NEWMONT MINING CORP /DE/
Form 10-K/A
March 20, 2003

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K/A

(Amendment No. 1)

FOR ANNUAL AND TRANSITION REPORTS

PURSUANT TO SECTIONS 13 OR 15(d) OF THE

SECURITIES EXCHANGE ACT OF 1934

(Mark One)

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

For the Fiscal Year Ended December 31, 2001

or

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

For the Transition Period From to

Commission File Number 001-31240

Newmont Mining Corporation

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**84-1611629**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**
1700 Lincoln Street	**80203**
Denver, Colorado	**(Zip Code)**
(Address of Principal Executive Offices)	

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

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, $1.60 par value	New York Stock Exchange
$3.25 Convertible Preferred Stock, $5.00 par value*	New York Stock Exchange

* Redeemed in full in May 2002

Securities registered pursuant to Section 12(g) of the Act:

None

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ¨

The aggregate market value of the voting common stock and equivalents held by non-affiliates of the Registrant (based on the closing sale price of the shares of common stock on the New York Stock Exchange) on March 18, 2002, was approximately $9,254,549,905.

The number of shares of Registrant s common stock outstanding on March 18, 2002, was 335,019,544.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of Registrant s definitive Proxy Statement submitted to the Registrant s stockholders in connection with our 2002 Annual Stockholders Meeting held on May 15, 2002, are incorporated by reference into Part III of this report.

This document (including information incorporated herein by reference) contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, which involve a degree of risk and uncertainty due to various factors affecting Newmont Mining Corporation and our subsidiaries. For a discussion of some of these factors, see the discussion in Item 1A, Risk Factors, of this report commencing on page 9.

Explanatory Note

This Amendment No. 1 on Form 10-K/A (this Amendment) amends the Annual Report on Form 10-K for the fiscal year ended December 31, 2001, filed on March 27, 2002. The Company has filed this Amendment to give effect to the restatement of the Company s financial statements for the years ended December 31, 1999, 2000 and 2001 as discussed in Note 23 to the Consolidated Financial Statements. The Company is making adjustments relating to (1) the accounting for a prepaid forward gold sales contract and a forward gold purchase contract entered into in July 1999, (2) the depreciation and deferred stripping calculations to exclude material other than proven and probable reserves, (3) the depreciation of certain mining assets; and, (4) inclusion of depreciation, depletion and amortization (DD&A) as a capitalized cost in inventory. The adjustments reflected in this filing are described in more detail elsewhere in this filing. Although we have revised this Amendment to give effect to the adjustments, other information contained herein has not been updated. Therefore, you should read this Amendment together with our Quarterly Reports on Form 10-Q for the quarters ended March 31, June 30 and September 30, 2002 as amended to the date hereof or as subsequently amended, as well as the other documents that we have filed with the Securities and Exchange Commission. Information in such reports and documents update and supersede certain information contained in this Amendment.

Arthur Andersen LLP served as Newmont s independent auditor, and provided a report on the financial statements included in the Company s Annual Report on Form 10-K for the year ended December 31, 2001, as filed on March 27, 2002. On October 22, 2002, the Company engaged PricewaterhouseCoopers LLP to conduct an audit of the Company s financial statements for the three years ended December 31, 2001, and the opinions of PricewaterhouseCoopers regarding the financial statements contained in this Annual Report on Form 10-K/A are contained herein.

PART I

ITEM 1. BUSINESS

Introduction

Newmont Mining Corporation s original predecessor corporation was incorporated in 1921 under the laws of Delaware. On February 13, 2002, at a special meeting of the stockholders of 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 more flexible corporate structure. Newmont merged with an indirect, wholly-owned subsidiary, which resulted in Newmont becoming a direct wholly-owned subsidiary of a new holding company. The new holding company was renamed Newmont Mining Corporation. There is no impact to the consolidated financial statements of Newmont as a result of this restructuring and former stockholders of Newmont became stockholders of the new holding company. In this report, Newmont and we refer to Newmont Mining Corporation and/or our affiliates and subsidiaries.

