magnesium Corporation (AMC), which raised equity to support the development of a project involving a proprietary chemical and dehydration process for producing anhydrous magnesium chloride as feed for an electrolytic cell to produce molten magnesium metal and magnesium alloys. Newmont has an obligation to contribute to AMC A$100 million (approximately $54 million) in equity by January 31, 2003. Newmont is guarantor of AMC s subsidiary, QMC Finance Pty. Limited s

21

(QMC), A$71 million (approximately $39 million) corporate facility. Newmont provided an A$90 million (approximately $49 million) contingency equity commitment in the event the project does not achieve certain specified production and operating criteria by December 2006, which commitment is being renegotiated to provide for an A$75 million convertible debt and equity facility. Newmont has also guaranteed a $30 million obligation payable by AMC to Ford Motor Company in the event the project does not meet certain specified production and operating criteria by November 2005.

A series of foreign exchange contracts have been entered into by QMC. All obligations related to these contracts have been guaranteed by Newmont Australia and certain of its wholly-owned subsidiaries. These contracts are designed to convert the receipt of Euro dollars and US$ revenue from the sale of magnesium into A$ cash flows to cover A$ operating costs and the servicing of A$ denominated debt. The contracts include foreign exchange forward contracts and bought put options. As of September 30, 2002, the fair value of the contracts was a negative A$15.4 million (approximately $8.5 million).

On January 3, 2003, Newmont contributed A$100 million to AMC, increasing its ownership percentage. Newmont s ownership percentage was then subsequently decreased (see Note 21).

(8) Long-Term Debt

A summary of Newmont s debt is as follows:

	September 30, 2002	December 31, 2001
	(in thousands)	
	(unaudited)	
Sale-leaseback of refractory ore treatment plant	$ 307,880	$ 318,092
8.375% debentures, net of discount	204,860	200,583
8.625% notes (2002)		150,000
8.625% notes, due April 1, 2011, net of discount	277,961	272,386
6% convertible subordinated debentures	99,980	99,980
Newmont Australia 7.625% notes, net	152,750	
Newmont Australia 7.5% notes, net	101,890	
Newmont Yandal 8.875% notes, net	237,220	
Medium-term notes	32,000	32,000
Newmont Australia infrastructure bonds	96,170	
Prepaid forward sales obligation (1)	145,000	145,000
Project financings, capital leases and other	181,211	208,240
Interest rate swaps	(10,563)	588
	1,826,359	1,426,869
Current maturities	(100,931)	(192,151)
	$ 1,725,428	$ 1,234,718

(1) As restated. See Note 18.

Scheduled minimum long-term debt repayments are $22 million for the remainder of 2002, $79 million in 2003, $166 million in 2004, $494 million in 2005, $95 million in 2006, $71 million in 2007 and $899 million thereafter.

In April 2002, Newmont repaid its $150 million 8.625% notes. In May 2002, Newmont repaid the $170.6 million outstanding under the A$490 million committed revolving multi-option facility, closed it, and increased the Newmont $600 million facility to $750 million, with the addition of a $150 million Australian bank tranche. In 1998, Newmont Australia issued guaranteed $100 million seven year notes at 7.5% interest and $150 million ten year notes at 7.625% interest. Interest is paid semi-annually. At September 30, 2002, Newmont Australia had $48 million of debt outstanding for project financing.

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

In July 1999, Newmont entered into a prepaid forward sales contract (Prepaid Forward) under which it agreed to sell 483,333 ounces of gold to be delivered in June of each of 2005, 2006 and 2007 in annual installments of 161,111 ounces. The Prepaid Forward also included semi-annual delivery requirements of 17,951 ounces of gold, beginning June 2000 through June 2007 for a total delivery obligation over the life of the contract of 752,598 ounces. The Company received net proceeds from this transaction of $137.2 million ($145.0 million of gross proceeds before transaction costs of $653,000 and the purchase of a $7.1 million surety bond) that was recorded as deferred revenue, included in the long-term liabilities section of the balance sheet and was to be recognized into income incrementally when the 161,111 ounce annual gold deliveries were made in 2005, 2006 and 2007. At the time the Company entered into the Prepaid Forward, it also entered into a forward gold purchase contract (Forward Purchase), with the same counterparty, to hedge the price risk with respect to the semi-annual delivery requirements. The Forward Purchase provides for semi-annual purchases of 17,951 ounces of gold on each semi-annual delivery date under the Prepaid Forward at prices increasing from $263 per ounce in 2000 to $354 per ounce in 2007. On each semi-annual delivery date, the ounces purchased under the Forward Purchase were delivered in satisfaction of the Company s delivery requirements under the Prepaid Forward. As discussed in Note 18, Newmont determined that the accounting treatment for this transaction required correction as the contract did not meet the technical criteria necessary to be accounted for in the manner reflected in the historical financial statements. To properly account for the transaction, the Company s long-term debt was increased by $145.0 million as the Prepaid Forward and related Forward Purchase are treated under a financing accounting model and accounted for as a single borrowing of $145 million in July 1999, with interest accruing, based on an effective interest rate recognized over the full term of the borrowing. See Note 18 for a complete description of the accounting for the transaction and resulting restatement.

(9) Sales Contracts, Commodity and Derivative Instruments

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

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

Gold Commodity Contracts

The tables below are expressed in thousands of ounces of gold, and prices for contracts denominated in A$ have been translated to US$ at the exchange rate at September 30, 2002 of US$0.54 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 option valuations include a deferred premium cost which is payable in gold ounces upon expiration of the options.

For the nine months ended September 30, 2002, a net loss of $2.6 million was included in income for the ineffective portion of derivative instruments designated as cash flow hedges and a net loss of $11.7 million for the change in fair value of gold commodity contracts that do not qualify as hedges (included in *Gain (loss) on derivative instruments*). The amount to be reclassified from *Other comprehensive income (loss)* (OCI) to income for derivative instruments during the next 12 months is a debit of approximately $0.4 million. The maximum period over which hedged forecasted transactions are expected to occur is 9.2 years.

Gold Forward Sales Contracts

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

	Expected Maturity Date or Transaction Date							Fair Value
Gold Forward Sales Contracts:	**2002**	**2003**	**2004**	**2005**	**2006**	**Thereafter**	**Total/ Average**	**US$ (000)**
(A$ Denominated)								
Fixed Forwards:								
Ounces	272	1,161	1,060	227	52	26	2,798	$ (137,050)
Average price	$ 313	$ 288	$ 288	$ 282	$ 255	$ 244	$ 289	
Floating Rate Forwards:								
Ounces	7	16		61	231	140	455	$ (30,041)
Average price	$ 333	$ 333	$	$ 319	$ 329	$ 338	$ 331	
Synthetic Forwards:								
Ounces		39	80	80	80	160	439	$ (31,245)
Average price	$	$ 301	$ 293	$ 293	$ 293	$ 293	$ 294	
Total:								
Ounces	279	1,216	1,140	368	363	326	3,692	$ (198,336)
Average Price	$ 313	$ 289	$ 288	$ 291	$ 310	$ 308	$ 295	

Notes: *Fixed forward sales contracts* provide for delivery of a specified number of ounces at a specified price and date and are accounted for as cash flow hedges. *Floating rate forward contracts* provide for a gold lease rate component in the price that takes into account market lease rates over the term of the contract. Gold lease rates reflect the borrowing cost for gold. Floating rate forwards are accounted for as cash flow hedges. *Synthetic forward contracts* represent combinations of purchased put options and written call options at the same strike price, maturity date and number of ounces. The combination achieves the same risk management result as gold forward sales contracts.

Gold Put Option Contracts

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

Put Option Contracts:	2002	2003	2004	2005	2006	Thereafter	Total/ Average	Fair Value US$ (000)
	Expected Maturity Date or Transaction Date							
US$ Denominated Fixed Purchased Puts:								
Ounces	52	209	203	205	100	20	789	$ (4,145)
Average price	$ 292	$ 292	$ 292	$ 292	$ 338	$ 397	$ 301	
A$ Denominated Fixed Purchased Puts:								
Ounces	37	91	88	49			265	$ (3,776)
Average price	$ 292	$ 300	$ 305	$ 296	$	$	$ 300	
A$ Denominated Floating Purchased Puts:								
Ounces	16	16		207	69	287	595	$ (11,439)
Average price	$ 304	$ 304	$	$ 319	$ 329	$ 330	$ 325	
Total:								
Ounces	105	316	291	461	169	307	1,649	$ (19,359)
Average Price	$ 294	$ 295	$ 296	$ 305	$ 334	$ 334	$ 309	

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

Convertible Put Options and Other Instruments

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

Convertible Put Options and Other Instruments:	2002	2003	2004	2005	2006	Thereafter	Total/ Average	Fair Value US$ (000)
	Expected Maturity Date or Transaction Date							
(A$ Denominated)								
Ounces		46	37	82	65	1,304	1,534	$ (129,457)
Average price		$ 298	$ 298	$ 296	$ 293	$355	$ 346	

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

Price-Capped Sales Contracts

In mid-1999, Newmont purchased near-term put option contracts for 2.85 million ounces of gold, with a strike price of $270 per ounce. These contracts expired between August 1999 and December 2000. This purchase was paid for by selling call option contracts for 2.35 million ounces at average strike prices ranging from $350 to $386 per ounce. The initial fair value of the put options of $37.6 million was amortized over the term of the options. The call option contracts, with an initial fair value of $37.6 million, were marked to market at each reporting date. Non-cash gains of $0.9 million $1.8 million were recorded for the third quarter and first nine months of 2001, respectively.

In September 2001, Newmont entered into transactions that closed out these call options. The options were replaced with a series of forward sales contracts requiring physical delivery of the same quantity of gold over slightly extended future periods. Under the terms of the contracts, Newmont will realize the lower of the spot price on the delivery date or the capped price ranging from $350 per ounce in 2005 to $392 per ounce in 2011. The fair value of the forward sales contracts of $53.8 million was recorded as deferred revenue 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 133.

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

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

US$/Gold Swap Contracts

Newmont Australia entered into a US$/gold swap contract whereby principal payments on US$ bonds are swapped into gold-denominated payments of 600,000 ounces in 2008. We also receive US$ fixed interest payments and pay gold lease rates, which are indexed to market rates. This instrument is marked to market at each period end, with the change reflected in income, and at September 30, 2002 had a negative fair value of $66.3 million.

Offsetting Commodity Instruments

In December 2001, Newmont entered into a series of equal and offsetting positions with respect to commodity instruments for certain Battle Mountain operations that were outstanding at that time. These contracts effectively closed out the combination matched put and call options and flat forward contracts. The offsetting put and call option contracts were undesignated as cash flow hedges and were subsequently marked to market in earnings. The original forward sales contracts remained designated as normal sales contracts. The offsetting forward purchase contracts were undesignated as hedges and were marked to market through earnings prospectively. Subsequently, during the second quarter of 2002, the majority of these offsetting positions were contractually terminated and effectively closed out. The close out of the flat forward purchase contracts resulted in a $1.9 million realized gain included in *Gain (loss) on derivative instruments* on the Statements of Consolidated Operations for the nine-month period ended September 30, 2002. The remaining flat forward contracts had offsetting fair values, covered approximately 11,000 ounces and were closed out in the quarter ended September 30, 2002 with no impact to income.

Other Sales Contracts, Commodity and Derivative Instruments

Foreign Currency Contracts

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

Newmont also acquired currency swap contracts to receive A$ and pay US$ designated as hedges of A$-denominated debt. The A$-denominated debt was repaid during the quarter ended June 30, 2002 and the contracts are currently undesignated. The contracts are accounted for on a mark-to-market basis. At September 30, 2002, they had a negative fair value of $28.9 million.

Interest Rate Swap Contracts

In the Normandy transaction, Newmont acquired A$125 million of interest rate swap contracts covering a portion of its US$100 million, 7-year bonds. These contracts were closed out during the quarter ended June 30, 2002 for a net cash out-flow of $1 million. The contracts were accounted for on a mark-to-market basis until closed out.

During the last half of 2001, Newmont entered into contracts to hedge the interest rate risk exposure on a portion of its $275 million 8.625% notes and its $200 million 8.375% debentures. Newmont receives fixed-rate interest payments at 8.625% and 8.375% and pays floating-rate interest amounts based on periodic LIBOR settings plus a spread, ranging from 2.60% to 4.25%. The notional principal amount of these transactions (representing the amount of principal tied to floating interest rate exposure) was $200 million at September 30, 2002. Half of these contracts expire in July 2005 and half expire in May 2011. These transactions resulted in a reduction in interest expense of $1.4 million and $4.2 million for the quarter and the nine-month period ended September 30, 2002, respectively. These transactions have been designated as fair value hedges and had a fair value of $10.6 million and ($0.6) million at September 30, 2002 and December 31, 2001, respectively.

Fuel Hedges

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

(10) Dividends, Interest, Foreign Currency Exchange and Other Income (Loss)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2002	**2001**	**2002**	**2001**
		(unaudited) (in thousands)		
Interest income	$ 2,920	$ 1,469	$ 10,818	$ 3,177
Foreign currency exchange gain (loss)	2,411	(4,496)	2,426	(5,283)
Gain (loss) on sale of properties	(769)	946	5,633	4,727
Other	3,716	(1,478)	4,659	519
Total	$ 8,278	$ (3,559)	$ 23,536	$ 3,140

(11) Merger and Restructuring Expenses

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

(12) Accounting Changes and Recent Accounting Pronouncements

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

During the third quarter of 2002, Newmont changed its accounting policy, retroactive to January 1, 2002, with respect to DD&A of Property, plant and mine development to exclude future estimated development costs

27

expected to be incurred for certain underground operations. Previously, the Company had included these costs and associated reserves in its DD&A calculations at certain of its underground mining operations. In addition, Newmont further revised its policy such that costs incurred to access specific ore blocks or areas that only provide benefit over the life of that area are depreciated, depleted or amortized over the reserves associated with the specific ore area. These changes were made to better match DD&A with the associated ounces of gold sold and to remove the inherent uncertainty in estimating future development costs in arriving at DD&A rates. The cumulative effect of this change through December 31, 2001 increased net income during the nine months ended September 30, 2002 by $7.7 million, net of tax of $4.1 million, and increased earnings per basic and diluted common share by $0.02 per share.

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

	Three months ended		**Nine months ended**	
Increase/(Decrease) to net income	**September 30, 2002 (Actuals)**	**September 30, 2001 (Pro forma)**	**September 30, 2002 (Actuals)**	**September 30, 2001 (Pro forma)**
Depreciation, depletion, and amortization	$ (3,377)	$ 250	$ 629	$ 319
Income tax expense	1,182	(88)	(220)	(112)
Net income (loss) before cumulative effect of a change in accounting principle	$ (2,195)	$ 162	$ 409	$ 207
Net income (loss) before cumulative effect of a change in accounting principle per common share, basic and diluted	$ (0.01)	$ 0.00	$ 0.00	$ 0.00

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

	Three months ended September 30, 2001		**Nine months ended September 30, 2001**	
	Net income applicable to common shares before cumulative effect of a change in accounting principle	**Earnings per share before cumulative effect of a change in accounting principle**	**Net loss applicable to common shares before cumulative effect of a change in accounting principle**	**Loss per share before cumulative effect of a change in accounting principle**
As reported	$ 12,102	$ 0.06	$ (72,528)	$ (0.37)
Change in accounting method for *Property, plant and mine development, net*	162	0.00	207	0.00
Pro forma	$ 12,264	$ 0.06	$ (72,321)	$ (0.37)

Recent Pronouncements

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

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

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

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

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

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

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

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

(13) Stockholders Equity

Exchangeable Shares

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

Preferred Stock

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

(14) Statement of Other Comprehensive Income (Loss)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2002	2001	2002	2001
		(unaudited and in thousands) (as restated)		(as restated)
Other comprehensive income (loss), net of tax:				
Realized gain on sale of Lihir marketable securities	$	$	$ (18,273)	$
Unrealized gain (loss) on marketable equity securities	(3,369)	7,670	(656)	16,650
Foreign currency translation adjustments	(14,091)	883	4,034	(5,247)
Changes in fair value of cash flow hedge instruments	(57,983)	(1,764)	(2,842)	685
Total other comprehensive income	$ (75,443)	$ 6,789	$ (17,737)	$ 12,088

(15) Segment Information

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

Financial information relating to Newmont s segments is as follows:

Three Months Ended September 30, 2002

(unaudited and 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	$ 226.7	$ 36.2	$ 262.9	$ 201.6	$ 23.2	$ 224.8	$ 24.6	$ 133.7	$ 158.3
Royalties	$	$	$	$	$	$	$	$ 0.3	$ 0.3
Interest income	$	$ 0.1	$ 0.1	$	$	$	$ 0.1	$ 2.5	$ 2.6
Interest expense	$	$	$	$ 1.6	$	$ 1.6	$	$ 15.6	$ 15.6
Exploration and research expense	$ 4.0	$ 0.1	$ 4.1	$ 3.8	$	$ 3.8	$ 0.8	$ 3.2	$ 4.0
Depreciation, depletion and amortization (1)	$ 32.7	$ 7.9	$ 40.6	$ 24.6	$ 3.5	$ 28.1	$ 7.9	$ 27.8	$ 35.7
Pre-tax income (loss) before minority interest and equity income of affiliates (1)	$ 3.0	$ 3.3	$ 6.3	$ 93.1	$ 8.1	$ 101.2	$ 7.6	$ (12.9)	$ (5.3)
Equity income of affiliates (1)	$	$	$	$	$	$	$	$ 3.2	$ 3.2
Amortization of deferred stripping, net	$ 20.0	$ (0.1)	$ 19.9	$	$	$	$	$	$
Asset write-down (1)	$ 20.4	$ 0.3	$ 20.7	$	$	$	$	$ 0.9	$ 0.9
Capital expenditures	$ 12.7	$ 1.6	$ 14.3	$ 39.7	$ 0.3	$ 40.0	$ 1.2	$ 13.4	$ 14.6
Total assets (1)	$ 1,817.9	$ 156.4	$ 1,974.3	$ 1,131.6	$ 36.4	$ 1,168.0	$ 205.6	$ 2,177.9	$ 2,383.5

	Zarafshan-Newmont	Other International Operations	Total Gold	Base Metals	Exploration	Merchant Banking	Corporate and Other	Consolidated
Sales, net	$ 22.0	$ 29.9	$ 697.9	$ 14.3	$	$	$	$ 712.2
Royalties	$	$	$ 0.3	$	$	$ 7.4	$ 0.2	$ 7.9
Interest income	$ 0.1	$	$ 2.8	$	$	$ 0.1	$	$ 2.9
Interest expense	$ 0.2	$	$ 17.4	$	$	$	$ 15.7	$ 33.1
Exploration and research expense	$	$ 0.7	$ 12.6	$ 0.5	$ 6.7	$	$ 5.6	$ 25.4
Depreciation, depletion and amortization (1)	$ 2.6	$ 9.3	$ 116.3	$ 5.6	$ 2.1	$ 8.1	$ 1.5	$ 133.6
Pre-tax income (loss) before minority interest and equity income of affiliates (1)	$ 11.0	$ 5.0	$ 118.2	$ (3.5)	$ (8.9)	$ 7.4	$ (67.6)	$ 45.6
Equity income of affiliates (1)	$	$	$ 3.2	$	$	$ 1.1	$ 14.1	$ 18.4
Amortization of deferred stripping, net	$	$	$ 19.9	$	$	$	$	$ 19.9
Asset write-down (1)	$	$ 0.3	$ 21.9	$ 0.1	$	$	$	$ 22.0
Capital expenditures	$ 0.7	$ 4.0	$ 73.6	$ 5.3	$	$ 3.2	$ 15.3	$ 97.4
Total assets (1)	$ 102.9	$ 524.2	$ 6,152.9	$ 485.7	$ 222.8	$ 2,042.8	$ 843.8	$ 9,748.0

(1) As restated. See Note 18.

Three Months Ended September 30, 2001

(unaudited and 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	$ 179.7	$ 34.4	$ 214.1	$ 140.2	$ 23.9	$ 164.1	$ 8.1	$	$ 8.1
Royalties	$	$	$	$	$	$	$	$	$
Interest income	$	$ 0.1	$ 0.1	$ 0.5	$ 0.1	$ 0.6	$	$	$
Interest expense (1)	$ 0.1	$	$ 0.1	$ 0.7	$	$ 0.7	$	$	$
Exploration and research expense	$ 3.0	$	$ 3.0	$ 1.7	$ 0.4	$ 2.1	$ 0.4	$	$ 0.4
Depreciation, depletion and amortization (1)	$ 28.3	$ 8.5	$ 36.8	$ 14.3	$ 4.6	$ 18.9	$ 1.0	$	$ 1.0
Pre-tax income (loss) before minority interest and equity income of affiliates (1)	$ (11.8)	$ 0.1	$ (11.7)	$ 60.2	$ 7.0	$ 67.2	$ 2.9	$	$ 2.9
Equity income of affiliates (1)	$	$	$	$	$	$	$	$	$
Amortization of deferred stripping, net	$ 11.8	$ (0.1)	$ 11.7	$	$	$	$	$	$
Asset write-down (1)	$ 2.9	$	$ 2.9	$	$	$	$	$	$
Capital expenditures	$ 12.7	$ 3.0	$ 15.7	$ 73.7	$ 2.2	$ 75.9	$ 0.6	$	$ 0.6
Total assets (1)	$ 1,421.4	$ 173.1	$ 1,594.5	$ 1,018.8	$ 56.9	$ 1,075.7	$ 32.3	$	$ 32.3

	Zarafshan-Newmont	Other International Operations	Total Gold	Base Metals	Exploration	Merchant Banking	Corporate and Other	Consolidated
Sales, net	$ 16.9	$ 21.2	$ 424.4	$	$	$	$	$ 424.4
Royalties	$	$	$	$	$	$	$ 0.3	$ 0.3
Interest income	$ 0.3	$	$ 1.0	$	$	$	$ 0.5	$ 1.5
Interest expense (1)	$ 0.2	$	$ 1.0	$	$	$	$ 23.6	$ 24.6
Exploration and research expense	$	$	$ 5.5	$	$ 2.2	$	$ 5.1	$ 12.8
Depreciation, depletion and amortization (1)	$ 3.1	$ 3.8	$ 63.6	$	$ 0.1	$	$ 1.6	$ 65.3
Pre-tax income (loss) before minority interest and equity income of affiliates (1)	$ 5.6	$ 4.5	$ 68.5	$	$ (2.3)	$	$ (48.9)	$ 17.3
Equity income of affiliates (1)	$	$	$	$	$	$	$ 9.7	$ 9.7
Amortization of deferred stripping, net	$	$	$ 11.7	$	$	$	$	$ 11.7
Asset write-down (1)	$	$	$ 2.9	$	$	$	$	$ 2.9
Capital expenditures	$ 11.3	$	$ 103.5	$	$	$	$ 4.6	$ 108.1
Total assets (1)	$ 104.5	$ 80.6	$ 2,887.6	$	$ 24.6	$	$ 1,150.5	$ 4,062.7

(1) As restated. See Note 18.

Nine Months Ended September 30, 2002

(unaudited and 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	$ 589.5	$ 112.7	$ 702.2	$ 490.8	$ 66.6	$ 557.4	$ 64.5	$ 319.6	$ 384. 1
Royalties	$	$	$	$	$	$	$	$ 1.1	$ 1.1
Interest income	$	$ 0.1	$ 0.1	$ 0.2	$	$ 0.2	$ 0.5	$ 7.9	$ 8.4
Interest expense	$ 0.1	$	$ 0.1	$ 7.0	$ 0.2	$ 7.2	$ 0.2	$ 31.5	$ 31.7
Exploration and research expense	$ 10.3	$ 0.1	$ 10.4	$ 8.1	$ 0.6	$ 8.7	$ 1.4	$ 6.3	$ 7.7
Depreciation, depletion and amortization (1)	$ 84.7	$ 25.6	$ 110.3	$ 85.8	$ 10.4	$ 96.2	$ 17.8	$ 63.1	$ 80.9
Pre-tax income (loss) before minority interest, equity income of affiliates and cumulative effect of a change in accounting principle (1)	$ (6.0)	$ 13.4	7.4	$ 168.5	$ 21.2	$ 189.7	$ 25.5	$ (16.7)	$ 8.8
Equity income of affiliates (1)	$	$	$	$	$	$	$	$ 6.3	$ 6.3
Cumulative effect of a change in accounting principle, net of tax of $4.1	$ 0.9	$ 7.2	$ 8.1	$	$	$	$ (0.4)	$	$ (0.4)
Amortization of deferred stripping, net	$ 29.5	$ (0.7)	$ 28.8	$	$	$	$	$	$
Asset write-down (1)	$ 35.7	$ 0.3	$ 36.0	$	$	$	$	$ 1.2	$ 1.2
Capital expenditures	$ 33.4	$ 8.5	$ 41.9	$ 109.4	$ 0.9	$ 110.3	$ 6.9	$ 35.0	$ 41.9
Total assets (1)	$ 1,817.9	$ 156.4	$ 1,974.3	$ 1,131.6	$ 36.4	$ 1,168.0	$ 205.6	$ 2,177.9	$ 2,383.5

	Zarafshan-Newmont	**Other International Operations**	**Total Gold**	**Base Metals**	**Exploration**	**Merchant Banking**	**Corporate and Other**	**Consolidated**
Sales, net	$ 59.4	$ 86.5	$ 1,789.6	$ 46.6	$	$	$	$ 1,836.2
Royalties	$	$	$ 1.1	$	$	$ 21.2	$ 0.6	$ 22.9
Interest income	$ 0.1	$	$ 8.8	$	$	$ 1.2	$ 0.8	$ 10.8
Interest expense	$ 0.5	$	$ 39.5	$	$	$	$ 59.8	$ 99.3
Exploration and research expense	$	$ 1.3	$ 28.1	$ 1.7	$ 14.1	$	$ 11.8	$ 55.7
Depreciation, depletion and amortization (1)	$ 8.0	$ 25.3	$ 320.7	$ 12.6	$ 5.6	$ 16.3	$ 4.2	$ 359.4
Pre-tax income (loss) before minority interest, equity income of affiliates and cumulative effect of a change in accounting principle (1)	$ 25.5	$ 13.9	$ 245.3	$ 2.7	$ (19.7)	$ 13.2	$ (99.3)	$ 142.2
Equity income of affiliates (1)	$	$	$ 6.3	$	$	$ 1.8	$ 29.1	$ 37.2
Cumulative effect of a change in accounting principle, net of tax of $4.1	$	$	$ 7.7	$	$	$	$	7.7
	$	$	$ 28.8	$	$	$	$	$ 28.8

Amortization of deferred stripping, net								
Asset write-down (1)	$	$ 0.3	$ 37.5	$ 0.4	$	$	$	$ 37.9
Capital expenditures	$ 3.4	$ 9.9	$ 207.4	$ 9.4	$ 0.2	$ 3.8	$ 17.4	$ 238.2
Total assets (1)	$ 102.9	$ 524.2	$ 6,152.9	$ 485.7	$ 222.8	$ 2,042.8	$ 843.8	$ 9,748.0

(1) As restated. See Note 18.

34

Nine Months Ended September 30, 2001

(unaudited and in millions)

	North America			South America			Australia		
	Nevada	Other North America	Total North America	(1) Yanacocha	Other South America	Total South America	Pajingo	Other Australia	Total Australia
Sales, net (1)	$ 534.4	$ 103.0	$ 637.4	$ 375.7	$ 61.3	$ 437.0	$ 24.4	$	$ 24.4
Royalties	$	$	$	$	$	$	$	$	$
Interest income	$	$ 0.1	$ 0.1	$ 1.4	$ 0.1	$ 1.5	$	$	$
Interest expense (1)	$ 0.2	$	$ 0.2	$ 1.9	$ 0.3	$ 2.2	$	$	$
Exploration and research expense	$ 8.0	$ 0.3	$ 8.3	$ 10.2	$ 0.7	$ 10.9	$ 1.2	$	$ 1.2
Depreciation, depletion and amortization (1)	$ 87.9	$ 25.9	$ 113.8	$ 61.0	$ 14.5	$ 75.5	$ 3.1	$	$ 3.1
Pre-tax income (loss) before minority interest and equity income of affiliates (1)	$ (26.7)	$ (2.0)	$ (28.7)	$ 130.4	$ 5.2	$ 135.6	$ 10.1	$	$ 10.1
Equity income of affiliates (1)	$	$	$	$	$	$	$	$	$
Amortization of deferred stripping, net	$ 15.3	$	$ 15.3	$	$	$	$	$	$
Asset write-down (1)	$ 9.0	$	$ 9.0	$	$ 0.1	$ 0.1	$	$	$
Capital expenditures	$ 41.3	$ 7.8	$ 49.1	$ 232.7	$ 9.4	$ 242.1	$ 2.1	$	$ 2.1
Total assets (1)	$ 1,421.4	$ 173.1	$ 1,594.5	$ 1,018.8	$ 56.9	$ 1,075.7	$ 32.3	$	$ 32.3

	Zarafshan-Newmont	Other International Operations	Total Gold (1)	Base Metals	Exploration	Merchant Banking	Corporate and Other	Consolidated
Sales, net (1)	$ 43.6	$ 73.4	$ 1,215.8	$	$	$	$	$ 1,215.8
Royalties	$	$	$	$	$	$	$ 0.4	$ 0.4
Interest income	$ 0.3	$ 0.1	$ 2.0	$	$	$	$ 1.2	$ 3.2
Interest expense (1)	$ 0.7	$	$ 3.1	$	$	$	$ 68.3	$ 71.4
Exploration and research expense	$	$	$ 20.4	$	$ 7.4	$	$ 15.7	$ 43.5
Depreciation, depletion and amortization (1)	$ 9.3	$ 15.3	$ 217.0	$	$ 0.4	$	$ 4.6	$ 222.0
Pre-tax income (loss) before minority interest and equity income of affiliates (1)	$ 12.0	$ 19.4	$ 148.4	$	$ (9.4)	$	$ (186.9)	$ (47.9)
Equity income of affiliates (1)	$	$	$	$	$	$	$ 13.4	$ 13.4
Amortization of deferred stripping, net	$	$ 4.1	$ 19.4	$	$	$	$	$ 19.4
Asset write-down (1)	$	$ 0.9	$ 10.0	$	$	$	$	$ 10.0
Capital expenditures	$ 17.2	$	$ 310.5	$	$	$	$ 7.6	$ 318.1
Total assets (1)	$ 104.5	$ 80.6	$ 2,887.6	$	$ 24.6	$	$ 1,150.5	$ 4,062.7

(1) As restated. See Note 18.

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

Total assets include a preliminary allocation amount for goodwill, representing the excess of the purchase price paid over the fair value of assets acquired at the date of the acquisition of Normandy and Franco-Nevada. This goodwill is included in the Nevada, Pajingo, Other Australia, Other International Operations, Base Metals, and the Merchant Banking Segments. See detail of goodwill by segment in Note 2.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2002	2001	2002	2001
		(restated)		(restated)
	(unaudited and in millions)			
Revenue, net of smelting and refining (2)	$ 95.9	$ 102.4	$ 261.9	$ 278.9
Interest expense	$ 18.2	$ 27.4	$ 54.2	$ 98.1
Depreciation, depletion and amortization (1)	$ 29.4	$ 39.8	$ 87.2	$ 86.6
Net income (loss) before cumulative effect of a change in accounting principal (1)	$ 16.6	$ 0.7	$ 21.6	$ (38.1)
Net income (loss) (1)	$ 16.6	$ 0.7	$ 21.6	$ (38.1)
Capital expenditures	$ 4.8	$ (0.6)	$ 59.0	$ (30.3)
Total assets (1)			$ 2,310.0	$ 2,233.7

(1) As restated. See Note 18.
(2) As restated to reflect smelting and refining costs as a reduction of revenue.

Newmont s third quarter equity income for Batu Hijau was $14.5 million and $9.7 million for 2002 and 2001, respectively. For 2002, income was based on 56.25% of Batu Hijau s income, adjusted for the elimination of $2.5 million of inter-company interest, $2.7 million of inter-company management fees, and amortization adjustments of ($0.1) million. For the comparable 2001 period, the income was $9.7 million based on 56.25% of Batu Hijau s income, adjusted for the elimination of $5.2 million of inter-company interest, $2.8 million of inter-company management fees, and amortization adjustments of $1.3 million. For the nine months ended September 30, 2002, equity income of Batu Hijau was $29.4 million based on 56.25% of Batu Hijau s income, adjusted for the elimination of $6.1 million of inter-company interest, $7.8 million of inter-company management fees, and amortization adjustments of $3.4 million. For the comparable 2001 period, income was $13.4 million, based on 56.25% of Batu Hijau s income, adjusted for the elimination of $22.6 million of inter-company interest, $8.5 million of inter-company management fees, and amortization adjustments of $3.8 million.

(16) Commitments and contingencies

(a) Reclamation Obligations

Newmont s mining and exploration activities are subject to various federal and state laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. Newmont conducts its operations so as to protect the public health and environment and believes its operations are in compliance with all applicable laws and regulations. Newmont has made, and expects to make in the future, expenditures to comply with such laws and regulations, but cannot predict the amount of such future expenditures. Estimated future reclamation costs are based principally on legal and regulatory requirements. At

September 30, 2002 and December 31, 2001, $200.0 million and $128.4 million, respectively, were accrued for reclamation costs relating to currently producing mineral properties.

In addition, Newmont is involved in several matters concerning environmental obligations associated with former mining activities. Generally, these matters concern developing and implementing remediation plans at the various sites involved. Newmont believes that the related environmental obligations associated with these sites are similar in nature with respect to the development of remediation plans, their risk profile and the compliance required to meet general environmental standards. Based upon Newmont s best estimate of its liability for these matters, $84.3 million and $57.3 million were accrued for such obligations at September 30, 2002 and December 31, 2001, respectively. These amounts are included in *Other accrued liabilities* and *Reclamation and remediation liabilities*. Depending upon the ultimate resolution of these matters, Newmont believes that it is reasonably possible that the liability for these matters could be as much as 50% greater or 30% lower than the amount accrued. The amounts accrued for these matters are reviewed periodically based upon facts and circumstances available at the time. Changes in estimates are charged to *Costs and expenses, Other* in the period estimates are revised. Details about certain of the more significant sites involved are discussed below.

Idarado Mining Company (Idarado) 80.1% owned

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

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

Resurrection Mining Company (Resurrection) 100% owned

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

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

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

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

37

Dawn Mining Company LLC (Dawn) 51% owned

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

In 1991, Dawn s mining lease at the mine was terminated. As a result, Dawn was required to file a formal mine closure and reclamation plan. The Department of Interior commenced an analysis of Dawn s proposed plan and alternate closure and reclamation plans for the mine. Work on this analysis has been suspended indefinitely. In mid-2000, the mine was included on the National Priorities List under CERCLA, and the EPA has initiated a remedial investigation/feasibility study under CERCLA to determine environmental conditions and remediation options at the site. In addition, in August 2002, certain natural resource trustees notified Dawn and Newmont that they were commencing a natural resources damages assessment related to the site.

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

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

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

San Luis, Colorado 100% owned

The San Luis open-pit gold mine in southern Colorado was operated by a subsidiary of Battle Mountain and ceased operations in November 1996. Since then, substantial closure and reclamation work has been performed. In August 1999, the Colorado Department of Public Health and Environment (CDPHE) issued a notice of violation of the Water Quality Control Act and in October 1999 amended the notice to authorize operation of a water treatment facility and the discharge of treated water. Battle Mountain has made all submittals required by the CDPHE notice and conducted the required response activities. Battle Mountain negotiated a settlement with CDPHE resolving alleged violations that was effective September 1, 2000. In October 2000, the CDPHE received an Application for Reconsideration of Order for Civil Penalty filed by project opponents, seeking to appeal the terms of the settlement. The application was denied by CDPHE. Project opponents have filed a judicial appeal in the District Court for Costilla County, Colorado, naming the CDPHE as defendant. Battle Mountain has intervened in the appeal to protect its interests in the settlement. This litigation was recently decided in favor of CDPHE.

By letter dated September 3, 2002, the United States Environmental Protection Agency (EPA) notified the Company 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 the Company pay those costs. The EPA has identified four potentially responsible parties, including the Company. The Company 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.

(b) Other

Minera Yanacocha 51.35% owned

Choropampa

In June 2000, a transport contractor of Minera Yanacocha spilled approximately 151 kilograms of mercury near the town of Choropampa, Peru, which is located 53 miles southwest of the mine. Mercury is a byproduct of gold mining and was sold to a Lima firm for use in medical instrumentation and industrial applications. A comprehensive health and environmental remediation program was undertaken by Minera Yanacocha in response to the incident. In August 2000, Minera Yanacocha paid under protest a fine of 1,740,000 soles (approximately $500,000) to the Peruvian government. Minera Yanacocha has entered into settlement agreements with a number of individuals impacted by the incident. In addition, it has entered into agreements with three of the communities impacted by this incident to provide a variety of public works as compensation for the disruption and inconvenience caused by the incident.

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

In July 2002, other lawsuits were served against Minera Yanacocha, various wholly-owned subsidiaries of Newmont, and 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 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 mercury spill incident.

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

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

2002, the Peruvian Constitutional Tribunal was fully empanelled in Lima to hear the case. The panel is expected to hear the case and to rule later this year or early next year.

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

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

Newmont Australia Limited 100% Owned

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 (Newmont Australia), 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 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 paid the 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 allocation. Newmont Australia has filed a motion with the Federal Court to remove that portion of its original order granting former GCM shareholders the right to reacquire their shares. ASIC has consented to the orders sought in this motion. A hearing is scheduled for February 2003.

In February 1999, Normandy (now Newmont Australia Limited) sold certain subsidiary companies in a transaction that resulted in net cash proceeds of $A663 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 on 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 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.