On January 10, 2001, Newmont completed a stock-for-stock merger with Battle Mountain Gold Company pursuant to an Agreement and Plan of Merger, dated June 21, 2000(1). During 2001, we integrated the former Battle Mountain operations in Canada and Bolivia, the Phoenix development project in Nevada, and the interest in the Pajingo (Vera/Nancy) joint venture operation in Australia(2). Synergies in excess of an estimated

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(1) The merger was accounted for as a pooling of interests, and as such, the financial and operating data presented in this report includes Battle Mountain as if it has always been a part of Newmont. Consequently, some historical financial and operating data presented in this report may differ from previous reports.

(2) For more information on Pajingo see Item 2, Properties, on page 19.

$25 million(3), pre-tax, were achieved during 2001 from consolidation of administrative and exploration staffs, purchasing economies and the introduction of Newmont s Gold Medal Performance program at Battle Mountain s operations. The Phoenix project is expected to provide an opportunity for additional synergies in future years from utilization of existing nearby processing facilities.

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, Newmont completed the acquisition of Franco-Nevada pursuant to a Plan of Arrangement. On February 20, 2002, Newmont gained control of Normandy through a tender offer for all of the ordinary shares in the capital of Normandy. On February 26, 2002, when Newmont s tender offer for Normandy expired, Newmont had a relevant interest in more than 96% of Normandy s outstanding shares. Newmont exercised compulsory acquisition rights under Australian law to acquire all of the shares of Normandy.

Franco-Nevada has a portfolio of royalty interests covering producing and non-producing mineral properties located in the United States, Canada, Australia, South Africa, Indonesia and various South American countries. Franco-Nevada also has a portfolio of oil and gas interests in western Canada and various direct and indirect investments in resource properties in Canada, Nevada, Central and South America, Australia, South Africa, Indonesia and the Dominican Republic.

Normandy is Australia s largest gold producer, with over 2 million equity ounces of gold sales annually, and with operations in Australia, the United States, New Zealand, Turkey, Chile, Brazil and Canada. Normandy is also a producer of zinc concentrates and owns interests in companies producing cobalt and magnesium.

As a result of the Normandy and Franco-Nevada acquisitions, Newmont has gold reserves of 86 million ounces and an aggregate land position of approximately 94,000 square miles (244,000 square kilometers). We have operations in North America, South America, Australia, New Zealand, Indonesia, Uzbekistan and Turkey. In 2002, we expect to obtain more than 70% of our production from politically and economically stable countries, namely the United States, Canada and Australia. Newmont is also engaged in the production of, and exploration for, copper and zinc.

In connection with the acquisition of Normandy and Franco-Nevada, Newmont will issue approximately 194 million Newmont common shares or common share equivalents to former stockholders of Normandy and Franco-Nevada. In addition, pursuant to Newmont s offer for Normandy, Newmont will make cash payments of approximately $465 million to former stockholders of Normandy ordinary shares. During 2002, we will review opportunities to further rationalize our asset base through the consolidation of separately held and managed assets, asset swaps, and the sale or disposal of lower margin or non-core operations or interests.

Unless explicitly provided otherwise in this report, production, revenue and other financial information with respect to 2001 and prior years do not include the operations or revenues of Normandy or Franco-Nevada.

For the years ended December 31, 2001 and 2000, prior to the completion of the Normandy and Franco-Nevada transactions, Newmont had revenues of $ 1.67 billion and $1.83 billion, respectively. In 2001, Newmont had a net loss applicable to common shares of $54.1 million, while in 2000, Newmont had a net loss applicable to common shares of $97.2 million.

Newmont s corporate headquarters are in Denver, Colorado, USA.

For additional information, see Item 7, Management s Discussion and Analysis of Consolidated Financial Condition and Results of Operations, commencing on page 39 below.

Products

Gold

Gold Production

Including Newmont s subsidiaries, partnerships and joint ventures prior to the Normandy and Franco-Nevada transactions, Newmont sold 5.47 million equity ounces of gold in 2001 and 5.76 million equity ounces in

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(3) All references to dollars or $ in this report refer to United States currency unless otherwise specified.

2000. References in this report to equity ounces or equity pounds mean that portion of gold or base metals, respectively produced, sold, or included in proven and probable reserves, which is attributable to our ownership or economic interest.