(17) Condensed Consolidating Financial Information

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

Consolidating Statement of Operations	Newmont Mining Corporation	Newmont USA	Other Subsidiaries	Eliminations	Newmont Mining Corporation Consolidated
			(unaudited and in millions)		
Three Months Ended September 30, 2002					
Sales and other income					
Sales gold	$	$ 530.7	$ 167.1	$	$ 697.8
Sales base metals, net			14.3		14.3
Royalties		0.2	8.7	(1.0)	7.9
Dividends, interest and other income intercompany	4.8	2.8	8.3	(15.9)	
Dividends, interest, foreign currency exchange and other income	2.9	3.9	1.5		8.3
	7.7	537.6	199.9	(16.9)	728.3
Costs and Expenses					
Cost applicable to sales gold		303.9	107.6	(1.3)	410.2
Cost applicable to sales base metals			10.4		10.4
Depreciation, depletion and amortization (1)		77.6	56.0		133.6
Exploration and research		16.0	9.4		25.4
General and administrative		21.3	8.1	0.3	29.7
Interest expense intercompany	5.5	4.6	5.7	(15.8)	
Interest, net of capitalized interest		17.5	15.6		33.1
Write-down of assets and other (1)		22.8	6.3		29.1
	5.5	463.7	219.1	(16.8)	671.5
Operating income (loss)	2.2	73.9	(19.2)	(0.1)	56.8
Loss on derivative instruments			(11.2)		(11.2)
Pre-tax income (loss) before minority interest and equity income (loss) of affiliates	2.2	73.9	(30.4)	(0.1)	45.6
Income tax (expense) benefit (1)		(11.3)	4.7	(4.1)	(10.7)
Minority interest in income of subsidiaries	(14.4)	(34.8)	2.6	14.1	(32.5)
Equity income of affiliates (1)		14.1	14.3	(10.0)	18.4
Equity income of subsidiaries	33.0		49.4	(82.4)	
Net income (loss)	20.8	41.9	40.6	(82.5)	20.8

Preferred stock dividends					
Net income (loss) applicable to common shares	$ 20.8	$ 41.9	$ 40.6	$ (82.5)	$ 20.8

41

Consolidating Statement of Operations	Newmont Mining Corporation	(1) Newmont USA	Other Subsidiaries	Eliminations	(1) Newmont Mining Corporation Consolidated
			(unaudited and in millions)		
Three Months Ended September 30, 2001					
Sales and other income					
Sales gold	$	$ 424.4	$	$	$ 424.4
Royalties		0.3			0.3
Dividends, interest and other income intercompany					
Dividends, interest, foreign currency exchange and other income (loss)		(3.6)			(3.6)
		421.1			421.1
Costs and Expenses					
Cost applicable to sales gold (1)		282.5			282.5
Depreciation, depletion and amortization (1)		65.4			65.4
Exploration and research		12.8			12.8
General and administrative		13.7			13.7
Interest, net of capitalized interest (1)		24.6			24.6
Write-down of assets and other (1)		5.8			5.8
		404.8			404.8
Operating income		16.3			16.3
Gain on derivative instruments		0.9			0.9
Pre-tax income before minority interest and equity income of affiliates		17.2			17.2
Income tax benefit (1)		8.2			8.2
Minority interest in income of subsidiaries (1)		(21.2)			(21.2)
Equity income of affiliates (1)		9.8			9.8
Net income		14.0			14.0
Preferred stock dividends		(1.9)			(1.9)
Net income applicable to common shares	$	$ 12.1	$	$	$ 12.1

Consolidating Statement of Operations	Newmont Mining Corporation	Newmont USA	Other Subsidiaries	Eliminations	Newmont Mining Corporation Consolidated
			(unaudited and in millions)		
Nine Months Ended September 30, 2002					
Sales and other income					
Sales gold (1)	$	$ 1,389.8	$ 399.8	$	$ 1,789.6
Sales base metals, net			46.6		46.6
Royalties		0.5	22.4		22.9
Gain on sale of marketable securities of Lihir		47.3			47.3
Dividends, interest and other income intercompany	9.8	8.8	27.3	(45.9)	
Dividends, interest, foreign currency exchange and other income	2.9	12.8	7.8		23.5
	12.7	1,459.2	503.9	(45.9)	1,929.9
Costs and Expenses					
Cost applicable to sales gold (1)		851.7	258.9	(4.0)	1,106.6
Cost applicable to sales base metals			29.6		29.6
Depreciation, depletion and amortization (1)		234.0	125.4		359.4
Exploration and research		35.8	19.9		55.7
General and administrative		58.9	19.5	0.3	78.7
Interest expense intercompany	11.1	7.4	14.8	(33.3)	
Interest, net of capitalized interest (1)		67.8	31.5		99.3
Write-down of assets and other (1)		40.8	3.3		44.1
	11.1	1,296.4	502.9	(37.0)	1,773.4
Operating income (loss)	1.6	162.8	1.0	(8.9)	156.5
Gain (loss) on derivative instruments		1.9	(16.2)		(14.3)
Pre-tax income (loss) before minority interest, equity income (loss) of affiliates and cumulative effect of a change in accounting principle	1.6	164.7	(15.2)	(8.9)	142.2
Income tax expense (1)		(29.7)	(12.1)		(41.8)
Minority interest in (income) loss of subsidiaries (1)	(21.8)	(63.7)	4.0	19.2	(62.3)
Equity income of affiliates (1)		29.1	27.2	(19.1)	37.2
Equity income of subsidiaries	103.2		114.2	(217.4)	
Net income before cumulative effect of a change in accounting principle	83.0	100.4	118.1	(226.2)	75.3
Cumulative effect of a change in accounting principle, net of tax		7.7			7.7
Net income	83.0	108.1	118.1	(226.2)	83.0
Preferred stock dividends	(3.8)				(3.8)
Net income (loss) applicable to common shares	$ 79.2	$ 108.1	$ 118.1	$ (226.2)	$ 79.2

Consolidating Statement of Operations	Newmont Mining Corporation	(1) Newmont USA	Other Subsidiaries	Eliminations	(1) Newmont Mining Corporation Consolidated
			(unaudited and in millions)		
Nine Months Ended September 30, 2001					
Sales and other income					
Sales gold (1)	$	$ 1,215.8	$	$	$ 1,215.8
Royalties		0.4			0.4
Dividends, interest and other income intercompany					
Dividends, interest, foreign currency exchange and other income		3.2			3.2
		1,219.4			1,219.4
Costs and Expenses					
Cost applicable to sales gold (1)		809.0			809.0
Depreciation, depletion and amortization (1)		222.0			222.0
Exploration and research		43.5			43.5
General and administrative		44.6			44.6
Interest, net of capitalzed interest (1)		71.4			71.4
Merger and restructuring		60.5			60.5
Write-down of assets and other (1)		18.1			18.1
		1,269.1			1,269.1
Operating loss		(49.7)			(49.7)
Gain on derivative instruments		1.8			1.8
Pre-tax loss before minority interest and equity income of affiliates		(47.9)			(47.9)
Income tax benefit (1)		12.2			12.2
Minority interest in income of subsidiaries (1)		(44.6)			(44.6)
Equity income of affiliates (1)		13.4			13.4
Net loss	$	$ (66.9)	$	$	$ (66.9)
Preferred stock dividends		(5.6)			(5.6)
Net loss applicable to common shares	$	$ (72.5)	$	$	$ (72.5)

Consolidating Balance Sheets	Newmont Mining Corporation	Newmont USA	Other Subsidiaries	Eliminations	Newmont Mining Corporation Consolidated
			(unaudited and in millions)		
At September 30, 2002					
Assets					
Cash and cash equivalents	$	$ 131.6	$ 160.5	$	$ 292.1
Short-term investments		2.7	12.7		15.4
Accounts receivable	8.7	47.0	102.9	(119.5)	39.1
Inventories (1)		444.5	124.7		569.2
Current portion of deferred stripping costs		44.0			44.0
Prepaid taxes		25.8	11.1		36.9
Current portion of deferred income tax assets (1)		5.9	22.8		28.7
Other current assets	326.1	83.5	263.9	(559.9)	113.6
Current assets	334.8	785.0	698.6	(679.4)	1,139.0
Property, plant and mine development, net (1)		1,964.9	372.6		2,337.5
Mineral interests and other intangible assets, net (1)		352.0	1,495.3		1,847.3
Investments (1)		597.0	805.4	(389.4)	1,013.0
Investment in subsidiaries	4,703.3		1,763.9	(6,467.2)	
Deferred stripping costs (1)		18.9			18.9
Long-term inventories		140.3	1.0		141.3
Derivative instruments			3.9		3.9
Deferred income tax assets		405.4	93.6	5.8	504.8
Other long-term assets (1)		317.2	390.3	(534.1)	173.4
Goodwill			2,568.9		2,568.9
Total assets	$ 5,038.1	$ 4,580.7	$ 8,193.5	$ (8,064.3)	$ 9,748.0
Liabilities					
Current portion of long-term debt	$	$ 59.7	$ 41.2	$	$ 100.9
Accounts payable	75.1	112.3	57.3	(119.8)	124.9
Current portion of deferred income tax liabilities (1)		30.9	8.3		39.2
Derivative instruments			65.0		65.0
Other accrued liabilities (1)		425.6	454.8	(554.6)	325.8
Current liabilities	75.1	628.5	626.6	(674.4)	655.8
Long-term debt		1,130.3	595.1		1,725.4
Reclamation and remediation liabilities		179.6	80.7		260.3
Deferred revenue from sale of future production (1)		53.9			53.9
Derivative instruments			391.7		391.7
Deferred income tax liabilities (1)		170.8	377.8	0.7	549.3
Employee related benefits (1)		166.0	1.4		167.4
Other long-term liabilities	471.4	86.6	173.4	(534.1)	197.3
Total liabilities	546.5	2,415.7	2,246.7	(1,207.8)	4,001.1
Minority interest in subsidiaries	17.1	376.7	340.2	(384.9)	349.1
Stockholders equity					
Convertible preferred stock			60.7	(60.7)	
Common stock	559.7		0.1	(0.1)	559.7
Additional paid-in capital	4,137.3	1,979.7	5,464.6	(6,521.0)	5,060.6
Accumulated other comprehensive loss (1)	(27.2)	(25.0)	(32.0)	57.0	(27.2)
Retained earnings (deficit) (1)	(195.3)	(166.4)	113.2	53.2	(195.3)

Total stockholders equity	4,474.5	1,788.3	5,606.6	(6,471.6)	5,397.8
Total liabilities and stockholders equity	$ 5,038.1	$ 4,580.7	$ 8,193.5	$ (8,064.3)	$ 9,748.0

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

46

Statement of Consolidating Cash Flows	Newmont Mining Corporation	Newmont USA	Other Subsidiaries	Eliminations	Newmont Mining Corporation Consolidated
			(unaudited and in millions)		
Nine Months Ended September 30, 2002					
Operating activities:					
Net income (loss) (1)	$ 83.0	$ 108.1	$ 118.1	$ (226.2)	$ 83.0
Adjustments to reconcile net income (loss) to net cash provided by operating activities (1)		244.4	114.8		359.2
Change in working capital		(1.2)	4.1		2.9
Net cash provided by (used in) operating activities	83.0	351.3	237.0	(226.2)	445.1
Investing activities:					
Additions to property, plant and mine development		(149.8)	(88.4)		(238.2)
Proceeds from sale of short-term investments			407.4		407.4
Proceeds from sale of marketable securities of Lihir		84.0			84.0
Proceeds from settlement of cross currency swaps			50.8		50.8
Net cash effect of acquisitions	(88.1)				(88.1)
Investment in consolidating subsidiaries	(83.0)			83.0	
Proceeds from asset sales and other		(15.5)	9.3		(6.2)
Net cash (used in) provided by investing activities	(171.1)	(81.3)	379.1	83.0	209.7
Financing activities:					
Net borrowings (repayments)	56.7	(277.3)	(456.2)	143.2	(533.6)
Dividends paid on common and preferred stock	(33.0)		(5.0)		(38.0)
Proceeds from stock issuance	64.4	3.6			68.0
Other		(1.0)	1.2		0.2
Net cash provided by (used in) financing activities	88.1	(274.7)	(460.0)	143.2	(503.4)
Effect of exchange rate changes on cash		(8.3)	(0.4)		(8.7)
Net change in cash and cash equivalents		(13.0)	155.7		142.7
Cash and cash equivalents at beginning of period		149.4			149.4
Cash and cash equivalents at end of period	$	$ 136.4	$ 155.7	$	$ 292.1

Statement of Consolidating Cash Flows	Newmont Mining Corporation	(1) Newmont USA	Other Subsidiaries	Eliminations	(1) Newmont Mining Corporation Consolidated
			(unaudited and in millions)		
Nine Months Ended September 30, 2001					
Operating activities:					
Net loss (1)	$	$ (66.9)	$	$	$ (66.9)
Adjustments to reconcile net loss to net cash provided by operating activities (1)		248.9			248.9
Change in working capital (1)		41.0			41.0
Net cash provided by operating activities		223.0			223.0
Investing activities:					
Additions to property, plant and mine development		(318.1)			(318.1)
Proceeds from assets sales and Other		10.9			10.9
Net cash used in investing activities		(307.2)			(307.2)
Financing activities:					
Net borrowings (repayments)		72.4			72.4
Dividends paid on common and preferred stock		(23.2)			(23.2)
Decrease in restricted cash		40.4			40.4
Other		5.4			5.4
Net cash provided by financing activities		95.0			95.0
Effect of exchange rate changes on cash		2.1			2.1
Net change in cash and cash equivalents		12.9			12.9
Cash and cash equivalents at beginning of period		77.6			77.6
Cash and cash equivalents at end of period	$	$ 90.5	$	$	$ 90.5

(1) As restated. See Note 18.

(18) Restatement of Financial Statements

Prepaid Forward Sales Contract

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

Under the Prepaid Forward, the Company agreed to sell 483,333 ounces of gold, to be delivered in June of each of 2005, 2006 and 2007 in annual installments of 161,111 ounces (the Annual Delivery Requirements). The Company also agreed under the Prepaid Forward to deliver semi-annually 17,951 ounces of gold, beginning June 2000 through June 2007 (the Semi-Annual Delivery Requirements) for a total gold delivery obligation over the life of the Prepaid Forward of 752,598 ounces. At the time the Prepaid Forward was entered into, the Company received net proceeds of $137.2 million ($145.0 million of gross proceeds before transaction costs of $653,000 and the purchase of a $7.1 million surety bond to guarantee delivery of the Annual Delivery

Requirements). The Company may also be entitled to receive additional proceeds in the future in connection with the annual deliveries of 161,111 ounces, to be determined at each delivery date based on the excess, if any, of the then market price for gold (up to a maximum of $380 per ounce) over $300 per ounce.

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

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

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

As a result of this correction in accounting, the Company s net earnings have been decreased by approximately $1.9 million or $0.01 per share and $2.5 million or $0.01 per share for three- and nine-month periods ended September 30, 2001, respectively. The previously reported financial statements for the three and nine months ended September 30, 2002, respectively, already include the effects of this adjustment.

Investment in Batu Hijau

The Company determined that the Batu Hijau mine had incorrectly included non-reserve material in its depreciation and deferred stripping calculations. As a result, the Company has restated its financial statements beginning with the fourth quarter of 1999 through the third quarter of 2002, so as to exclude material other than proven and probable reserves in its depreciation and deferred stripping calculations.

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

As a result of the correction in accounting for depreciation, the Company s net earnings have been decreased by approximately $0.7 million or less than $0.01 per share and $2.5 million or $0.01 per share for three- and nine- month periods ended September 30, 2001, respectively. The previously reported financial statements for the three and nine months ended September 30, 2002, respectively, already include the effects of this adjustment for depreciation for Batu Hijau.

As a result of the correction in accounting for deferred stripping, the Company s net income has increased by approximately $0.8 million or less than $0.01 per share and $4.0 million or $0.02 per share for the three months ended September 30, 2002 and 2001, respectively. The Company s net income has increased by approximately $0.3 million or less than $0.01 per share and $2.1 million or less than $0.01 per share for the nine months ended September 30, 2002 and 2001, respectively. The Company s Stockholders equity as of September 30, 2002 has decreased by $2.6 million.

Depreciation and Amortization

Yanacocha

In November 2002, the Company determined that it had incorrectly recorded depreciation on certain mining assets at its Yanacocha operations in Peru. The Company has restated its financial statements beginning with the first quarter of 1999 through the second quarter of 2002. As a result of this correction in accounting, the Company s net earnings have been decreased by approximately $0.7 million or less than $0.01 per share and $1.6 million or $0.01 per share for three and nine month periods ended September 30, 2001, respectively. The previously reported financial statements for the three and nine months ended September 30, 2002, respectively, already include the effects of this adjustment for depreciation at Yanacocha.

Amortization of Intangibles

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

As a result of this correction, the Company s net income was decreased by $2.4 million or $0.01 per share and $6.1 million or $0.02 per share for the three- and nine-month periods ended September 30, 2002, respectively.

Inventory

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

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

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

As a result of these corrections, the Company s net income was decreased by $1.6 million or less than $0.01 per share and $10.2 million or $0.05 per share for the three months ended September 30, 2002 and 2001, respectively. The Company s net income was decreased by $1.8 million or less than $0.01 per share for the nine months ended September 30, 2002 and net loss was increased by $17.0 million or $0.08 per share for the nine months ended September 30, 2001. The adjustments also increased the earnings of prior years and therefore increased Stockholders equity of the Company by $31.4 million at September 30, 2002.

Reclassifications

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

Restated Financial Statements

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

NEWMONT MINING CORPORATION

RESTATEMENT OF

STATEMENT OF CONSOLIDATED OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

	Three Months Ended September 30, 2002				
	As Previously Reported(1)	Investment In Batu Hijau	Inventory	Amortization	As Restated
	(unaudited and in thousands, except per share)				
Sales and other income					
Sales gold	$ 697,829	$	$	$	$ 697,829
Sales base metals, net	14,339				14,339
Royalties	7,900				7,900
Dividends, interest, foreign currency exchange and other income	8,278				8,278
	728,346				728,346
Costs and expenses					
Costs applicable to sales gold	409,223		983(w)		410,206
Costs applicable to sales base metals	10,450				10,450
Depreciation, depletion and amortization	150,446		(20,394)(v)	3,597(a2)	133,649
Exploration and research	25,356				25,356
General and administrative	29,742				29,742
Interest, net of capitalized interest	33,082				33,082
Write-down of assets	5,686		16,308(v)		21,994
Other	7,108				7,108
	671,093		(3,103)	3,597	671,587
Operating income (loss)	57,253		3,103	(3,597)	56,759
Loss on derivative instruments	(11,191)				(11,191)
Pre-tax income (loss) before minority interest and equity income (loss) of affiliates	46,062		3,103	(3,597)	45,568
Income tax (expense) benefit	(11,157)		(774)(x)	1,175(a3)	(10,756)
Minority interest in income of subsidiaries	(28,341)		(4,154)(y)		(32,495)
Equity income of affiliates	17,470	778(t)	195(y)		18,443
Net income (loss) applicable to common shares	$ 24,034	$ 778	$ (1,630)	$ (2,422)	$ 20,760
Net income (loss)	$ 24,034	$ 778	$ (1,630)	$ (2,422)	$ 20,760
Other comprehensive income (loss), net of tax	(75,443)				(75,443)
Comprehensive income (loss)	$ (51,409)	$ 778	$ (1,630)	$ (2,422)	$ (54,683)
Net income (loss) per common share, basic and diluted	$ 0.06	$	$	$ (0.01)	$ 0.05

Basic weighted average common shares outstanding	401,422				401,422
Diluted weighted average common shares outstanding	402,960				402,960

NEWMONT MINING CORPORATION

RESTATEMENT OF

STATEMENT OF CONSOLIDATED OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

	Nine Months Ended September 30, 2002				
	As Previously Reported(1)	**Investment In Batu Hijau**	**Inventory**	**Amortization**	**As Restated**
	(unaudited and in thousands, except per share)				
Sales and other income					
Sales gold	$ 1,789,579	$	$	$	$ 1,789,579
Sales base metals, net	46,644				46,644
Royalties	22,902				22,902
Gain on sale of marketable securities of Lihir	47,298				47,298
Dividends, interest, foreign currency exchange and other income	23,536				23,536
	1,929,959				1,929,959
Costs and expenses					
Costs applicable to sales gold	1,104,818		1,798(w)		1,106,616
Costs applicable to sales base metals	29,572				29,572
Depreciation, depletion and amortization	387,726		(37,280)(v)	8,991(a2)	359,437
Exploration and research	55,711				55,711
General and administrative	78,709				78,709
Interest, net of capitalized interest	99,320				99,320
Write-down of assets	5,686		32,205(v)		37,891
Other	6,187				6,187
	1,767,729		(3,277)	8,991	1,773,443
Operating income (loss)	162,230		3,277	(8,991)	156,516
Loss on derivative instruments	(14,338)				(14,338)
Pre-tax income (loss) before minority interest, equity income of affiliates and cumulative effect of a change in accounting principle	147,892		3,277	(8,991)	142,178
Income tax expense (benefit)	(44,280)		(422)(x)	2,937(a3)	(41,765)
Minority interest in income of affiliates	(54,760)		(7,569)(y)		(62,329)
Equity income of affiliates	34,024	274(t)	2,869(y)		37,167
Net income (loss) before cumulative effect of a change in accounting principle	82,876	274	(1,845)	(6,054)	75,251
Cumulative effect of a change in accounting principle, net of tax of $4,147	7,701				7,701
Net income (loss)	90,577	274	(1,845)	(6,054)	82,952
Preferred stock dividends	(3,738)				(3,738)

Net income (loss) applicable to common shares	$ 86,839	$ 274	$ (1,845)	$ (6,054)	$ 79,214
Net income (loss)	$ 90,577	$ 274	$ (1,845)	$ (6,054)	$ 82,952
Other comprehensive loss, net of tax	(17,737)				(17,737)
Comprehensive income (loss)	$ 72,840	$ 274	$ (1,845)	$ (6,054)	$ 65,215
Net income (loss) before cumulative effect of a change in accounting principle per common share, basic and diluted	$ 0.22	$	$	$ (0.02)	$ 0.20
Cumulative effect of a change in accounting principle per common share, basic and diluted	0.02				0.02
Net income (loss) per common share, basic and diluted	$ 0.24	$	$	$ (0.02)	$ 0.22
Basic weighted average shares outstanding	360,577				360,577
Diluted weighted average shares outstanding	362,023				362,023

NEWMONT MINING CORPORATION

RESTATEMENT OF CONSOLIDATED BALANCE SHEET

	September 30, 2002				
	As Previously Reported(1)	Investment In Batu Hijau	Inventory	Amortization	As Restated
	(unaudited and in thousands)				
Assets					
Cash and cash equivalents	$ 292,148	$	$	$	$ 292,148
Short-term investments	15,418				15,418
Accounts receivable	39,041				39,041
Inventories	500,070		69,164(v)		569,234
Current portion of deferred stripping costs	44,013				44,013
Prepaid taxes	36,874				36,874
Current portion of deferred income tax assets	28,700				28,700
Other current assets	113,555				113,555
Current assets	1,069,819		69,164		1,138,983
Property, plant and mine development, net	2,347,155		(9,662)(v)		2,337,493
Mineral interests and other intangible assets, net	1,856,238			(8,991)(a2)	1,847,247
Investments	1,019,002	(5,989)(t)	(37)(y)		1,012,976
Deferred stripping costs	18,859				18,859
Long-term inventories	111,804		29,530(v)		141,334
Derivative instruments	3,889				3,889
Deferred income tax assets	504,824				504,824
Other long-term assets	173,426				173,426
Goodwill	2,568,935				2,568,935
Total assets	$ 9,673,951	$ (5,989)	$ 88,995	$ (8,991)	$ 9,747,966
Liabilities					
Current portion of long-term debt	$ 100,931	$	$	$	$ 100,931
Accounts payable	124,896				124,896
Current portion of deferred income tax liabilities	14,589		24,555(x)		39,144
Derivative instruments	65,034				65,034
Other accrued liabilities	325,799				325,799
Current liabilities	631,249		24,555		655,804
Long-term debt	1,725,428				1,725,428
Reclamation and remediation liabilities	260,287				260,287
Deferred revenue from sale of future production	53,841				53,841
Derivative instruments	391,748				391,748
Deferred income tax liabilities	545,646	(3,381)(u)	9,919(x)	(2,937)(a3)	549,247
Employee related benefits	162,938		4,444(w)		167,382
Other long-term liabilities	197,299				197,299
Total liabilities	3,968,436	(3,381)	38,918	(2,937)	4,001,036
Commitments and contingencies					
Minority interest in affiliates	330,399		18,691(y)		349,090
Stockholders equity					
Common stock	559,734				559,734
Additional paid-in capital	5,060,613				5,060,613

Accumulated other comprehensive loss	(27,185)				(27,185)
Retained deficit	(218,046)	(2,608)(q)	31,386(z)	(6,054)(a4)	(195,322)
Total stockholders equity	5,375,116	(2,608)	31,386	(6,054)	5,397,840
Total liabilities and stockholders equity	$ 9,673,951	$ (5,989)	$ 88,995	$ (8,991)	$ 9,747,966

54

NEWMONT MINING CORPORATION

RESTATEMENT OF STATEMENT OF CONSOLIDATED CASH FLOW

	Nine Months Ended September 30, 2002				
	As Previously Reported(1)	**Investment In Batu Hijau**	**Inventory**	**Amortization**	**As Restated**
	(unaudited and in thousands)				
Operating activities:					
Net income (loss)	$ 90,577	$ 274 (q)	$ (1,845)(z)	$ (6,054)(a4)	$ 82,952
Adjustments to reconcile net loss to net cash provided by operating activities:					
Depreciation, depletion and amortization	387,726		(37,280)(a1)	8,991 (a4)	359,437
Amortization of deferred stripping costs, net	28,759				28,759
Deferred tax benefit	(24,170)		422(a1)	(2,937)(a4)	(26,685)
Foreign currency exchange (gain) loss	(9,990)				(9,990)
Write-down of assets	5,686		32,205 (al)		37,891
Minority interest, net of dividends	50,760		7,569 (a1)		58,329
Undistributed earnings of affiliated companies	(24,399)	(274)(r)	(2,869)(a1)		(27,542)
Cumulative effect of a change in accounting principle, net	(7,701)				(7,701)
Gain on sale of marketable securities of Lihir	(47,298)				(47,298)
Gain on assets sales and other	(5,915)				(5,915)
(Increase) decrease in operating assets:					
Accounts receivable	17,765				17,765
Inventories	(11,926)				(11,926)
Other assets	49,013				49,013
Increase (decrease) in operating liabilities:					
Accounts payable and other accrued liabilities	(27,272)		1,798 (a1)		(25,474)
Other liabilities	(26,471)				(26,471)
Net cash provided by operating activities	445,144				445,144
Investing activities:					
Additions to property, plant and mine development	(238,171)				(238,171)
Proceeds from sale of short-term investments	407,443				407,443
Proceeds from sale of marketable securities of Lihir	84,002				84,002
Proceeds from settlement of cross country swaps	50,816				50,816
Net cash effect of acquisitions	(88,114)				(88,114)
Advances to joint ventures and affiliates	(24,750)				(24,750)
Proceeds from asset sales and other	18,459				18,459
Net cash provided by investing activities	209,685				209,685
Financing activities:					
Proceeds from long-term debt	493,371				493,371
Repayments of long-term debt	(1,026,858)				(1,026,858)
Dividends paid on common and preferred stock	(37,931)				(37,931)
Proceeds from stock issuances	67,964				67,964
Other	(4)				(4)
Net cash used in financing activities	(503,458)				(503,458)
Effect of exchange rate changes on cash	(8,654)				(8,654)
Net change in cash and cash equivalents	142,717				142,717

Cash and cash equivalents at beginning of period	149,431				149,431
Cash and cash equivalents at end of period	$ 292,148	$	$	$	$ 292,148

NEWMONT MINING CORPORATION

RESTATEMENT OF STATEMENT OF CONSOLIDATED OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

	Three Months Ended September 30, 2001					
	As Previously Reported(1)	**Prepaid Forwards**	**Investment In Batu Hijau**	**Depreciation and Amortization**	**Inventory**	**As Restated**
	(unaudited and in thousands, except per share)					
Sales and other income						
Sales gold	$ 424,397	$	$	$	$	$ 424,397
Royalties	268					268
Dividends, interest, foreign currency exchange and other income	(3,559)					(3,559)
	421,106					421,106
Costs and expenses						
Costs applicable to sales	281,979			(49)(j)	522(w)	282,452
Depreciation, depletion and amortization	71,479			618(k)	(6,755)(v)	65,342
Exploration and research	12,843					12,843
General and administrative	13,677					13,677
Interest, net of capitalized interest	21,745	2,898(b)				24,643
Write-down of assets					2,842(v)	2,842
Other	2,953					2,953
	404,676	2,898		569	(3,391)	404,752
Operating income (loss)	16,430	(2,898)		(569)	3,391	16,354
Gain on derivative instruments	943					943
Pre-tax income (loss) before minority interest and equity income of affiliates	17,373	(2,898)		(569)	3,391	17,297
Income tax (expense) benefit	8,509	1,014(c)		(302)(l)	(995)(x)	8,226
Minority interest in income (loss) of subsidiaries	(19,336)			194(m)	(2,088)(y)	(21,230)
Equity income (loss) of affiliates	16,852		(684)(p)		(10,504)(y)	9,679
			4,015(t)			
Net income (loss)	23,398	(1,884)	3,331	(677)	(10,196)	13,972
Preferred stock dividends	(1,870)					(1,870)
Net income (loss) applicable to common shares	$ 21,528	$ (1,884)	$ 3,331	$ (677)	$ (10,196)	$ 12,102
Net income (loss)	$ 23,398	$ (1,884)	$ 3,331	$ (677)	$ (10,196)	$ 13,972
Other comprehensive income (loss)	7,163	(374)(d)				6,789
Comprehensive income (loss)	$ 30,561	$ (2,258)	$ 3,331	$ (677)	$ (10,196)	$ 20,761

Net income (loss) per common share, basic and diluted	$ 0.11	$ (0.01)	$ 0.01	$	$ (0.05)	$ 0.06
Basic weighted average common shares outstanding	195,880					195,880
Diluted weighted average common shares outstanding	196,068					196,068

NEWMONT MINING CORPORATION

RESTATEMENT OF STATEMENT OF CONSOLIDATED OPERATIONS

AND COMPREHENSIVE INCOME (LOSS)

	Nine Months Ended September 30, 2001					
	As Previously Reported(1)	**Prepaid Forwards**	**Investment In Batu Hijau**	**Depreciation and Amortization**	**Inventory**	**As Restated**
	(unaudited in thousands, except per share)					
Sales and other income						
Sales gold	$ 1,210,855	$ 4,940(a)	$	$	$	$ 1,215,795
Royalties	447					447
Dividends, interest, foreign currency exchange and other income	3,140					3,140
	1,214,442	4,940				1,219,382
Costs and expenses						
Costs applicable to sales	808,943			(292)(j)	346(w)	808,997
Depreciation, depletion and amortization	218,829			3,646(k)	(460)(v)	222,015
Exploration and research	43,463					43,463
General and administrative	44,552					44,552
Interest, net of capitalized interest	62,641	8,716(b)				71,357
Write-down of assets					9,986(v)	9,986
Merger and restructuring	60,510					60,510
Other	8,203					8,203
	1,247,141	8,716		3,354	9,872	1,269,083
Operating loss	(32,699)	(3,776)		(3,354)	(9,872)	(49,701)
Gain on derivative instruments	1,797					1,797
Pre-tax loss before minority interest and equity income of affiliates	(30,902)	(3,776)		(3,354)	(9,872)	(47,904)
Income tax benefit	6,666	1,322(c)		605(l)	3,588(x)	12,181
Minority interest in income (loss) of subsidiaries	(44,423)			1,142(m)	(1,365)(y)	(44,646)
Equity income (loss) of affiliates	23,214		(2,483)(p)		(9,360)(y)	13,448
			2,077(t)			
Net loss	(45,445)	(2,454)	(406)	(1,607)	(17,009)	(66,921)
Preferred stock dividends	(5,607)					(5,607)
Net loss applicable to common shares	$ (51,052)	$ (2,454)	$ (406)	$ (1,607)	$ (17,009)	$ (72,528)
Net loss	$ (45,445)	$ (2,454)	$ (406)	$ (1,607)	$ (17,009)	$ (66,921)
Other comprehensive income	11,140	948(d)				12,088

Comprehensive loss	$ (34,305)	$ (1,506)	$ (406)	$ (1,607)	$ (17,009)	$ (54,833)
Net loss per common share, basic and diluted	$ (0.26)	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.08)	$ (0.37)
Basic weighted average common shares outstanding	194,720					194,720
Diluted weighted average common shares outstanding	194,720					194,720

NEWMONT MINING CORPORATION

RESTATEMENT OF STATEMENT OF CONSOLIDATED CASH FLOW

	Nine Months ended September 30, 2001					
	As Previously Reported(1)	**Prepaid Forwards**	**Investment In Batu Hijau**	**Depreciation and Amortization**	**Inventory**	**As Restated**
			(unaudited and in thousands)			
Operating activities:						
Net loss	$ (45,445)	$ (2,454)(h)	$ (406)(q)	$ (1,607)(n)	$ (17,009)(z)	$ (66,921)
Adjustments to reconcile net loss to net cash provided by operating activities:						
Depreciation, depletion and amortization	218,829			3,646(o)	(460)(a1)	222,015
Amortization of deferred stripping costs, net	19,389					19,389
Deferred tax benefit	(35,282)	(1,322)(i)		(605)(o)	(3,588)(a1)	(40,797)
Foreign currency exchange loss	5,283					5,283
Write-down of assets					9,986(al)	9,986
Minority interest, net of dividends	39,224			(1,142)(o)	1,365(a1)	39,447
Undistributed (gains) losses of affiliated companies	(23,214)		406(r)		9,360(a1)	(13,448)
Non cash merger and restructuring expenses	14,667					14,667
Gain on assets sales and other	(7,592)					(7,592)
(Increase) decrease in operating assets:						
Accounts receivable	(2,502)					(2,502)
Inventories	49,402					49,402
Other assets	21,785					21,785
Increase (decrease) in operating liabilities:						
Accounts payable and other accrued liabilities	(45,046)	3,776(i)		(292)(o)	346(a1)	(41,216)
Other liabilities	13,531					13,531
Net cash provided by operating activities	223,029					223,029
Investing activities:						
Additions to property, plant and mine development	(318,067)					(318,067)
Repayments from joint ventures and affiliates	8,780					8,780
Proceeds from asset sales and other	2,073					2,073
Net cash used in investing activities	(307,214)					(307,214)
Financing activities:						
Repayment of short-term debt	(10,000)					(10,000)
Proceeds from long-term debt	1,013,550					1,013,550
Repayments of long-term debt	(931,196)					(931,196)
Dividends paid on common and preferred stock	(23,219)					(23,219)
Decrease in restricted cash	40,000					40,000
Proceeds from stock issuances	5,366					5,366
Other	479					479

Net cash provided by financing activities	94,980					94,980
Effect of exchange rate changes on cash	2,163					2,163
Net change in cash and cash equivalents	12,958					12,958
Cash and cash equivalents at beginning of period	77,558					77,558
Cash and cash equivalents at end of period	$ 90,516	$	$	$	$	$ 90,516

58

Adjustments:

(1) This column presents the financial statements that were previously reported on Form 10-Q for the nine months ended September 30, 2002 filed November 14, 2002 and the cumulative effect of a change in accounting principle (see Note 12). Certain amounts have been reclassified to conform to the current presentation.
(a) To reverse the effect of the cost of purchasing the Semi-Annual Delivery Requirements under the Forward Purchase that was originally recorded as a reduction of sales revenue.
(b) To record accrued interest to account for the Prepaid Forward and the Forward Purchase as a single financing transaction.
(c) To record the income tax impact of recording the Prepaid Forward and the Forward Purchase as a single financing transaction.
(d) To reverse the effect of treating the Forward Purchase as a cash flow hedge. As a cash flow hedge, the Forward Purchase was recorded at fair value at each balance sheet date with the change in fair value recorded in *Accumulated other comprehensive income (loss), net* of the related deferred tax effect.
(h) To reflect the combined effect of adjustments (a) through (c) to *Net loss*.
(i) To reflect the effect of treating the Prepaid Forward and the Forward Purchase as a single financing transaction in the Statement of Consolidated Cash Flow.
(j) To record the reduction of workers participation profit sharing at Yanacocha in Peru for adjustment (k).
(k) To change depreciation due to the correction of depreciation rates related to certain mining assets at Yanacocha.
(l) To record the consolidated income tax impact of recording adjustments (j) and (k).
(m) To record the minority interest impact, net of tax, of recording adjustments (j) through (l).
(n) To reflect the effect of adjustments (j) through (m) to *Net Loss*.
(o) To reflect the effect of recording the correction of depreciation rates of certain mining assets at Yanacocha in the Statement of Consolidated Cash Flow.
(p) To record the effect, net of tax, in the Company s *Investment in Batu Hijau* for an adjustment in NTP s financial statements. NTP determined that it had incorrectly included material other than proven and probable reserves in its depreciation calculations.
(q) To reflect the effect of adjustments (p) and (t) to *Net loss* and *Retained Deficit*.
(r) To reflect the effect of recording the change in equity in Batu Hijau relating to adjustments (p) and (t) in the Statement of Consolidated Cash Flow.
(t) To record the impact, net of tax, in the Company s *Investment in Batu Hijau* for an adjustment in NTP s financial statements. NTP determined that it needed to correct the deferred stripping calculation for the Batu Hijau mine.
(u) To record the consolidated income tax impact of recording adjustments (t).
(v) To record effect of capitalizing DDA into inventory, including the change to the UOP method based upon production versus sale and any associated lower of cost or net realizable value write-down.
(w) To record worker s participation profit sharing at Yanacocha in Peru for adjustment (v).
(x) To record the income tax impact of recording adjustment (v).
(y) To record minority interest and equity income impacts of recording adjustment (v).
(z) To record the effect of adjustments (w) through (y) to *Net Loss* and *Retained Deficit*.
(a1) To reflect the effect of recording the capitalization of DD&A in inventory in the Statement of Consolidated Cash Flow.
(a2) To record the impact of amortizing acquired mineral interests.
(a3) To record the income tax impact of recording adjustment (a2).
(a4) To record the effect of adjustments (a2) through (a3) to *Net Loss* and *Retained Deficit* and in the Statement of Consolidated Cash Flow.

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

In conjunction with a prepaid forward sales transaction entered into in July 1999, Newmont obtained for the benefit of the counterparty, a $145.0 million surety bond supporting its commitment to deliver contracted production in 2005, 2006 and 2007. The Company and/or wholly-owned subsidiaries also provide guarantees for certain other financial transactions, including a guarantee for a $39 million corporate facility of QMC Finance Pty. Limited, a subsidiary of Australian Magnesium Corporation (AMC); a guarantee of AMC foreign exchange contracts with a mark-to-market exposure of $8.5 million at September 30; and a guarantee of $19 million in payments due under an operating lease for mining equipment at the Kalgoorlie Mine in Australia.

As part of its ongoing business and operations, Newmont and its affiliates are required to provide surety bonds, bank letters of credit and corporate guarantees as financial support for various purposes, including environmental reclamation, exploration permitting, workers compensation programs and other general corporate purposes. At September 30, 2002 in addition to the sureties and guarantees provided as support for the financial transactions noted above, the Company also had outstanding $173 million in surety bonds and bank letters of credit and $194 million in corporate guarantees. The obligations associated with these instruments are generally related to performance requirements that the Company addresses through its ongoing operations. As the specific requirements are met, the beneficiary of the associated instrument cancels and/or returns the instrument to the issuing entity. Certain of these instruments are associated with operating sites with long-lived assets and will remain outstanding until closure. Generally, bonding requirements associated with environmental regulation and reclamation are becoming more restrictive. In addition, the surety markets for certain types of environmental bonding used by Newmont have become increasingly constrained. Newmont, however, believes it is in compliance with all applicable bonding obligations and will be able to satisfy future bonding requirements, through existing or alternative means, as they arise.