Approximately 59% of Newmont s gold production came from North American operations in 2001 and 41% from overseas operations. In 2000, approximately 64% of our gold production came from North American operations and 36% came from overseas operations. In 2001, 44% of overseas production, or 18% of total production, was attributable to Minera Yanacocha in Peru. At December 31, 2001, approximately 47% of our total long-lived assets were related to our overseas operations, with 36% of that total in Indonesia and 53% in Peru.

Gold Uses

Gold has two main categories of use product fabrication and bullion investment. Fabricated gold has a variety of end uses, including jewelry, electronics, dentistry, industrial and decorative uses, medals, medallions and official coins. Gold investors buy gold bullion, official coins and high-karat jewelry.

Most of Newmont s revenue comes from the sale of refined gold in the international market. The end product at each of Newmont s gold operations, however, is doré bars. Because doré is an alloy consisting mostly of gold but also containing silver, copper and other metals, doré bars are sent to refiners to produce bullion that meets the required market standard of 99.95% pure gold. Under the terms of refining agreements, the doré bars are refined for a fee, and Newmont s share of the refined gold and the separately, recovered silver are credited to Newmont s account or delivered to buyers, except in the case of the doré produced from Newmont s operation in Uzbekistan. Doré from that operation is refined locally and physically returned to Newmont for sale in international markets. We do not believe that the loss of service at any of our refiners would have an adverse effect on our business due to the availability of alternative refiners able to supply the necessary services. Additionally, through our recent acquisition of Normandy, Newmont has an interest in an Australian refinery.

Gold Supply

The worldwide supply of gold consists of a combination of new production from mining and the draw-down of existing stocks of bullion and fabricated gold held by governments, financial institutions, industrial organizations and private individuals. In recent years, mine production has accounted for 60% to 65% of the total annual supply of gold.

Gold Price

The price of gold is affected by numerous factors that are beyond our control. See Risks Related to the Gold Mining Industry Generally in Item 1A, Risk Factors, commencing on page 9 below.

The following table presents the annual high, low and average afternoon fixing prices over the past ten years, expressed in U.S. dollars, for gold per ounce on the London Bullion Market.

Year	High	Low	Average
1992	$ 360	$ 330	$ 344
1993	$ 406	$ 326	$ 360
1994	$ 396	$ 370	$ 384
1995	$ 396	$ 372	$ 384
1996	$ 415	$ 367	$ 388
1997	$ 367	$ 283	$ 331
1998	$ 313	$ 273	$ 294
1999	$ 326	$ 253	$ 279
2000	$ 313	$ 264	$ 279
2001	$ 293	$ 256	$ 271
2002 (through March 18)	$ 304	$ 278	$ 289

Source of Data: Metals Week and Reuters.

On March 18, 2002, the afternoon fixing price for gold on the London Bullion Market was $292.05 per ounce and the spot market price of gold on the New York Commodity Exchange was $ 292.70 per ounce.

Newmont s gold sales are generally made at the average price prevailing during the month in which the gold is delivered to the customer plus a contango, which is essentially an interest factor, from the beginning of the month until the date of delivery. Revenue from a sale is recognized when gold is delivered from the refiner or other depository to the customer.

Copper

Copper Production

The Batu Hijau mine in Indonesia, in which Newmont holds a 56.25% economic interest (a 45% equity interest), produced copper/gold concentrates containing 657.0 million pounds of copper (370 million equity pounds) and 533,600 ounces of gold (300,200 equity ounces) in 2001. The concentrates, which have the consistency of fine sand, contain about 30% copper and about 0.53 ounce per ton of gold. In addition, the Golden Grove operations in Western Australia, which were acquired in their entirety as a result of the Normandy acquisition, produced concentrates containing 24.3 million pounds of copper for the 12 months ended June 30, 2001.

Copper Uses

Newmont delivers and sells the concentrates from Batu Hijau to smelters in Japan, Korea, Australia and Europe. The majority of Newmont s production is sold under long-term contracts, and the balance on the spot market. Refined copper, the final product from the treatment of concentrates, is incorporated into wire and cable products for use in the construction, electric utility, communication and transportation industries. Copper is also used in industrial equipment and machinery, consumer products and a variety of other electrical and electronic applications and is used to make brass. Materials that compete with copper include aluminum, plastics, stainless steel and fiber optics. Refined, or cathode, copper is also an internationally traded commodity.