(20) Supplementary Data

Ratio of Earnings to Fixed Charges

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

Deferred Stripping

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

	Three Months Ended September 30,				Nine Months Ended September 30,			
	Nevada(5)		Mesquite		Nevada(5)		Mesquite	
	2002	2001	2002	2001	2002	2001	2002	2001
Life-of-mine Assumptions Used as Basis For Deferred Stripping Calculations								
Stripping ratio (1)	121.1	141.6	n/a	n/a	125.1	134.2	n/a	237.6
Average ore grade (ounces of gold per ton)	0.075	0.069	n/a	n/a	0.073	0.066	n/a	0.023

Actuals for Year

Stripping ratio (2)	54.1	89.1	n/a	n/a	70.2	105.0	n/a	155.5
Average ore grade (ounces of gold per ton)	0.086	0.055	n/a	n/a	0.074	0.057	n/a	0.031
Remaining Mine Life (years)	9	10	n/a	n/a	9	10	n/a	n/a

	Minahasa		**La Herradura(6)**		**Minahasa**		**La Herradura(6)**	
	2002	**2001**	**2002**	**2001**	**2002**	**2001**	**2002**	**2001**
Life-of-mine Assumptions Used as Basis For Deferred Stripping Calculations								
Stripping ratio (1)	n/a	14.5	141.3	177.0	n/a	14.5	141.3	177.0
Average ore grade	n/a	0.172	0.031	0.026	n/a	0.172	0.031	0.026

60

	Three Months Ended September 30,				Nine Months Ended September 30,			
	Minahasa		La Herradura(6)		Minahasa		La Herradura(6)	
	2002	2001	2002	2001	2002	2001	2002	2001
Actuals for Year								
Stripping ratio (2)	n/a	21.0	152.1	188.1	n/a	19.1	161.6	201.8
Average ore grade (ounces of gold per ton)	n/a	0.129	0.027	0.026	n/a	0.166	0.026	0.024
Remaining Mine Life (years)	n/a	n/a	6	7	n/a	n/a	6	7

	Three Months Ended September 30,						Nine Months Ended September 30,					
	Yandal		Tanami		KCGM		Yandal		Tanami		KCGM	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
Life-of-mine Assumptions Used as Basis For Deferred Stripping Calculations												
Stripping ratio (3)	5.2	n/a	6.8	n/a	5.3	n/a	5.2	n/a	6.8	n/a	5.3	n/a
Actuals for Year												
Stripping ratio (4)	0.7	n/a	7.2	n/a	4.3	n/a	3.5	n/a	7.8	n/a	4.6	n/a
Remaining Mine Life (years)	n/a	n/a	6	n/a	18	n/a	n/a	n/a	6	n/a	18	n/a

	Martha		Ovacik		Martha		Ovacik	
	2002	2001	2002	2001	2002	2001	2002	2001
Life-of-mine Assumptions Used as Basis For Deferred Stripping Calculations								
Stripping ratio (3)	1.9	n/a	14.2	n/a	1.7	n/a	11.5	n/a
Actuals for Year								
Stripping ratio (4)	2.5	n/a	11.4	n/a	2.2	n/a	9.9	n/a
Remaining Mine Life (years)	5	n/a	2	n/a	5	n/a	2	n/a

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

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(1) Total tons to be mined in future divided by total ounces of gold to be recovered in future, based on proven and probable reserves.
(2) Total tons mined divided by total ounces of gold recovered.
(3) Total waste tons to be mined in future divided by ore tons to be mined in future.
(4) Total waste tons mined divided by ore tons mined.
(5) The life-of-mine stripping ratio decreased during 2002 from 2001 due to the completion of mining activities in certain pits in the Carlin Trend which had higher stripping ratios. The actual strip ratio decreased in 2002 from 2001 as mining activities in the Twin Creeks pit

entered into higher grade ore zones.

(6) The life-of-mine stripping ratio decreased approximately 20% in 2002 from 2001 as a result of a 20% increase in ore grade and minimal change in total tons to be mined. The actual stripping ratio decreased in 2002 due to an increase in average ore grade.

(21) Subsequent Events

TVX Newmont Americas and Echo Bay Mines Ltd.

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

Australian Magnesium Corporation

On January 3, 2003, an NAL subsidiary contributed an additional A$100 million ($56.0 million) to AMC in return for approximately 167 million additional shares, increasing the Company s ownership to 40.9%. However, due to additional equity contributions by third-party shareholders, the Company s voting interest was decreased to 27.8%. In addition, subsequent to year end, the A$90 million (approximately $51 million) contingent equity commitment outlined in Note 7 was renegotiated into an A$75 million (approximately $42 million) contingent convertible debt and equity facility.

Repurchase of Long-term Debt

During the first quarter of 2003, the Company repurchased $23.0 million, $52.3 million, $10.0 million and $30.9 million face amount of its outstanding 8 3/8%, 8 5/8%, NAL 7 ½% and NAL 7 5/8% debentures, respectively, for total cash consideration of $135.8 million. Newmont recorded a pre-tax charge of $19.6 million related to these repurchases during the first quarter of 2003.

Normandy and Franco-Nevada Acquisitions

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

Normandy

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

Franco-Nevada

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

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

The following provides information that management believes is relevant to an assessment and understanding of the consolidated results of operations and financial condition of Newmont Mining Corporation and its subsidiaries (collectively, Newmont or the Company). The discussion should be read in conjunction with Management s Discussion and Analysis included in Newmont s Annual Report on Form 10-K, for the year ended December 31, 2001, as the same may be amended. References to A$ refers to Australian currency, and $ or US$, to United States currency.

Restatements and Accounting Changes

Newmont has determined that certain adjustments are required to restate the Consolidated Financial Statements for the three-month and nine-month periods ended September 30, 2002 and 2001 and at September 30, 2002. Overall the adjustments decreased net income in the third quarters of 2002 and 2001 by $3.3 million or $0.01 per share and $9.4 million or $0.05 per share, respectively, and decreased the net income for the nine months ended September 30, 2002 by $7.6 million or $0.02 per share and increased the net loss for the nine months ended September 30, 2001 by $21.5 million or $0.11 per share. The adjustments also increased the Stockholders equity of the Company at September 30, 2002 by $22.7 million. The adjustments were necessary (i) to account for a prepaid forward sales contract and a forward purchase contract as a single borrowing; (ii) to correct depreciation rates on certain mining assets at the Company s subsidiary, Minera Yanacocha; (iii) to properly amortize acquired mineral interests; (iv) to record the impact in the Company s investment in Batu Hijau, accounted for under the equity method, for correcting its depreciation and deferred stripping calculations so as to exclude material other than proven and probable reserves; and, (v) to include depreciation, depletion and amortization expense as a capitalized cost in inventory. See Note 18 to the Consolidated Financial Statements for a detailed description of the effects of this restatement. All amounts in the accompanying footnotes have been adjusted for these restatements as appropriate.

Newmont has also restated the Financial Statements contained in its previously filed Amendment No. 1 to the March 31, 2002 Form 10-Q/A, the June 30, 2002 Form 10-Q and the December 31, 2001 Form 10-K to reflect the restatement adjustments discussed in Note 18 to the Consolidated Financial Statements. Numbers included in this Quarterly Report have been restated to reflect the necessary adjustments described above.

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

During the third quarter of 2002, Newmont changed its accounting policy, retroactive to January 1, 2002, with respect to depreciation, depletion and amortization (DD&A) of *Property, plant and mine development, net* to exclude future estimated development costs expected to be incurred for certain underground operations. Previously, the Company had included these costs and associated reserves in its DD&A calculations at certain of its underground mining operations. In addition, Newmont further revised its policy such that costs incurred to access specific ore blocks or areas that only provide benefit over the life of that area are depreciated, depleted or amortized over the reserves associated with the specific ore area. These changes were made to better match DD&A with the associated ounces of gold sold and to remove the inherent uncertainty in estimating future development costs in arriving at DD&A rates. The cumulative effect of this change through December 31, 2001 increased net income during the nine months ended September 30, 2002 by $7.7 million, net of tax of $4.1 million, and increased earnings per basic and diluted common share by $0.02 per share.

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

	Three months ended		Nine months ended	
Increase/(Decrease) to net income	**September 30, 2002 (Actuals)**	**September 30, 2001 (Pro forma)**	**September 30, 2002 (Actuals)**	**September 30, 2001 (Pro forma)**
Depreciation, depletion, and amortization	$ (3,377)	$ 250	$ 629	$ 319
Income tax expense	1,182	(88)	(220)	(112)
Net income (loss) before cumulative effect of a change in accounting principle	$ (2,195)	$ 162	$ 409	$ 207
Net income (loss) before cumulative effect of a change in accounting principle per common share, basic and diluted	$ (0.01)	$ 0.00	$ 0.00	$ 0.00

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

	Three months ended September 30, 2001		Nine months ended September 30, 2001	
	Net income applicable to common shares before cumulative effect of a change in accounting principle	**Earnings per share before cumulative effect of a change in accounting principle**	**Net loss applicable to common shares before cumulative effect of a change in accounting principle**	**Loss per share before cumulative effect of a change in accounting principle**
As reported	$ 12,102	$ 0.06	$ (72,528)	$ (0.37)
Change in accounting method for *Property, plant and mine development, net*	162	0.00	207	0.00
Pro forma	$ 12,264	$ 0.06	$ (72,321)	$ (0.37)

Restructuring

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

Acquisitions

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

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

The purchase price for these acquisitions totaled $4.4 billion, composed of 197.4 million Newmont shares (or share equivalents), $462.1 million in cash and approximately $90 million of direct costs. The value of Newmont shares (or share equivalents) was $19.01 per share based on the average market price of the shares over the two-day period before and after January 2, 2002, the last trading day before the final and revised terms for the Normandy and Franco-Nevada acquisitions were announced.

The combination of Newmont, Normandy and Franco-Nevada was designed to create a platform for rational growth and for delivering superior returns to shareholders. With a larger global operating base, a broad and balanced portfolio of development projects and a stable income stream from mineral royalties and investments, the combined company will have opportunities to optimize returns, realize synergies through rationalization of corporate overhead and exploration programs, realize operating efficiencies, reduce operating and procurement costs and reduce interest expense and income taxes. The acquisitions resulted in approximately $2.6 billion of goodwill primarily related to the Merchant Banking business, the combined global exploration expertise and the synergies discussed above. (See Note 21 to the Consolidated Financial Statements.)

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.

SUMMARY

Newmont recorded net income applicable to common shares of $20.8 million ($0.05 per share) in the third quarter of 2002 compared with net income of $12.1 million ($0.06 per share) in the third quarter of 2001. Contributing to net income in the third quarter of 2002 was increased operating income from higher gold prices, partially offset by increased production costs. Net income also included $14.5 million in equity income from the Batu Hijau copper-gold mine, and a non-cash mark-to-market loss on derivative instruments of $11.2 million. The net loss in the third quarter of 2001 included equity income from Batu Hijau of $9.7 million and a non-cash mark-to-market gain on derivative instruments of $0.9 million. For the first three quarters of 2002, net income applicable to common shares was $79.2 million ($0.22 per share), which included a $7.7 million gain, net of tax, for a cumulative effect of a change in accounting principle, compared with a net loss of $72.5 million ($0.37 per share) for the first nine months of 2001.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2002	2001	2002	2001
		(restated)		(restated)
		(unaudited)		
Equity gold sales ounces (000)	2,088	1,393	5,416	4,053
Total cash costs per ounce	$ 189	$ 190	$ 193	$ 185
Total costs per ounce	$ 255	$ 241	$ 257	$ 237
Average price realized per ounce	$ 315	$ 274	$ 308	$ 269

For the full year 2002 and based on our current asset base portfolio, we forecast equity gold sales at 7.5 million ounces at a total cash cost of approximately $185 per ounce. We project net income to common shares of between $0.40 and $0.45 per share excluding any non-cash mark-to-market gains or losses on derivative instruments.

During the last quarter of 2002, we expect to produce 2.1 million equity ounces of gold at cash costs of about $170 per ounce as our mine plans indicate higher grade ore in Nevada, Peru and Australia.

The preliminary 2003 forecast includes sales of 7.0 million to 7.2 million equity ounces of gold, assuming the sale/exchange of TVX Newmont Americas/Echo Bay at total cash costs between $180 and $192 per ounce.

Market Conditions and Risks

Metal Price

Changes in the market price of gold significantly affect Newmont s profitability and cash flow. Gold prices can fluctuate widely and are affected by numerous factors, such as: demand; forward selling by producers; central bank sales, purchases and lending; investor sentiment; and, global mine production levels. The gold price fell to a 20-year low of $253 in July 1999, recovered moderately throughout 2001 and has increased in 2002 to over $300 per ounce. Changes in the market price of copper also affect Newmont s profitability and cash flow from its investment in the Batu Hijau mine in Indonesia and its Golden Grove mine in Australia.

Hedging

Newmont generally sells its production at market prices. Newmont has, on a limited basis, entered into derivative contracts to protect the selling price for certain anticipated gold production and to manage risks associated with sales contracts, commodities, interest rates and foreign currency. In addition, at the time of the acquisition, Normandy and its affiliates had a substantial derivative instrument position comprised of the Newmont Gold Treasury hedge book, the Newmont NFM hedge book and the Newmont Yandal Operations Limited hedge book. Following the Normandy acquisition, however, and in accordance with the Company s non-gold-hedging philosophy, efforts to proactively reduce and simplify the Normandy hedge positions have been undertaken. Accordingly, the Normandy gold hedge books have been reduced by over 2.4 million ounces since February 2002 and by 928,000 ounces during the quarter. Gold forward sales contracts and other instruments (committed) hedging obligations were reduced by 748,000 ounces during the quarter by delivering 478,000 ounces into committed contracts while simultaneously unwinding 270,000 ounces of committed hedging. Similarly, uncommitted contracts for 180,000 ounces were either delivered into or closed out. Combining the 478,000 committed ounces delivered, the 270,000 committed ounces closed out and the 180,000 uncommitted ounces eliminated through the end of the third quarter, the Normandy gold hedge books were reduced to 5.8 million committed ounces and 1.7 million uncommitted ounces for a total of 7.5 million ounces. The mark-to- market valuation of the Normandy gold hedge books at the end of the third quarter, however, grew to a negative $422 million broken down as follows: Newmont Gold Treasury $(114) million; Newmont NFM $(26) million; and, Newmont Yandal Operations Limited $(282) million.

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

Market Variables	Change in Variable	Change in Mark-to-Market Value (millions)
A$ Interest Rates	+/-1.0%	-/+ $41.4
US$/A$ Exchange Rates	+/- US$0.01	+/-$37.7
Gold Lease Rates	+/-1.0%	+/-$16.3
US$ Interest Rates	+/-1.0%	-/+$11.5
US$ Gold Price/oz.	+/-$1.00	-/+$7.5

For the balance of 2002, Newmont expects a further reduction of committed ounces by 279,000 ounces at an average gross gold price of approximately $302 per ounce (assuming a US$0.54 to A$1 exchange rate). The Company will continue to evaluate opportunities to accelerate delivery into or close out the Normandy hedge books under the appropriate market conditions.

Newmont also accelerated the timing of delivery of certain derivative positions during the third quarter of 2002. The Company expects deliveries or expiry of committed and uncommitted positions for the remainder of 2002 will total 384,000 Ounces.

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

The tables below are expressed in thousands of ounces of gold, and prices for contracts denominated in A$ have been translated to US$ at the exchange rate at September 30, 2002 of US$ 0.54 per A$1. For all floating rate instruments, the average prices quoted are gross contractual prices. The net forward prices ultimately realized on floating gold hedging contracts are the sum of the gross contractual forward prices less any associated future financing costs arising from gold borrowing commitments related to such floating rate instruments.

Gold Forward Sales Contracts:	Expected Maturity Date or Transaction Date 2002	2003	2004	2005	2006	There-after	Total/ Average	Fair Value US$ (000)
(A$ Denominated)								
Fixed Forwards:								
Ounces	272	1,161	1,060	227	52	26	2,798	$ (137,050)
Average price	$ 313	$ 288	$ 288	$ 282	$ 255	$ 244	$ 289	
Floating Rate Forwards:								
Ounces	7	16		61	231	140	455	$ (30,041)
Average price	$ 333	$ 333	$	$ 319	$ 329	$ 338	$ 331	
Synthetic Forwards:								
Ounces		39	80	80	80	160	439	$ (31,245)
Average price	$	$ 301	$ 293	$ 293	$ 293	$ 293	$ 294	
Total:								
Ounces	279	1,216	1,140	368	363	326	3,692	$ (198,336)
Average Price	$ 313	$ 289	$ 288	$ 291	$ 310	$ 308	$ 295	

Notes: *Fixed forward sales contracts* provide for delivery of a specified number of ounces at a specified price and date and are accounted for as cash flow hedges. *Floating rate forward contracts* provide for a gold lease rate component in the price that takes into account market lease rates over the term of the contract. Gold lease rates reflect the borrowing cost for gold. Floating rate forward contracts are accounted for as cash flow hedges. *Synthetic forward contracts* represent combinations of purchased put options and written call options at the same strike price, maturity date and number of ounces. The combination achieves the same risk management result as gold forward sales contracts.

Put Option Contracts:	Expected Maturity Date or Transaction Date 2002	2003	2004	2005	2006	Thereafter	Total/ Average	Fair Value US$ (000)
US$ Denominated Fixed Purchased Puts:								
Ounces	52	209	203	205	100	20	789	$ (4,145)
Average price	$ 292	$ 292	$ 292	$ 292	$ 338	$ 397	$ 301	
A$ Denominated Fixed Purchased Puts:								
Ounces	37	91	88	49			265	$ (3,776)
Average price	$ 292	$ 300	$ 305	$ 296	$	$	$ 300	
A$ Denominated Floating Purchased Puts:								
Ounces	16	16		207	69	287	595	$ (11,439)
Average price	$ 304	$ 304	$	$ 319	$ 329	$ 330	$ 325	
Total:								
Ounces	105	316	291	461	169	307	1,649	$ (19,359)
Average Price	$ 294	$ 295	$ 296	$ 305	$ 334	$ 334	$ 309	

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

Convertible Put Options and Other Instruments:	Expected Maturity Date or Transaction Date 2002	2003	2004	2005	2006	Thereafter	Total/ Average	Fair Value US$ (000)
(A$ Denominated)								
Ounces		46	37	82	65	1,304	1,533	$ (129,457)
Average price	$	$ 298	$ 298	$ 296	$ 293	$ 355	$ 346	

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

Price-capped contracts:	Expected Maturity Date or Transaction Date 2002	2003	2004	2005	2006	Thereafter	Total/ Average	Fair Value US$ (000)
(US$ Denominated)								
Ounces				500		1,850	2,350	n/a
Average price	$	$	$	$ 350	$	$ 384	$ 376	

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

US$/Gold Swap Contracts

Newmont Australia entered into a US$/gold swap contract whereby principal payments on US$ bonds are swapped into gold-denominated payments of 600,000 ounces in 2008. Newmont Australia also receives US$ fixed interest payments and pays gold lease rates, which are indexed to spot prices. This instrument is marked to market at the end of each period, with the change reflected in income, and at September 30, 2002, the fair value was a negative $66.3 million.

Foreign Currency

In addition to the U.S., Newmont conducts gold operations in Australia, New Zealand, Peru, Indonesia, Canada, Uzbekistan, Bolivia and Turkey. Gold produced at these operations is sold in the international markets for U.S. dollars, except for gold produced in Australia and New Zealand that is primarily sold in local currencies. The cost and debt structures of most operations are also primarily U.S. dollar denominated, except for Canadian operations where such structures are primarily denominated in the local currency. To the extent that there are fluctuations in local currency exchange rates against the U.S. dollar, the devaluation of a local currency is generally economically neutral or beneficial to most operations since local salaries and supply contracts will decrease against the U.S. dollar revenue stream. The appreciation of non-U.S. dollar currencies against the U.S. dollar can increase the costs of gold production in U.S. dollar terms at mines located outside the United States, making such mines less profitable. Foreign currency exchange rate gains (losses) were $2.4 million and $(4.5) million for the three months ended September 30, 2002 and 2001, respectively, and $2.4 million and $(5.3) million in the first nine months of 2002 and 2001, respectively.

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

At September 30, 2002, Newmont had the following foreign currency contracts outstanding. Prices for contracts denominated in A$ have been translated at the exchange rate at September 30, 2002 of US$0.54 per A$1.

A$/US$ Currency Exchange Contracts:	**Expected Maturity Date or Transaction Date**						**Total/ Average**	**Fair Value**
	2002	**2003**	**2004**	**2005**	**2006**	**Thereafter**		**US$ (000)**
Notional Amounts US$ (000)								
	$ 7,844	$ 51,200	$ 56,112	$ 30,700	$	$	$ 145,856	$ (28,873)
Average Exchange Rate (US$ per A$1)								
Average price	0.713	0.640	0.646	0.682			0.655	

Newmont acquired currency swap contracts as part of the Normandy acquisition under which Newmont is to receive A$ and pay US$-denominated debt. The A$-denominated debt to which these contracts originally applied was repaid during the second quarter of 2002, and the contracts are currently undesignated. The contracts are accounted for on a mark-to-market basis. On September 30, 2002, they had a negative fair value of $28.9 million.

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

At March 31, 2002, Newmont Australia had a revolving line of credit denominated in A$ with a balance of approximately A$320 million (US$170.6 million). This line of credit was completely paid down during the second quarter of 2002, so there was no outstanding balance at September 30, 2002.

Interest Rate Swaps

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

During the last half of 2001, Newmont entered into contracts to hedge the interest rate risk exposure on a portion of its $275 million 8.625% notes and its $200 million 8.375% debentures. Newmont receives fixed-rate interest payments at 8.625% or 8.375% and pays floating-rate interest amounts based on periodic LIBOR settings plus a spread, ranging from 2.60% to 4.25%. The notional principal amount of these transactions (representing the amount of principal tied to floating interest rate exposure) was $200 million at September 30, 2002. Half of these contracts expire in July 2005 and half expire in May 2011. These transactions resulted in a reduction in interest expense of $1.4 million and $4.2 million for the quarter ended September 30, 2002 and the first nine months of 2002, respectively. These transactions have been designated as fair value hedges and had a fair value of $10.6 million at September 30, 2002.

Use of Estimates

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

RESULTS OF OPERATIONS

Gold Sales And Total Cash Costs

	Equity Ounces		Total Cash Costs	
	Three Months Ended September 30,			
	2002	2001	2002	2001
	(in thousands)		($ per equity ounce)	
North America:				
Nevada	722.0	653.9	$ 225	$ 238
Mesquite, California	16.3	16.5	214	188
La Herradura, Mexico	17.7	14.0	169	179
Golden Giant, Canada	60.4	72.6	217	202
Holloway, Canada	20.0	20.5	161	216
Total/Weighted Average	836.4	777.5	222	232
South America:				
Yanacocha, Peru (1)	329.6	264.0	119	115
Kori Kollo, Bolivia	64.9	76.9	152	127
Total/Weighted Average	394.5	340.9	124	118
Australia:				
Kalgoorlie	94.6		224	
Yandal	170.1		231	
Tanami	133.4		206	
Pajingo	77.2	29.6	98	128
Total/Weighted Average	475.3	29.6	201	128
Other Operations:				
Minahasa, Indonesia	28.3	78.4	259	159
Zarafshan-Newmont, Uzbekistan	70.3	62.5	122	129
Martha, New Zealand	27.7		138	
Ovacik, Turkey	36.6		123	
Total/Weighted Average	162.9	140.9	149	146
Equity Investments:				
Batu Hijau, Indonesia	96.9	104.4	n/a	n/a
TVX Newmont Americas	54.4		n/a	n/a
Echo Bay Mines	66.4		n/a	n/a
Total/Weighted Average	217.7	104.4	n/a	n/a

Newmont Subtotal/Weighted Average (1)	2,086.8	1,393.3	$ 189	$ 190
Other:				
Golden Grove	1.2		n/a	n/a
Newmont Total/Weighted Average (1)	2,088.0	1,393.3	$ 189	$ 190

(1) As restated. See Note 18 to the Consolidated Financial Statements.

	Equity Ounces		Total Cash Costs	
	Nine Months Ended September 30,			
	2002	2001	2002	2001
	(in thousands)		($ per equity ounce)	
North America:				
Nevada	1,927.1	1,986.6	$ 235	$ 223
Mesquite, California	44.2	80.2	180	208
La Herradura, Mexico	48.5	40.8	177	168
Golden Giant, Canada	201.2	196.2	196	190
Holloway, Canada	71.0	64.4	192	224
Total/Weighted Average	2,292.0	2,368.2	228	219
South America:				
Yanacocha, Peru (1)	823.1	719.5	131	115
Kori Kollo, Bolivia	191.9	201.1	154	164
Total/Weighted Average	1,015.0	920.6	135	126
Australia:				
Kalgoorlie	221.1		220	
Yandal	423.8		220	
Tanami	318.1		202	
Pajingo	208.6	90.9	91	108
Total/Weighted Average	1,171.6	90.9	192	108
Other Operations:				
Minahasa, Indonesia	114.1	275.4	206	133
Zarafshan-Newmont, Uzbekistan	194.0	162.6	135	136
Martha, New Zealand	74.3		132	
Ovacik, Turkey	84.6		128	
Total/Weighted Average	467.0	438.0	151	134
Equity Investments:				
Batu Hijau, Indonesia	200.2	235.2	n/a	n/a
TVX Newmont Americas	130.6		n/a	n/a
Echo Bay Mine	129.3		n/a	n/a
Total/Weighted Average	460.1	235.2	n/a	n/a
Newmont Subtotal/Weighted Average (1)	5,405.7	4,052.9	$ 193	$ 185
Other:				
Golden Grove	10.3		n/a	n/a
Newmont Total/Weighted Average (1)	5,416.0	4,052.9	$ 193	$ 185

(1) As restated. See Note 18 to the Consolidated Financial Statements.

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

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

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

	Nevada		**Golden Giant**		**Holloway**		**Mesquite**		**La Herradura**	
For the Three Months Ended September 30	**2002**	**2001**	**2002**	**2001**	**2002**	**2001**	**2002**	**2001**	**2002**	**2001**
					(in millions)					
Costs applicable to sales per financial statements	$ 164.3	$ 157.9	$ 13.4	$ 15.1	$ 3.4	$ 4.5	$ 3.5	$ 3.1	$ 3.0	$ 2.5
Minority interest in Minera Yanacocha										
Minority interest in Kori Kollo										
Minority interest in NFM Tanami										
Reclamation accrual	(1.8)	(2.2)	(0.4)	(0.4)	(0.1)	(0.1)				
Non-cash inventory adjustment	0.1									
CAS of non-gold producers										
Gold non-cash										
Other										
Total cash cost for per ounce calculation	$ 162.6	$ 155.7	$ 13.0	$ 14.7	$ 3.3	$ 4.4	$ 3.5	$ 3.1	$ 3.0	$ 2.5
Equity cash cost per ounce sold	$ 225	$ 238	$ 217	$ 202	$ 161	$ 216	$ 214	$ 188	$ 169	$ 179

	Total North America		**Yanacocha**		**Kori Kollo**		**Total South America**		**Pajingo**	
			(1)	**(1)**			**(1)**	**(1)**		
For the Three Months Ended September 30	**2002**	**2001**	**2002**	**2001**	**2002**	**2001**	**2002**	**2001**	**2002**	**2001**
					(in millions)					
Costs applicable to sales per financial statements	$ 187.6	$ 183.1	$ 82.5	$ 63.0	$ 11.6	$ 11.6	$ 94.1	$ 74.6	$ 7.8	$ 3.8
Minority interest in Minera Yanacocha			(41.9)	(31.8)			(41.9)	(31.8)		
Minority interest in Kori Kollo					(1.4)	(1.4)	(1.4)	(1.4)		
Minority interest in NFM Tanami										
Reclamation accrual	(2.3)	(2.7)	(0.9)	(0.8)	(0.4)	(0.4)	(1.3)	(1.2)	(0.2)	
Non-cash inventory adjustment	0.1									
CAS of non-gold producers										
Gold non-cash			(0.4)		0.1		(0.3)			
Other			(0.1)				(0.1)			
Total cash cost for per ounce calculation	$ 185.4	$ 180.4	$ 39.2	$ 30.4	$ 9.9	$ 9.8	$ 49.1	$ 40.2	$ 7.6	$ 3.8
Equity cash cost per ounce sold	$ 222	$ 232	$ 119	$ 115	$ 152	$ 127	$ 124	$ 118	$ 98	$ 128

For the Three Months Ended September 30	Yandal 2002	Yandal 2001	NFM Tanami 2002	NFM Tanami 2001	Kalgoorlie 2002	Kalgoorlie 2001	Total Australia 2002	Total Australia 2001	Minahasa 2002	Minahasa 2001
					(in millions)					
Costs applicable to sales per financial statements	$ 40.5	$	$ 32.9	$	$ 21.6	$	$ 102.8	$ 3.8	$ 8.5	$ 12.7
Minority interest in Minera Yanacocha										
Minority interest in Kori Kollo										
Minority interest in NFM Tanami			(4.6)				(4.6)			
Reclamation accrual	(0.9)		(0.8)		(0.4)		(2.3)		(0.6)	(0.2)
Non-cash inventory adjustment					(0.1)		(0.1)			
CAS of non-gold producers										
Gold non-cash									(0.1)	
Other	(0.4)						(0.4)		(0.4)	
Total cash cost for per ounce calculation	$ 39.2	$	$ 27.5	$	$ 21.1	$	$ 95.4	$ 3.8	$ 7.4	$ 12.5
Equity cash cost per ounce sold	$ 231	$	$ 206	$	$ 224	$	$ 201	$ 128	$ 259	$ 159

For the Three Months Ended September 30	Martha 2002	Martha 2001	Ovacik 2002	Ovacik 2001	Zarafshan-Newmont 2002	Zarafshan-Newmont 2001	Total Other International 2002	Total Other International 2001	Total Gold 2002 (1)	Total Gold 2001 (1)
					(in millions)					
Costs applicable to sales per financial statements	$ 4.0	$	$ 4.7	$	$ 8.4	$ 8.1	$ 25.6	$ 20.8	$ 410.1	$ 282.3
Minority interest in Minera Yanacocha									(41.9)	(31.8)
Minority interest in Kori Kollo									(1.4)	(1.4)
Minority interest in NFM Tanami									(4.6)	
Reclamation accrual	(0.2)		(0.2)		(0.1)		(1.1)	(0.2)	(7.0)	(4.1)
Non-cash inventory adjustment										
CAS of non-gold producers										
Gold non-cash					0.3		0.2		(0.1)	
Other							(0.4)		(0.2)	
Total cash cost for per ounce calculation	$ 3.8	$	$ 4.5	$	$ 8.6	$ 8.1	$ 24.3	$ 20.6	$ 354.2	$ 245.0
Equity cash cost per ounce sold	$ 138	$	$ 123	$	$ 122	$ 129	$ 149	$ 146	$ 189	$ 190

For the Three Months Ended September 30	Golden Grove 2002	Golden Grove 2001	Kasese 2002	Kasese 2001	Other Non-Gold 2002	Other Non-Gold 2001	Consolidated 2002 (1)	Consolidated 2001 (1)
					(in millions)			
Costs applicable to sales per financial statements	$ 8.6	$	$ 1.7	$	$ 0.3	$ 0.2	$ 420.7	$ 282.5
Minority interest in Minera Yanacocha							(41.9)	(31.8)
Minority interest in Kori Kollo							(1.4)	(1.4)
Minority interest in NFM Tanami							(4.6)	
Reclamation accrual							(7.0)	(4.1)
Non-cash inventory adjustment								
CAS of non-gold producers	(8.6)		(1.7)		(0.1)		(10.4)	
Gold non-cash							(0.1)	
Other					(0.2)	(0.2)	(1.1)	(0.2)
Total cash cost for per ounce calculation	$	$	$	$	$	$	$ 354.2	$ 245.0
Equity cash cost per ounce sold	$	$	$	$	$	$	$ 189	$ 190

For the Nine Months Ended September 30	Nevada 2002	Nevada 2001	Golden Giant 2002	Golden Giant 2001	Holloway 2002	Holloway 2001	Mesquite 2002	Mesquite 2001	La Herradura 2002	La Herradura 2001
					(in millions)					
Costs applicable to sales per financial statements	$ 458.5	$ 451.0	$ 40.7	$ 38.3	$ 14.1	$ 14.7	$ 8.0	$ 18.1	$ 8.7	$ 7.0
Minority interest in Minera Yanacocha										
Minority interest in Kori Kollo										
Minority interest in NFM Tanami										
Reclamation accrual	(4.5)	(7.1)	(1.2)	(1.1)	(0.4)	(0.3)		(1.4)	(0.1)	(0.1)
Non-cash inventory adjustment	(1.4)									
CAS of non-gold producers										
Gold non-cash										
Other	(0.2)									
Total cash cost for per ounce calculation	$ 452.4	$ 443.9	$ 39.5	$ 37.2	$ 13.7	$ 14.4	$ 8.0	$ 16.7	$ 8.6	$ 6.9
Equity cash cost per ounce sold	$ 235	$ 223	$ 196	$ 190	$ 192	$ 224	$ 180	$ 208	$ 177	$ 168

For the Nine Months Ended September 30	Total North America 2002	Total North America 2001	Yanacocha (1) 2002	Yanacocha (1) 2001	Kori Kollo 2002	Kori Kollo 2001	Total South America (1) 2002	Total South America (1) 2001	Pajingo 2002	Pajingo 2001
					(in millions)					
Costs applicable to sales per financial statements	$ 530.0	$ 529.1	$ 221.2	$ 171.6	$ 34.4	$ 38.8	$ 255.6	$ 210.4	$ 20.6	$ 9.8
Minority interest in Minera Yanacocha			(111.5)	(86.7)			(111.5)	(86.7)		
Minority interest in Kori Kollo					(4.1)	(4.7)	(4.1)	(4.7)		
Minority interest in NFM Tanami										
Reclamation accrual	(6.2)	(10.0)	(2.4)	(2.2)	(0.9)	(1.0)	(3.3)	(3.2)	(0.8)	
Non-cash inventory adjustment	(1.4)								(0.8)	
CAS of non-gold producers										
Gold non-cash			0.4		0.1		0.5			
Other	(0.2)									
Total cash cost for per ounce calculation	$ 522.2	$ 519.1	$ 107.7	$ 82.7	$ 29.5	$ 33.1	$ 137.2	$ 115.8	$ 19.0	$ 9.8
Equity cash cost per ounce sold	$ 228	$ 219	$ 131	$ 115	$ 154	$ 164	$ 135	$ 126	$ 91	$ 108

For the Nine Months Ended September 30	Yandal 2002	Yandal 2001	NFM Tanami 2002	NFM Tanami 2001	Kalgoorlie 2002	Kalgoorlie 2001	Total Australia 2002	Total Australia 2001	Minahasa 2002	Minahasa 2001
					(in millions)					
Costs applicable to sales per financial statements	$ 96.1	$	$ 78.0	$	$ 52.0	$	$ 246.7	$ 9.8	$ 25.8	$ 37.3
Minority interest in Minera Yanacocha										
Minority interest in Kori Kollo										
Minority interest in NFM Tanami			(11.0)				(11.0)			
Reclamation accrual	(2.4)		(1.8)		(1.1)		(6.1)		(1.1)	(0.6)
Non-cash inventory adjustment	(0.3)		(1.1)		(2.2)		(4.4)			
CAS of non-gold producers										
Gold non-cash									0.3	
Other	(0.3)						(0.3)		(1.5)	

Total cash cost for per ounce calculation	$ 93.1	$	$ 64.1	$	$ 48.7	$	$ 224.9	$ 9.8	$ 23.5	$ 36.7
Equity cash cost per ounce sold	$ 220	$	$ 202	$	$ 220	$	$ 192	$ 108	$ 206	$ 133

	Martha		Ovacik		Zarafshan- Newmont		Total Other International		Total Gold	
									(1)	(1)
For the Nine Months Ended September 30	**2002**	**2001**	**2002**	**2001**	**2002**	**2001**	**2002**	**2001**	**2002**	**2001**
					(in millions)					
Costs applicable to sales per financial statements	$ 10.8	$	$ 11.9	$	$ 25.8	$ 22.3	$ 74.3	$ 59.6	$ 1,106.6	$ 808.9
Minority interest in Minera Yanacocha									(111.5)	(86.7)
Minority interest in Kori Kollo									(4.1)	(4.7)
Minority interest in NFM Tanami									(11.0)	
Reclamation accrual	(0.4)		(0.5)		(0.2)	(0.2)	(2.2)	(0.8)	(17.8)	(14.0)
Non-cash inventory adjustment	(0.5)		(0.6)				(1.1)		(6.9)	
CAS of non-gold producers										
Gold non-cash					0.6		0.9		1.4	
Other							(1.5)		(2.0)	
Total cash cost for per ounce calculation	$ 9.9	$	$ 10.8	$	$ 26.2	$ 22.1	$ 70.4	$ 58.8	$ 954.7	$ 703.5
Equity cash cost per ounce sold	$ 132	$	$ 128	$	$ 135	$ 136	$ 151	$ 134	$ 193	$ 185

	Golden Grove		Kasese		Other Non-Gold		Consolidated	
							(1)	(1)
For the Nine Months Ended September 30	**2002**	**2001**	**2002**	**2001**	**2002**	**2001**	**2002**	**2001**
					(in millions)			
Costs applicable to sales per financial statements	$ 21.4	$	$ 7.8	$	$ 0.4	$ 0.1	$ 1,136.2	$ 809.0
Minority interest in Minera Yanacocha							(111.5)	(86.7)
Minority interest in Kori Kollo							(4.1)	(4.7)
Minority interest in NFM Tanami							(11.0)	
Reclamation accrual							(17.8)	(14.0)
Non-cash inventory adjustment							(6.9)	
CAS of non-gold producers	(21.4)		(7.8)		(0.3)		(29.5)	
Gold non-cash							1.4	
Other					(0.1)	(0.1)	(2.1)	(0.1)
Total cash cost for per ounce calculation	$	$	$	$	$	$	$ 954.7	$ 703.5
Equity cash cost per ounce sold	$	$	$	$	$	$	$ 193	$ 185

(1) As restated. See Note 18 to the Consolidated Financial Statements.

Deferred Stripping

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

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

	Three Months Ended September 30,				Nine Months Ended September 30,			
	Nevada(5)		Mesquite		Nevada(5)		Mesquite	
	2002	2001	2002	2001	2002	2001	2002	2001
Life-of-mine Assumptions Used as Basis For Deferred Stripping Calculations								
Stripping ratio (1)	121.1	141.6	n/a	n/a	125.1	134.2	n/a	237.6
Average ore grade (ounces of gold per ton)	0.075	0.069	n/a	n/a	0.073	0.066	n/a	0.023
Actuals for Year								
Stripping ratio (2)	54.1	89.1	n/a	n/a	70.2	105.0	n/a	155.5
Average ore grade (ounces of gold per ton)	0.086	0.055	n/a	n/a	0.074	0.057	n/a	0.031
Remaining Mine Life (years)	9	10	n/a	n/a	9	10	n/a	n/a
	Minahasa		La Herradura(6)		Minahasa		La Herradura(6)	
	2002	2001	2002	2001	2002	2001	2002	2001
Life-of-mine Assumptions Used as Basis For Deferred Stripping Calculations								
Stripping ratio (1)	n/a	14.5	141.3	177.0	n/a	14.5	141.3	177.0
Average ore grade (ounces of gold per ton)	n/a	0.172	0.031	0.026	n/a	0.172	0.031	0.026
Actuals for Year								
Stripping ratio (2)	n/a	21.0	152.1	188.1	n/a	19.1	161.6	201.8
Average ore grade (ounces of gold per ton)	n/a	0.129	0.027	0.026	n/a	0.166	0.026	0.024
Remaining Mine Life (years)	n/a	n/a	6	7	n/a	n/a	6	7

	Three Months Ended September 30,						Nine Months Ended September 30,					
	Yandal		Tanami		KCGM		Yandal		Tanami		KCGM	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
Life-of-mine Assumptions Used as Basis For Deferred Stripping Calculations												
Stripping ratio (3)	5.2	n/a	6.8	n/a	5.3	n/a	5.2	n/a	6.8	n/a	5.3	n/a
Actuals for Year												
Stripping ratio (4)	0.7	n/a	7.2	n/a	4.3	n/a	3.5	n/a	7.8	n/a	4.6	n/a
Remaining Mine Life (years)	n/a	n/a	6	n/a	18	n/a	n/a	n/a	6	n/a	18	n/a
			Martha		Ovacik				Martha		Ovacik	
			2002	2001	2002	2001			2002	2001	2002	2001

Life-of-mine Assumptions Used as Basis For Deferred Stripping Calculations								
Stripping ratio (3)	1.9	n/a	14.2	n/a	1.7	n/a	11.5	n/a
Actuals for Year								
Stripping ratio (4)	2.5	n/a	11.4	n/a	2.2	n/a	9.9	n/a
Remaining Mine Life (years)	5	n/a	2	n/a	5	n/a	2	n/a

(1) Total tons to be mined in future divided by total ounces of gold to be recovered in future, based on proven and probable reserves.