Copper Price

The price of copper is quoted on the London Metal Exchange in terms of dollars per metric ton of high grade copper and on the New York Commodity Exchange (Comex) in terms of dollars per pound of high grade copper. Copper prices tend to be more cyclical than gold prices and are more directly affected by the worldwide balance of supply and demand. The volatility of the copper market is illustrated by the following table, which shows the dollar per pound equivalent of the high, low and average price of high grade copper on the London Metal Exchange in each of the last ten years:

Year	High	Low	Average
1992	$ 1.17	$ 0.95	$ 1.04

1993	$ 1.08	$ 0.72	$ 0.87
1994	$ 1.40	$ 0.78	$ 1.05
1995	$ 1.47	$ 1.23	$ 1.33
1996	$ 1.29	$ 0.83	$ 1.04
1997	$ 1.23	$ 0.77	$ 1.03
1998	$ 0.85	$ 0.65	$ 0.75
1999	$ 0.84	$ 0.61	$ 0.71
2000	$ 0.91	$ 0.73	$ 0.82
2001	$ 0.83	$ 0.60	$ 0.72
2002 (through March 18)	$ 0.74	$ 0.64	$ 0.70

Source of Data: Metal Bulletin

On March 18, 2002, the closing spot price of high grade copper on the London Metal Exchange was equivalent to $0.74 per pound.

Zinc

Newmont produces zinc, lead and copper concentrates at our Golden Grove operations in Western Australia. Golden Grove produced 182,700 tonnes of zinc concentrates containing 82,400 tonnes of payable zinc during the period July 1, 2000 to June 30, 2001. Golden Grove markets its zinc concentrates under evergreen contracts to major zinc smelters in Japan and Korea. The majority of zinc concentrates are sold under long-term contract arrangements. Pricing terms are negotiated annually.

Hedging Activities

Newmont has a no hedging philosophy and generally sells its production at spot market prices. Nevertheless, Newmont monitors the market on an ongoing basis and may periodically elect to enter into selective hedging transactions, if required to achieve our strategic objectives. The hedging policy authorized by Newmont s board of directors limits total hedging activity to 16 million ounces.

Newmont sales of gold under forward sales contracts represented 1%, 3%, and 6% of Newmont s total equity sales in 2001, 2000, and 1999, respectively. Newmont, prior to the acquisitions of Normandy and Franco-Nevada, utilized forward sales contracts for a portion of the gold production from the Minahasa mine in Indonesia and from the Nevada and Canadian operations. No costs were incurred in connection with forward sales contracts and there were no margin requirements related to these contracts. In December 2001, Newmont entered into offsetting positions to effectively close out combination matched put and call options and flat forward sales contracts associated with Canadian operations. In September 2001, Newmont entered into transactions closing out certain written call options covering 2.35 million ounces of gold. These options were replaced with a series of sales contracts requiring physical delivery of the same quantity of gold from 2005 to 2011. Under the terms of the sales contracts, Newmont will realize the lower of the spot price on the delivery date or the stated capped price ranging from $350 per ounce in 2005 to $392 per ounce in 2011.

At December 31, 2001, the following offsetting commodity instruments were outstanding for Newmont and subsidiaries owned by Newmont on that day:

	Ounces	Fair Value (in millions)
Combination, matched put and call options, expiring 2002-2004	193,067	$ 3.2
Offsetting combination, matched put and call options, expiring 2002-2004	193,067	$ (3.2)
Flat forward sales contracts, 2002-2004	64,067	$ 2.0
Forward purchase contracts, 2002-2004	64,067	$ (2.0)

For more information see Market Conditions and Risks in Item 7, Management s Discussion and Analysis of Consolidated Financial Condition and Results of Operations, commencing on page 39 below.

Prior to Newmont s acquisition of Normandy, Normandy s policy was to hedge a minimum of 60% of recoverable reserves. Recoverable reserves were generally between 80% and 95% of total reserves. Normandy did not enter into contracts that required margin calls and has no outstanding long-dated sold call options. Normandy utilized forward sales contracts with fixed and floating gold lease rates. Newmont intends to opportunistically unwind or deliver into Normandy s hedge contracts over time.

At December 31, 2001, the Normandy hedge position consisted of derivative contracts covering approximately 8.6 million ounces of gold at an average price of $283 per ounce. At that time, the Normandy hedge position included forward sales, purchased put, and convertible put contracts covering 5.8, 1.3, and 1.5 million ounces at net contract prices of $286, $267, and $283, respectively. At December 31, 2001, the mark-to-market value of the combined Normandy hedge position (which includes subsidiaries) represented an approximate liability of $239 million. All prices and values noted above were converted to US dollars at the December 31, 2001, closing exchange rate of A$1.9543/US$1.00.

The following table shows the approximate sensitivities of the US$ mark-to-market value of the Normandy gold hedge position to changes in certain market variables as of December 31, 2001 (assuming all other market variables remain unchanged):

Market Variables	Change in Variable	Change In Mark-to-Market Value (Millions)
A$ Interest Rates	+/-1.0%	-/+$6.6
US$/A$ Exchange Rates	+/-US$0.01	+/-$58.0
Gold Lease Rates	+/-1.0%	+/-$2.9
US$ Interest Rates	+/-1.0%	-/+$1.3
US$ Gold Price/oz.	+/-$1.00	-/+$11.6

Royalty Business

Newmont is in the process of forming a new business unit to build upon the royalty and merchant banking business of Franco-Nevada. As part of our ongoing exploration program (which is described in the Exploration section on page 6 below), we identify properties or exploration targets that have good potential but appear incompatible with our core objectives, and seek to sell those properties to other operators in return for a royalty. Newmont is in the process of identifying properties where we do not intend to conduct active exploration in the foreseeable future. Newmont will attempt to assemble land packages from among these lands and sell these packages to other operators, possibly in return for a royalty. In some cases these lands may be prospective for minerals other than gold. Through this process Newmont intends to continue to benefit from any discoveries made by other operators on lands in which we have a royalty.

Exploration

Newmont and its subsidiaries, prior to the acquisitions of Normandy and Franco-Nevada, spent $55.5 million in 2001 and $77.4 million in 2000 for exploration and research. Exploration work is regularly conducted in areas surrounding our existing mines for the purpose of locating additional deposits and determining mine geology. Our exploration staff employs state-of-the-art technology, including airborne geophysical data acquisition systems, satellite location devices and field-portable imaging systems to aid in the location of prospective targets.

Gold exploration is highly speculative in nature, involves many risks and frequently is unproductive. No assurances can be given that any of our new or ongoing exploration programs will result in new mineral producing operations. Once mineralization is discovered, it may take many years from the initial phases of drilling until production is possible, during which time the economic feasibility of production may change.

For more information, see Item 2, Properties, commencing on page 14 below.

Segment Information, Export Sales, Etc.

Note 21 to our consolidated financial statements beginning on page 95 of this report includes information for each of the last three years relating to our business segments and certain financial information, our domestic and export sales, and our customers.

Licenses and Concessions

Other than operating licenses for its mining and processing facilities, there are no third party patents, licenses or franchises material to Newmont s business. In many foreign countries, however, we conduct our mining and exploration activities pursuant to concessions granted by, or under contract with, the host

government. These countries include, among others, Australia, Bolivia, Indonesia, Peru, Mexico and Turkey. The concessions and contracts are subject to the political risks associated with foreign operations. For a more detailed description of our Indonesian Contracts of Work, see Item 2, Properties on pages 20-21 below.

Condition Of Physical Assets; Insurance and Foreign Investment Risks

Our business is capital intensive, requiring ongoing capital investment for the replacement, modernization or expansion of equipment and facilities. For more information, see Liquidity and Capital Resources in Item 7, Management s Discussion and Analysis of Consolidated Financial Condition and Results of Operations, on pages 55-58 below.

We maintain insurance against property loss and business interruption and insure against risks that are typical in the operation of business in amounts that we believe to be reasonable. Such insurance, however, contains exclusions and limitations on coverage, particularly with respect to liability for environmental impairment.