(2) Total tons mined divided by total ounces of gold recovered.
(3) Total waste tons to be mined in future divided by ore tons to be mined in future.
(4) Total waste tons mined divided by ore tons mined.
(5) The life-of-mine stripping ratio decreased during 2002 from 2001 due to the completion of mining activities in certain pits in the Carlin Trend which had higher stripping ratios. The actual strip ratio decreased in 2002 from 2001 as mining activities in the Twin Creeks pit entered into higher grade ore zones.
(6) The life-of-mine stripping ratio decreased approximately 20% in 2002 from 2001 as a result of a 20% increase in ore grade and minimal change in total tons to be mined. The actual stripping ratio decreased in 2002 due to an increase in average ore grade.

North America

Newmont s Nevada operations are along the Carlin Trend near Elko and in the Winnemucca Region, where the Twin Creeks mine, the Lone Tree Complex and the acquired Midas mine (February 2002) are located.

Gold sales in the third quarter of 2002 of 722,000 ounces (including 87,300 ounces from Midas) increased 10.4% from the comparable 2001 period as a result of 14% higher grade refractory ore and 16% more tons moved from underground operations. Total cash costs for the third quarter of 2002 were $225 per ounce compared with $238 per ounce in the same 2001 period, primarily reflecting higher mill tons processed in 2002. Gold sales during the first nine months of 2002 were 1,927,100 ounces (including 147,100 ounces from Midas) at a total cash cost of $235 per ounce compared to gold sales of 1,986,600 ounces during the first nine months of 2001 at a total cash cost of $ 223 per ounce. Gold sales in 2002 reflect lower tons placed on the leach pads, lower recoveries from the oxide mills and a temporary build-up of in-process inventory at the Midas underground mine and at Twin Creeks.

We expect Nevada s gold sales in 2002 to total approximately 2.67 million ounces with total cash costs around $222 per ounce. We have identified approximately $6 million of annual savings from administration, procurement and processing from the integration of the acquired Midas mine into the Nevada operations.

Gold sales at the Mesquite heap leach mine in southern California totaled 16,300 ounces during the third quarter of 2002, compared to 16,500 ounces in the third quarter of 2001. Total cash costs increased 14% from $188 per ounce in the third quarter of 2001 to $214 per ounce in 2002. Gold sales at Mesquite during the first nine months of 2002 were 44,200 ounces at total cash costs of $180 per ounce, a reduction of 36,000 ounces sold and $28 per ounce in total cash costs from the comparable period in 2001. These reductions reflect the full impact of the cessation of mining activities and the depletion of the ore body in 2001. We expect gold sales in 2002 to total approximately 50,000 ounces with total cash costs about $170 per ounce. Final gold production from continued declining recovery of gold from heap leach pads is expected in 2004.

La Herradura, a 44%-owned non-operated joint venture in Mexico, sold 17,600 and 48,500 equity ounces at total cash costs of $169 and $177 per ounce in the third quarter and first nine months of 2002, respectively. During the third quarter and first nine months of 2001, La Herradura sold 14,000 and 40,800 equity ounces at cash costs of $179 and $168 per ounce, respectively. We expect equity gold sales for 2002 at approximately 65,000 equity ounces and cash costs of about $175 per ounce.

Gold sales from the Golden Giant and the 84.65%-owned Holloway underground mines in Ontario, Canada were 60,400 and 20,000 equity ounces with total cash costs of $217 and $161 per ounce, respectively, in the third quarter of 2002. Golden Giant sold 17% less ounces at $15 per ounce higher cash costs compared to the third quarter of 2001 reflecting lower production, lower grade ore and lower recoveries. Holloway improved its cash cost per ounce from the third quarter of 2001 by $55 resulting from improved mill recoveries compared to the third quarter of 2001. For the first nine months of 2002, gold sales were 201,200 and 71,000 equity ounces at total cash costs of $196 and $192 per ounce for Golden Giant and Holloway, respectively, compared to gold sales of 196,200 and 64,400 equity ounces at total cash costs of $190 and $224 per ounce, respectively, in the first nine months of 2001. The decrease in total cash costs at Holloway primarily reflects improved ore grade in 2002. We expect gold sales for 2002 to total approximately 300,000 and 95,000 equity ounces at Golden Giant and Holloway, respectively, with cash costs of about $184 and $200 per ounce for each operation, respectively.

South America

Sales at Minera Yanacocha in Peru increased 25% in the third quarter of 2002 to 329,600 equity ounces from 264,000 equity ounces in the same period of 2001, reflecting more tons placed on the leach pads. Total cash costs increased to $119 per ounce from $115 per ounce in the third quarter of 2001, primarily reflecting 23% lower grade ore and more production coming from the higher cost La Quinua operation that requires crushing and agglomeration unlike other Minera Yanacocha ore bodies, offset by economics of scale resulting from the higher production levels. The commissioning of the La Quinua crushing and agglomeration facility is now complete, and the facility is running at design rate. For the first nine months of 2002, equity gold sales were 823,100 ounces at total cash costs of $131 per ounce, compared to 719,500 ounces at $115 per ounce in the first nine months of 2001. We expect higher production and lower cash costs for the last quarter of 2002 from higher grade ores and lower waste-to-ore ratios. As a result, we expect gold sales for 2002 to be about 1.2 million equity ounces at total cash costs of about $123 per ounce.

At the 88%-owned Kori Kollo open-pit mine in Bolivia, gold sales totaled 64,900 equity ounces in the third quarter of 2002 at total cash costs of $152 per ounce. Gold sales for the comparable period in 2001 were 76,900 ounces at total cash costs of $127 per ounce. Lower sales and higher cash costs in 2002 compared to 2001 resulted from processing lower grade ores through the mill. Gold sales and total cash costs were 191,900 equity ounces at $154 per ounce, respectively, in the first nine months of 2002, compared to 201,100 equity ounces at $164 per ounce in the first nine months of 2001. Leach production in 2002 has increased compared to 2001 after the commencement of leach processing in June 2001. Mill production decreased in 2002 compared to 2001 due to lower grade ores. For 2002, we expect total sales of approximately 250,000 equity ounces with total cash costs of about $155 per ounce.

Australia

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

For the quarter ended September 30, 2002, equity gold sales at the 50%-owned Kalgoorlie mine in Western Australia, totaled 94,600 ounces at total cash costs of $224 per ounce. Good mill throughput rates were sustained for the third quarter of 2002 partially offset by lower recoveries from lower grade ore. Kalgoorlie s equity gold sales for the first nine months of 2002 totaled 221,100 ounces at total cash costs of $220 per ounce. We expect production to improve in the last quarter of 2002 at the Super Pit, which provides more than 90% of Kalgoorlie s production. A joint venture committee is evaluating operating initiatives to improve Kalgoorlie s cost structure. We expect gold sales for 2002 to total approximately 330,000 equity ounces at cash costs of about $228 per ounce.

At the Yandal operations, which consist of the Bronzewing, Jundee and Wiluna mines in Western Australia, gold sales for the third quarter of 2002 were 170,100 ounces at total cash costs of $231 per ounce. Cash costs were $220 per ounce for the first nine months of 2002 on sales of 423,800 ounces. During the quarter, Bronzewing production was adversely impacted by a change in stope sequencing which resulted in lower grade stopes being accessed in the third quarter, in addition to a number of one-off costs incurred in the transition to owner mining. At Jundee, open pit mining concluded in July 2002 and the transition to underground production was completed in the third quarter of 2002. Lower than modeled stockpile grades were encountered and unbudgeted costs were incurred in the completion of open pit mining. Wiluna suffered from a delay in the start up of the BIOX tailings treatment. An agreement for the sale of Wiluna was signed during the quarter. The sale has conditions precedent which include among other things, the successful resolution (i.e. discharge) of the Yandal ASIC litigation and Credit Suisse First Boston waving any breach or default from the transaction under the derivatives ISDA agreement. The timing of resolution of these items is uncertain. We expect gold sales for 2002 for Yandal operations to total approximately 570,000 ounces at cash costs of about $205 per ounce.

Newmont controls a significant land position through its control of Newmont NFM and Otter Mines in the highly prospective Tanami gold district. For the quarter and the nine months ended September 30, 2002, the Tanami operations in the Northern Territory (approximately an 85.9% interest) sold 133,400 and 318,100 equity ounces at total cash costs of $206 and $202 per ounce, respectively. Mill throughput for the quarter ended September 30, 2002 from the Granites and Tanami mills was favorable at a total of 1.1 million tons. The Granites Mill increased throughput by using a finer crushed mill feed. Production was primarily from the new Groundrush open-pit mine, which commenced production in November 2001, and the Callie underground mine. For the year 2002, we expect Tanami operations to sell approximately 430,000 equity ounces of gold at total cash costs of approximately $205 per ounce.

At the Pajingo mine in North Queensland, gold sales for the third quarter of 2002 were 77,200 ounces at total cash costs of $98 per ounce, compared to 29,600 ounces and total cash costs of $128 per ounce in the same quarter of 2001. Total cash costs declined in the third quarter of 2002 reflecting increased mill throughput due to modifications in the crushing circuit. Equity gold sales were 208,600 ounces for the first nine months of 2002 at total cash costs of $91 per ounce, compared to 2001 sales and total cash costs of 90,900 ounces and $108 per ounce, respectively. In 2001, Pajingo was only 50% owned by Newmont. It became wholly-owned in February 2002 as a result of the Normandy acquisition. Development of the Vera South Deeps and Jandam ore bodies continues. For the year 2002, we estimate gold sales will total approximately 290,000 ounces with cash costs of about $90 per ounce.

Other Mining Operations

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

At the Minahasa mine, in Indonesia, Newmont has an 80% interest but receives a greater percent of the gold production until recouping the bulk of its investment including interest. Prior to November 2001, Newmont received 100% of Minahasa s gold production and has subsequently received 94%, as Newmont recouped some of its investment through the collection of funds in accordance with existing loan agreements. For third quarter of 2002, sales decreased to 28,300 equity ounces with total cash costs of $259 per ounce, compared with 78,400 equity ounces and cash costs of $159 per ounce in the third quarter of 2001. Sales for the first nine months of 2002 decreased to 114,100 equity ounces with total cash costs of $206 per ounce from 275,400 ounces and cash costs of $133 per ounce in the first nine months of 2001. The lower production and higher cash costs in 2002 resulted from processing lower grade ore. Mining activities ceased late in 2001; however, it is expected that ore processing will continue until 2003. We expect gold sales in 2002 of approximately 140,000 equity ounces, with total cash costs of about $215 per ounce.

Newmont has a 50% investment in Zarafshan-Newmont in the Central Asian Republic of Uzbekistan. Ownership of the remaining 50% investment is divided between the State Committee for Geology and Mineral Resources and Navoi Mining and Metallurgic Combine, each a state entity of Uzbekistan. In the third quarter of 2002, equity gold sales from Zarafshan-Newmont were 70,300 ounces, 13% above equity sales in the same 2001 period. Zarafshan benefited from a 31% higher grade ore placed on the leach pads in 2002. Total cash costs per ounce of $122 in the third quarter of 2002 period compared with $129 in the same 2001 period. For the first nine months of 2002, equity sales were 194,000 ounces at $135 per ounce cash costs, while equity sales were 162,600 ounces at cash costs of $136 per ounce in the first nine months of 2001. We expect gold sales in 2002 to total approximately 250,000 equity ounces with total cash costs of about $133 per ounce. Initial ore placement on the heap-leach pad expansion project occurred in December 2001, and the project was fully operational in first quarter of 2002.

Zarafshan-Newmont produces gold by crushing and leaching ore from existing stockpiles of low grade oxide ore from the nearby government owned Murantau mine. The State Committee and Navoi furnish the ore to

80

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

Equity sales at Martha, approximately 92.3% owned by Newmont and located in New Zealand, were 27,700 and 74,300 ounces for the third quarter and the first nine months of 2002, respectively, with total cash costs of $138 and $132 per ounce, respectively. We expect gold sales for 2002 of approximately 105,000 equity ounces at cash costs of about $124 per ounce.

At the Ovacik mine in Turkey, gold sales for the third quarter of 2002 were 36,600 ounces with total cash costs of $123 per ounce. Gold sales for the first nine months of 2002 were 84,600 ounces with cash costs of $128 per ounce. Production commenced at this operation in June 2001. We expect gold sales for 2002 of approximately 120,000 ounces at total cash costs of about $138 per ounce.

At the Batu Hijau mine in Indonesia, copper sales totaled 114.5 million and 112.0 million equity pounds (or pounds attributable to Newmont s ownership or economic interest) for the third quarters of 2002 and 2001, respectively. Total cash costs were $0.23 per pound, after gold by-product credits, for the third quarters of both 2002 and 2001, respectively. For the first nine months of 2002 and 2001, copper sales and cash costs were 271.4 million and 282.5 million equity pounds and $0.31 and $0.34 per pound, after gold by-product credits, respectively. Gold sales, treated as by-product credits, totaled 96,900 and 200,200 ounces for the third quarter and first nine months of 2002. We expect copper sales in 2002 between 350 million and 360 million equity pounds at cash costs of about $0.36 per pound, with gold production of approximately 260,000 equity ounces.

The Company s equity income from Batu Hijau includes gold and silver revenues that are credited against production costs as by-product credits in the determination of net income for each period presented in the Statements of Consolidated Operations and Comprehensive Income (Loss). These by-product credits represented 56% and 51% of sales, net of smelting and refining charges, and reduced production costs by 72% and 70% for the three-month periods ended September 30, 2002 and 2001, respectively, and 43% and 41% of sales net of smelting and refining charges and reduced production costs by 58% and 51% for the nine-month periods ended September 30, 2002 and 2001, respectively. Such by-product credits are expected to continue while ore is being processed which, based on current engineering models, is estimated to be through the end of 2020. These by-product credits are expected to vary from time to time and are significant to the economics of the Batu Hijau operations. At current copper prices, the Batu Hijau operation would not be profitable without these credits.

The wholly-owned and operated Golden Grove copper/zinc operation in Western Australia, which was acquired in the Normandy transaction, sold 12.6 million pounds of copper at a total cash cost of $0.55 per pound during the third quarter of 2002. Year-to-date copper sales at September 30, 2002 were 37.7 million pounds with total cash costs of $0.56 per pound. Zinc sales were 43.5 million pounds and 112.8 million pounds during the third quarter and first nine months of 2002, respectively, with cash costs of $0.21 per pound in both periods. Copper and zinc are produced in dedicated campaigns. We expect 2002 sales from Golden Grove to total 40.0 million to 45.0 million pounds of copper at a total cash cost of approximately $0.60 per pound and approximately 140 million pounds of zinc at a total cash cost of approximately $0.28 per pound.

TVX Newmont Americas is 49.9% owned by Newmont and 50.1% owned by TVX Gold Inc. and is treated as an equity investment for reporting purposes. The principal assets are interests in operating gold mines in South

America (Paracatu, Crixas and La Coipa) and Canada (Musselwhite and New Britannia). Equity ounces sold for the third quarter and first nine months of 2002 were 54,400 ounces and 130,600 ounces, respectively. We expect equity gold sales for 2002 of about 185,000 ounces. On January 31, 2003, Newmont sold its 49.9% interest in TVX Newmont Americas (See Note 21 to the Consolidated Financial Statements).

Newmont owns a 45.3% holding in Echo Bay Mines Ltd. which is treated as an equity investment for reporting purposes. Newmont exchanged convertible debt securities for common shares of Echo Bay in April 2002. The principal assets of Echo Bay are interests in operating gold mines in Nevada (Round Mountain), Washington State (Kettle River) and Canada (Lupin). Equity ounces sold for the third quarter of 2002 were 66,400 ounces, and equity ounces sold from April 2002 through September 2002 were 129,300 ounces. We expect equity gold sales of 190,000 ounces from Echo Bay.

On January 31, 2003, Newmont exchanged its investment in Echo Bay for an interest in Kinross Gold Corporation (see Note 21 to the Consolidated Financial Statements).

Merchant Banking

Newmont s merchant banking business holds royalty interests, which were acquired as a result of the Franco-Nevada acquisition. Royalty interests are generally in the form of a net smelter return (NSR) royalty that provides for the payment either in cash or physical metal (in kind) of a specified percentage of production, less certain specified transportation and refining costs. In some cases, Newmont owns a net profit interest (NPI) entitling Newmont to a specified percentage of the net profits, as defined in each case, from a particular mining operation. The majority of NSR royalty revenue and NPI revenue can be received in kind at the option of Newmont. Newmont earned $7.9 million and $22.9 million of royalty revenue for the third quarter and first nine months of 2002, respectively. For the period February 15, 2002 through December 31, 2002, we expect royalty revenue to total approximately $32 million.

Financial Results

Consolidated gold sales include 100% of Minera Yanacocha, Kori Kollo and Tanami and Newmont equity production elsewhere, but exclude Batu Hijau, TVX Newmont Americas and Echo Bay Mines, which are accounted for as equity investments. Results for the first nine months of 2002 only include activities from companies acquired in the Normandy and Franco-Nevada acquisitions from February 16, 2002 forward. The increase in consolidated sales revenue in the third quarter of 2002 from the comparable 2001 period primarily resulted from higher gold prices and the inclusion of sales from the Newmont Australia acquisition as shown in the following tables (unaudited):

	Three Months Ended September 30,	
	2002	**2001**
Consolidated gold sales (in millions) (1)	$ 697.8	$ 424.4
Consolidated production ounces sold (000)	2,215.2	1,549.6
Average price realized per consolidated ounce (1)	$ 315	$ 274
Average spot price received per ounce	$ 314	$ 274

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

	Three Months Ended September 30, 2002 vs. 2001
	(in millions)
Consolidated production	$ 14.7
Average price received (1)	64.5
Newmont Australia gold sales	194.2
	$ 273.4

	Nine Months Ended September 30,	
	2002	2001
Consolidated gold sales (in millions) (1)	$ 1,789.6	$ 1,215.8
Consolidated production ounces sold (000)	5,821.5	4,526.8
Average price realized per consolidated ounce (1)	$ 308	$ 269
Average spot price received per ounce	$ 306	$ 269

(1) As restated. See Note 18 to the Consolidated Financial Statements.

Increase (decrease) in consolidated gold sales due to:

	Nine Months Ended September 30, 2002 vs. 2001
	(in millions)
Consolidated production	$ (35.5)
Average price received (1)	164.2
Newmont Australia gold sales	445.1
	$ 573.8

(1) As restated. See Note 18 to the Consolidated Financial Statements.