Some concern always exists with respect to investments in less developed countries and countries with emerging economies where civil unrest, nationalist movements, political violence or economic crises are possible. These countries may also pose heightened risks of expropriation of assets, increased taxation and a unilateral modification of concessions and contracts. We have obtained political risk insurance through May 2002, to cover portions of our investment in Indonesia against the risk of expropriation, war, civil unrest and political violence. This insurance is limited to particular risks and is subject to certain exclusions. There can be no assurance that claims would be paid under such insurance in connection with a particular event.

Environmental Matters

United States Operations

Newmont s United States mining and exploration activities are subject to various federal and state laws and regulations governing the protection of the environment, including the Clean Air Act; the Clean Water Act; the Emergency Planning and Community Right-to-Know Act; the Endangered Species Act; the Federal Land Policy and Management Act; the National Environmental Policy Act; the Resource Conservation and Recovery Act; and related state laws. These laws and regulations are continually changing and are generally becoming more restrictive. We conduct our operations so as to protect the public health and environment and believe our operations are in compliance with all applicable laws and regulations. Each currently operating Newmont mine has a reclamation plan in place that meets all currently enacted legal and regulatory requirements. We have made, and expect 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 December 31, 2001, $128.4 million was accrued for reclamation costs relating to currently producing mineral properties owned by Newmont on that day.

Reclamation and Remediation of Inactive Sites within the United States

Newmont is involved in several matters concerning environmental obligations associated with former U.S. mining activities. Generally, these matters concern developing and implementing remediation plans at the various sites involved. We believe 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 our best estimate of our liability for these matters, $57.3 million was accrued for such obligations associated with properties owned by Newmont or our subsidiaries on or before December 31, 2001. These amounts are included in *Other accrued liabilities* and *Reclamation and remediation liabilities*. Depending upon the ultimate resolution of these matters, we believe 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 at December 31, 2001. 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 in the period estimates are revised.

For a discussion on the most significant reclamation and remediation activity, see the discussion in Item 3, Legal Proceedings, commencing on page 34 below, Environmental in Item 7, Management s Discussion and Analysis of Consolidated Financial Condition and Results of Operations commencing on page 59 below, and Note 22 of Item 7, commencing on page 98 below.

Operations Outside the United States

Newmont s interests outside the United States are also subject to governmental regulations for the protection of the environment. These regulations have not had, and are not expected to have, a material adverse impact on Newmont s operations or our competitive position. All of the international projects we manage adopt and implement environmental policies and procedures developed by us.

Employees

There were 10,600 people employed by Newmont and our affiliates worldwide at December 31, 2001, and 10,800 people employed by Newmont and our affiliates worldwide at December 31, 2000. At December 31, 2001, Franco-Nevada employed 25 people and Normandy employed 2,900 people.

Forward-Looking Statements

Certain statements contained in this report (including information incorporated by reference) are forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and are intended to be covered by the safe harbor provided for under this section. Our forward-looking statements include, without limitation:

- estimates of future mineral production for specific operations and on a consolidated basis;
- estimates of future production costs and other expenses, for specific operations and on a consolidated basis;
- estimates of future capital expenditures and other cash needs for specific operations and on a consolidated basis and expectations as to the funding thereof;
- statements as to the projected development of certain ore deposits, including estimates of development and other capital costs, financing plans for these deposits, and expected production commencement dates;
- estimates of future costs and other liabilities for certain environmental matters;

- estimates of reserves; and

- projected synergies and costs associated with acquisitions and related matters.

Where we express 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, our forward-looking statements are subject to risks, uncertainties, and other factors, which could cause actual results to differ materially from future results expressed, projected, or implied by those forward-looking statements. These factors include, but are not limited to, the price of gold and copper; currency exchange rates; geological and metallurgical assumptions; operating performance of equipment, processes and facilities; labor relations; timing of receipt of necessary governmental permits or approvals; domestic and foreign laws or regulations, particularly relating to the environment and mining; domestic and international economic and political conditions; the ability of Newmont to obtain or maintain necessary financing; and other risks and hazards associated with mining operations. More detailed information regarding these factors is included in Item 1, Business, Item 1A, Risk Factors, and

elsewhere throughout this report, as well as other filings with the Securities and Exchange Commission. Given these uncertainties, readers are cautioned not to place undue reliance on our forward-looking statements.

All subsequent written and oral forward-looking statements attributable to Newmont or to persons acting on our behalf are expressly qualified in their entirety by the cautionary statements. Subject to the Explanatory Note on page 1, forward looking statements contained in this report speak only as of the date of this report. Newmont does not undertake any obligation to release publicly any revisions to these forward-looking statements, to reflect events or circumstances after the date of the document, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

ITEM 1A. RISK FACTORS

Every investor or potential investor in Newmont should carefully consider the following risks, which have been separated into two groups:

- risks related to the gold mining industry generally; and
- risks related to Newmont s operations.

Risks Related to the Gold Mining Industry Generally

A Substantial or Extended Decline in Gold Prices Would Have a Material Adverse Effect on Newmont

Newmont s business is extremely dependent on the price of gold, which is affected by numerous factors beyond Newmont s control. Factors tending to put downward pressure on the price of gold include:

- sales or leasing of gold by governments and central banks;
- a low rate of inflation and a strong U.S. dollar;
- global and regional recession or reduced economic activity;
- speculative trading;
- decreased demand for gold for industrial uses, use in jewelry, and investment;
- high supply of gold from production, disinvestment, scrap and hedging;

- sales by gold producers in forward transactions and other hedging transactions;
- devaluing local currencies (relative to gold priced in US Dollars) leading to lower production costs and higher production in certain major gold-producing regions.

Any drop in the price of gold adversely impacts our revenues, profits and cash flows, particularly in light of our no hedging philosophy. Newmont has recorded asset writedowns in recent years as a result of a sustained period of low gold prices. Newmont may experience additional asset impairment as a result of continuing low gold prices.

In addition, sustained low gold prices can:

- reduce revenues further by production cutbacks due to cessation of the mining of deposits or portions of deposits that have become uneconomic at the then-prevailing gold price;
- halt or delay the development of new projects;
- reduce funds available for exploration, with the result that depleted reserves are not replaced; and
- reduce existing reserves, by removing ores from reserves that cannot be economically mined or treated at prevailing prices.

Also see the discussion in Item 1, Gold Price, commencing on page 3 above.

Gold Producers Need to Continually Obtain Additional Reserves for Gold Production

Gold producers must continually replace gold reserves depleted by production. Depleted reserves must be replaced by expanding known orebodies or by locating new deposits in order for gold producers to maintain production levels over the long term. Success in exploration for gold is uncertain. As a result, reserves may decline as gold is produced without adequate replacement.

Estimates of Proven and Probable Reserves are Uncertain

Estimates of proven and probable reserves are subject to considerable uncertainty. Such estimates are, to a large extent, based on interpretations of geologic data obtained from drill holes and other sampling techniques. Gold producers use feasibility studies to derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, the predicted configuration of the ore body, expected recovery rates of metals from the ore, comparable facility, equipment, and operating costs, and other factors. Actual cash operating costs and economic returns on projects may differ significantly from original estimates. Further, it may take many years from the initial phase of drilling before production is possible and, during that time, the economic feasibility of exploiting a discovery may change.

Increased Costs Could Affect Profitability

The cash cost of production at any particular mining location is frequently subject to great variation from one year to the next due to a number of factors, such as changing waste-to-ore ratios, ore grade and metallurgy. In the past, a cash cost swing of 10% at any one location has not been a significant factor in Newmont s profitability. However, this may not always be the case.

Mining Accidents or Other Adverse Events at a Mining Location Could Reduce Our Production Levels

At any of Newmont s operations, production may fall below historic or estimated levels as a result of mining accidents such as a pit wall failure in an open pit mine, or cave-ins or flooding at underground mines. In addition, production may be unexpectedly reduced at a location if, during the course of mining, unfavorable ground conditions or seismic activity are encountered; ore grades are lower than expected; the physical or metallurgical characteristics of the ore are less amenable to mining or treatment than expected; or our equipment, processes or facilities fail to operate properly or as expected.