Sales base metals include $13.6 and $42.2 million from copper/zinc sales from the Golden Grove copper/zinc operation in Western Australia and $0.7 and $4.4 million from cobalt sales from the Kasese operation in Uganda for the third quarter and first nine months of 2002, respectively.

During the third quarter of 2002, Newmont sold its 86% interest in Banff Resources Ltd., which holds a 64% interest in Kasese. No gain or loss was recorded on the sale as it was recorded as a purchase price adjustment to the Normandy acquisition.

Royalties during the third quarter and first nine months of 2002 of $7.9 million and $22.9 million, respectively, compared to $0.3 million and $0.4 million for the same periods of 2001. Most of the royalties were acquired as part of the acquisition of Franco-Nevada in February 2002.

Dividends, interest, foreign currency exchange and other income (loss) was $8.3 million and $(3.6) million during the third quarters of 2002 and 2001, respectively, and $23.5 million and $3.1 million during the first nine months of 2002 and 2001, respectively, reflecting higher interest earnings and foreign currency exchange gains in the current year periods versus foreign currency exchange losses in the prior year periods.

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

Costs of sales include total cash costs and provisions for estimated final reclamation expenses related to consolidated production. The increase in *Costs of sales* and *Depreciation, depletion and amortization* for the third quarter and first nine months of 2002 from the same prior year s periods resulted primarily from the February 2002 acquisitions and higher overall cash costs in 2002. See the Reconciliation of *Costs of sales* to total cash costs on pages 73 to 76 for costs of sales by operation. For the full year 2002, we expect depreciation, depletion and amortization to total between $540 to $550 million. *Depreciation, depletion and amortization* for the quarters ended September 30, 2002 and 2001 and for the first nine months of 2002 and 2001 were as follows by operation:

	Depreciation, Depletion and Amortization			
	Three Months Ended September 30,		**Nine Months Ended September 30,**	
	2002	**2001**	**2002**	**2001**
	(As restated unaudited and in millions)			
North America:				
Nevada	$ 32.7	$ 28.3	$ 84.7	$ 87.9
Mesquite, California	1.7	2.0	4.7	6.0
La Herradura, Mexico	0.9	0.8	2.4	2.3
Golden Giant, Canada	4.2	4.4	14.3	12.7
Holloway, Canada	1.1	1.3	4.2	4.9
Total North America	40.6	36.8	110.3	113.8
South America:				
Yanacocha, Peru	24.6	14.3	85.8	61.0
Kori Kollo, Bolivia	3.5	4.6	10.4	14.5
Total South America	28.1	18.9	96.2	75.5
Australia:				
Kalgoorlie	2.8		6.2	
Yandal operations	12.6		28.4	
Tanami operations	10.7		23.7	
Pajingo	7.9	1.0	17.8	3.1
Other	1.7		4.8	
Total Australia	35.7	1.0	80.9	3.1
Other Operations:				
Minahasa, Indonesia	2.1	3.8	8.3	15.3
Zarafshan-Newmont, Uzbekistan	2.6	3.1	8.0	9.3
Martha, New Zealand	3.4		9.7	
Ovacik, Turkey	3.8		7.3	
Total Other Operations	11.9	6.9	33.3	24.6
Other:				
Merchant banking	8.1		16.3	
Base metals operations	5.6		12.6	
Corporate and other	3.6	1.7	9.8	5.0

Total Other	17.3	1.7	38.7	5.0
Total Newmont	$ 133.6	$ 65.3	$ 359.4	$ 222.0

Interest expense, net of capitalized interest, was $33.1 million and $24.6 million for the third quarter of 2002 and 2001, respectively. For the first nine months of 2002 and 2001, interest expense, net of capitalized interest, was $99.3 million and $71.4 million, respectively. The increase in interest expense during the current year periods in comparison to the prior year periods is due to the higher debt position subsequent to the acquisition of Normandy. For the full year 2002, we expect interest expense to be between $130 million and $135 million.

General and administrative expenses totaled $29.7 million and $13.7 million for the third quarter of 2002 and 2001, respectively. For the first nine months of 2002 and 2001, general and administrative expenses were $78.7 million and $44.6 million, respectively. The increase in 2002 reflects the February acquisitions. For the full year 2002, we expect general and administrative expenses to total approximately $110 million.

The Company recorded *Write-downs of assets* of $22.0 million and $2.8 million for the three months ended September 30, 2002 and 2001, respectively, and recorded $37.9 million and $10.0 million for the nine months then ended, respectively. These write-downs related primarily to lower of cost or net realizable value write-downs of inventory resulting from capitalizing depreciation, depletion and amortization in inventory.

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

Gain (loss) on derivative instruments of $(11.2) million and $0.9 million were recorded for the third quarters of 2002 and 2001, respectively. Newmont recorded losses on derivative instruments of $14.3 million for the first nine months of 2002 and gains on derivative instruments of $1.8 million for the first nine months of 2001. These gains and losses reflect the non-cash change in fair value of those instruments not qualifying for hedge accounting treatment, and for the 2002 period, the ineffective portion of those instruments which do qualify for hedge accounting treatment. Over the life of the contracts, any unrealized gains or losses will be recorded in income. During the 2002 third quarter, the Australian gold price increased, which resulted in a substantial negative adjustment to the Normandy hedge position.

Income tax (expense) benefit in the third quarter of 2002 was $(10.8) million, while Newmont reported an income tax benefit of $8.2 million during the third quarter of 2001. Income tax expense was $41.8 million for the first nine months of 2002, while the Company reported an income tax benefit of $12.2 million for the same period in 2001.

Equity income of affiliates includes equity income in Batu Hijau of $14.5 million and $9.7 million for the third quarters of 2002 and 2001, respectively, and $29.4 million and $13.4 million for the first nine months of 2002 and 2001, respectively. Batu benefited in 2002 from an increased mill throughput rate of 143,000 tons per day, an 8% increase over the design rate, and continued positive grade reconciliations to the mine plan. *Equity income of affiliates* in 2002 also includes equity income in TVX Newmont Americas, AMC and Echo Bay Mines in the third quarter of $3.5 million, $(1.2) and $1.1 million, respectively, for the third quarter of 2002 and $6.6 million, $(1.2) million and $1.8 million, respectively for the first nine months of 2002.

Other comprehensive income (loss), net of tax, included $(3.4) million and $7.7 million gains (losses) for temporary changes in fair value of marketable securities for the third quarters of 2002 and 2001, respectively. The third quarter of 2002 also included a $58.0 million loss for the effective portion of the change in fair value of cash flow hedge instruments resulting from the acquisition of the Normandy hedge position in February 2002, compared to a loss of $1.8 million for the same period in 2001. During the 2002 third quarter, the Australian gold price increased, which resulted in a substantial negative adjustment to the Normandy hedge position. The third quarters of 2002 and 2001 also included gains (losses) from foreign currency translation of $(14.1) million and

$0.9 million, respectively. For the first nine months of 2002 and 2001, other comprehensive income (loss), net of tax, included $(0.7) million and $16.7 million gains (losses) for temporary changes in fair value on marketable securities. The first nine months of 2002 also included a $2.8 million loss for the effective portion of the change in fair value of cash flow hedge instruments resulting from the acquisition of the Normandy hedge position in February 2002, compared to a $0.7 million gain for the same period in 2001. The first nine months of 2002 and 2001 also included gains (losses) from foreign currency translation of $4.1 million and $(5.2) million, respectively. The first nine months of 2002 also included an $18.3 million adjustment for the sale of Lihir.

Recent Accounting Pronouncements

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

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

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

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

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

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

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

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

EXPLORATION ACTIVITIES

Exploration and research expenditures totaled $25.4 million and $55.7 million for the third quarter and first nine months of 2002, respectively, compared to $12.8 million and $43.5 million for the third quarter and first nine months of 2001. On a consolidated basis, Newmont expects 2002 exploration and research expenditures to be between $75 million and $80 million.

Currently, over 100 drills are operating worldwide on approximately 30 projects, including in Nevada (Gold Margin area between Deep Post and Deep Star, Emigrant Springs and Dos Equis), Yanacocha (Corimayo and Chaquicocha Sur), Australia (Jundee Westside and Golden Grove), and Ghana (Akyem). Updated reserves are scheduled to be announced with year-end 2002 financial results in the first quarter of 2003.

LIQUIDITY AND CAPITAL RESOURCES

During the first nine months of 2002, cash flow from operations ($445.1 million) and proceeds from sale of short-term investments ($407.4 million), the sale of marketable securities in Lihir ($84.0 million), the settlement of cross currency swaps ($50.8 million) and the issuance of stock ($68.0 million) funded capital expenditures ($238.2 million), net repayments of debt ($533.5 million), cash paid for acquisitions, net of cash received, ($88.1 million) and dividends ($37.9 million) and provided a $142.7 million increase in cash. Cash and cash equivalents at September 30, 2002 were $292.1 million, compared with $149.4 million at December 31, 2001. In 2002, Newmont expects to fund capital expenditures from operating cash flow.

INVESTING ACTIVITIES AND CAPITAL EXPENDITURES

Capital expenditures were as follows:

	Nine Months Ended September 30,	
	2002	**2001**
	(unaudited and in millions)	
Gold:		
North America	$ 41.9	$ 49.1
South America	110.3	242.1
Australia	41.9	2.1
Other operations	13.3	17.2
Base metals and other:		
Base metals	9.4	
Projects and capitalized interest	21.4	7.6
Total	$ 238.2	$ 318.1

Expenditures for North American operations during the first nine months of 2002 included approximately $33.4 million related to activities in Nevada, which included expenditures for the development of the Deep Post, Leeville, Chukar and Midas underground mines and other new project development. South American capital expenditures were primarily at Yanacocha ($109.1 million 100% basis) for leach pad expansion, carbon columns, mine development and other ongoing expansion work. Australian capital expenditures were primarily for mine development at Tanami ($8.6 million), Yandal ($15.8 million) and Kalgoorlie ($10.5 million), mine development and equipment for the conversion to owner mining at Pajingo ($6.9 million) and various projects at other sites. Capital expenditures in the 2001 period were primarily for the development of the Deep Post underground mine in Nevada and the development of the La Quinua project at Minera Yanacocha.

Newmont expects to spend approximately $375 million for capital expenditures during 2002, including $60 million for Nevada, $200 million for Yanacocha and about $70 million at its Australian operations. Expenditures for projects at Nevada include about $12 million for Leeville, $8.5 million for Deep Post, $6.0 million for Gold Quarry South Layback (GQSL) and $6.0 million for Chukar, as well as $7.5 million for Midas underground mine development. Development of the Leeville underground mine and the Gold Quarry South Layback (GQSL) in Nevada is proceeding. We project total capital expenditures for Leeville and GQSL of approximately $200 million and $36 million, respectively. We expect Leeville to commence production in 2007 and GQSL in 2005. At Yanacocha, approximately $200 million will be spent primarily on leach pad expansion. Budgeted Australian expenditures include $23 million at Yandal and $15 million at Tanami.

On May 9, 2002, PTNNT completed a restructuring of its $1.0 billion project financing facility (Senior Debt) that provides PTNNT the capability to defer up to a total of $173.4 million in principal payments scheduled for 2002 and 2003. Any deferred principal amounts will be repaid between 2004 and 2010. Under this restructuring, Batu Hijau is not permitted to pay dividends or make other restricted payments to

Newmont or its partner as long as any amount of deferred principal is outstanding; however, there is no restriction on prepaying any of the deferred principal amounts. Amounts outstanding under the project financing facility total $913.3 million at September 30, 2002. Newmont and its partner provide a contingent support line of credit to PTNNT. During the first nine months of 2002, Newmont funded $24.8 million under this contingent support facility as its pro-rata share for capital expenditures. Additional support from Newmont and its partner, available under this facility amounts to $115.0 million, of which Newmont s pro-rata share is $64.7 million.

During the first nine months of 2002, $407.4 million was realized from sales of short-term investments. In April 2002, we sold all of our marketable securities in Lihir Gold Limited, representing a 9.7% equity interest in this company with gold mining operations in Papua New Guinea. Proceeds of $84.0 million were realized and a pre-tax gain of approximately $47.3 million was recognized in the second quarter of 2002.

Financing Activities

Scheduled minimum long-term debt repayments are $22 million for the remainder of 2002, $79 million in 2003, $166 million in 2004, $494 million in 2005, $95 million in 2006, $71 million in 2007 and $899 million thereafter.

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

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

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

On April 26, 2002, Newmont filed a post effective amendment to previous Registration Statements on Form S-3 filed with the Securities and Exchange Commission for the purpose of increasing its existing universal shelf registration from $500 million to $1.0 billion. This filing will provide us the capability to access capital markets for debt or equity securities as required and as market conditions warrant. The Form S-3 has not yet been declared effective.

Newmont has a 22.8% voting interest in Australian Magnesium Corporation (AMC), which raised equity to support the development of a project involving a proprietary chemical and dehydration process for producing anhydrous magnesium chloride as feed for an electrolytic cell to produce molten magnesium metal and magnesium alloys. Newmont has an obligation to contribute to AMC A$100 million (approximately $54 million) in equity by January 31, 2003. Newmont provided an A$90 million (approximately $49 million) contingency equity commitment in the event the project does not achieve certain specified production and operating criteria by December 2006, which commitment is being renegotiated to provide for an A$75 million convertible debt and equity facility. Newmont has guaranteed a $30 million obligation payable by AMC to Ford Motor Company in the event the project does not meet certain specified production and operating criteria by November 2005. Newmont is also guarantor of A$71 million (approximately $39 million) corporate facility of AMC s subsidiary, QMC Finance Pty. Limited s (QMC), as well as QMC s foreign exchange hedging position.

A series of foreign exchange contracts have been entered into by QMC. All obligations related to these contracts have been guaranteed by Newmont Australia and certain of its wholly-owned subsidiaries. These contracts are designed to convert the receipt of Euros and US$ revenues from the sale of magnesium into A$ cash flows to cover A$ operating costs and the servicing of A$ denominated debt. The contracts include foreign exchange forward contracts and bought put options. As of September 30, 2002, the fair value of the contracts was a negative A$15.4 million (approximately $8.5 million).

During the third quarter of 2002, the Company reduced its net debt (total debt less cash and cash equivalents) by approximately $115 million. Minera Yanacocha paid down $53 million on its credit facilities. In addition, as part of the terms of the sale of the Kasese cobalt project during the quarter, the Company paid off $34.3 million of project financing associated with the project.

SAFE HARBOR STATEMENT

The foregoing discussion and analysis, as well as certain information contained elsewhere in this Quarterly Report, contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that are intended to be covered by the safe harbor created by such sections. Such forward-looking statements include, without limitation (i) estimates of future earnings, and the sensitivity of earnings to gold and other metal prices, (ii) estimates of future gold and other metals production and sales, (iii) estimates of future cash costs, (iv) estimates of future cash flows and the sensitivity of cash flows to the gold and other metals prices, (v) statements regarding future debt repayments, (vi) estimates of future capital expenditures, (vii) statements regarding future asset sales or other rationalization efforts, and (viii) statements regarding modifications to the Company s hedge position.

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

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

ITEM 4. Controls and Procedures

Within 90 days prior to the date of this report, the Company carried out an evaluation, under the supervision and with the participation of the Company s management, including the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), of the effectiveness of our disclosure controls and procedures. Based on that evaluation, the CEO and CFO have concluded that the Company s disclosure controls and procedures are effective to ensure that information required to be disclosed in its SEC reports is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms. In addition, there have been no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of the evaluation.

PART II OTHER INFORMATION

ITEM 1. Legal Proceedings

Information regarding legal proceedings is contained in Note 16 to the Consolidated Financial Statements contained in this Report and is incorporated herein by reference.

ITEM 5. Other Information

Under Newmont s by-laws, stockholders must give advance notice of nominations for a director or other business to be addressed at the 2003 Annual Meeting of Stockholders no later than the close of business on March 17, 2003. The advance notice must be delivered to the attention of the Secretary of the Corporation at 1700 Lincoln St., Denver, Colorado, 80203. Page 5 of Newmont s 2002 Proxy Statement and page 16 of the Special Report to Shareholders mailed in September 2002 contained incorrect dates.

After Newmont s release of its News Release issued November 12, 2002, announcing Newmont s third quarter results, Newmont discovered that the News Release inadvertently contained certain incorrect information:

The committed ounces outstanding as of September 30, 2002 in the Normandy group hedge book is 5.8 million. As written, the sixth bullet point in the third paragraph on page 1 incorrectly implied that the 5.8 million committed ounces were for all of Newmont.

The mark-to-market valuation of the Normandy group hedge book grew to a negative $422 million at the end of the third quarter. The second paragraph under the heading Hedge Book Reduction on page 3 and Footnote 3 to the Gold Hedge Position Current Maturity Summary table on page 19 incorrectly stated that the valuation was a negative $412 million at the end of the third quarter.

The breakdown of the mark-to-market valuation in Footnote 3 to the Gold Hedge Position Current Maturity Summary table on page 19 should have stated that Newmont Gold Treasury comprised 27% of this valuation, and not that Newmont Australia Limited comprised 28%, and that Newmont Yandal Operations Limited comprised 67% of this valuation, not 66%.

ITEM 6. Exhibits and Reports on Form 8-K

(a) The exhibits to this report are listed in the Exhibit Index.

(b) Reports filed on Form 8-K in the quarter ended September 30, 2002

Report dated August 14, 2002 filing certifications of the Chief Executive Officer and Chief Financial Officer pursuant to Securities and Exchange Commission Order 4-460.

SIGNATURES

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

NEWMONT MINING CORPORATION

(Registrant)

By: /s/ BRUCE D. HANSEN

Bruce D. Hansen

Senior Vice President and

Chief Financial Officer

(Principal Financial Officer)

Date: April 10, 2003

By: /s/ DAVID W. PEAT

David W. Peat

Vice President and Global Controller

(Principal Accounting Officer)

Date: April 10, 2003

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

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

I, Wayne W. Murdy, certify that:

1. I have reviewed this quarterly report on Form 10-Q/A of Newmont Mining Corporation;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant s other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a 14 and 15d 14) for the registrant and we have:

   a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b) evaluated the effectiveness of the registrant s disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the Evaluation Date); and

   c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant s other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant s auditors and the audit committee of registrant s board of directors (or persons performing the equivalent function):

   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant s ability to record, process, summarize and report financial data and have identified for the registrant s auditors any material weaknesses in internal controls; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant s internal controls; and

6. The registrant s other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

/s/ WAYNE W. MURDY

Wayne W. Murdy

Chief Executive Officer

April 10, 2003

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

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

I, Bruce D. Hansen, certify that:

1. I have reviewed this quarterly report on Form 10-Q/A of Newmont Mining Corporation;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant s other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a 14 and 15d 14) for the registrant and we have:

   a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b) evaluated the effectiveness of the registrant s disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the Evaluation Date); and

   c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant s other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant s auditors and the audit committee of registrant s board of directors (or persons performing the equivalent function):

   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant s ability to record, process, summarize and report financial data and have identified for the registrant s auditors any material weaknesses in internal controls; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant s internal controls; and

6. The registrant s other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

/s/ Bruce D. Hansen

Bruce D. Hansen

Chief Financial Officer

April 10, 2003

NEWMONT MINING CORPORATION

EXHIBIT INDEX

Exhibit Number	Description
12.1	Computation of Ratio of Earnings to Fixed Charges and Preferred Dividends, filed herewith.
12.2	Computation of Ratio of Earnings to Fixed Charges, filed herewith.
18.1	PricewaterhouseCoopers LLP preferability letter for change in accounting, filed with the original Quarterly Report on Form 10-Q for the quarter ended September 30, 2002, as filed on November 14, 2002.
99.1	Chief Executive Officer Certification Pursuant to U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, furnished herewith.[1]
99.2	Chief Financial Officer Certification Pursuant to U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, furnished herewith.[1]

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