The Use of Hedging Instruments May Prevent Gains Being Realized from Subsequent Price Increases

Consistent with Newmont s position as a largely unhedged producer, Newmont does not intend to enter into new material gold hedging positions and intends to decrease its hedge position over time. Over time, our intention is to opportunistically deliver into our existing hedge contracts, and we will seek to unwind our hedge position when economically attractive. Nonetheless, Newmont currently has a gold hedging position. If the gold price rises above the price at which future production has been committed under these hedge instruments, Newmont will have an opportunity loss. However, if the gold price falls below that committed price, Newmont s revenues will be protected to the extent of such committed production.

Currency Fluctuations May Affect the Costs that Newmont Incurs

Currency fluctuations may affect the costs that we incur at our operations. Gold is sold throughout the world based principally on the U.S. dollar price, but a portion of Newmont s operating expenses are incurred in local currencies. 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. The currencies which primarily impact the Company s results of operations are the Canadian and Australian dollars.

During 2001, the Canadian and Australian dollars weakened by an average 4% and 9%, respectively, against the U.S. dollar. This reduced U.S. dollar reported operating costs in Canada and Australia by approximately $2.8 million and $1.4 million, respectively. The impact of fluctuations in these two currencies will increase with the acquisitions of Normandy and Franco-Nevada.

Gold Mining Companies are Subject to Extensive Environmental Laws and Regulations

Newmont s exploration, production, and processing operations are extensively regulated under various U.S. federal, state, and local, and overseas laws relating to the protection of air and water quality, hazardous waste management and mine reclamation. Delays in receiving or failure to receive required government permits and approvals may adversely impact our operations. Newmont has also incurred current liabilities and may have potential future liability for environmental costs. Further, the regulatory environment for Newmont s operations could change in ways that would substantially increase Newmont s liability or the costs of compliance and that could have a material adverse effect on Newmont s operations or financial position. For a more detailed discussion of potential environmental liabilities, see the discussion in Environmental Matters in Item 1, Business, commencing on page 7 above, and in Item 3, Legal Proceedings, commencing on page 34 below.

Risks Related To Newmont Operations

Our Operations Outside North America and Australia are Subject to the Risks of Doing Business Abroad

Exploration, development and production activities outside of North America and Australia are potentially subject to political and economic risks, including:

- cancellation or renegotiation of contracts;
- disadvantages of competing against companies from countries that are not subject to U.S. laws and regulations, including the Foreign Corrupt Practices Act;
- changes in foreign laws or regulations;
- changes in tax laws;
- royalty and tax increases or claims by governmental entities, including retroactive claims;
- expropriation or nationalization of property;
- currency fluctuations (particularly in countries with high inflation);

foreign exchange controls;

restrictions on the ability of local operating companies to sell gold offshore for U.S. dollars, and on the ability of such companies to hold U.S. dollars or other foreign currencies in offshore bank accounts;

import and export regulations, including restrictions on the export of gold;

restrictions on the ability to pay dividends offshore;

environmental controls;

risks of loss due to civil strife, acts of war, guerrilla activities, insurrection and terrorism; and

other risks arising out of foreign sovereignty over the areas in which our operations are conducted.

Consequently, Newmont s exploration, development, and production activities outside of North America and Australia may be substantially affected by factors beyond Newmont s control, any of which could materially adversely affect Newmont s financial position or results of operations. Furthermore, in the event of a dispute arising from such activities, Newmont may be subject to the exclusive jurisdiction of courts outside North America or Australia or may not be successful in subjecting persons to the jurisdiction of the courts in North America or Australia, which could adversely affect the outcome of a dispute.

Newmont has substantial investments in Indonesia, a nation that since 1997 has undergone financial crises and devaluation of its currency, outbreaks of political and religious violence, changes in national leadership, and the secession of East Timor, one of its former provinces. Despite democratic elections in 1999, a change in government occurred in late July 2001, and civil unrest, independence movements, and tensions between the civilian government and the military continue. These problems heighten the risk of abrupt changes in the national policy toward foreign investors, which in turn could result in unilateral modification of concessions or contracts, increased taxation, or expropriation of assets.

In Peru, elections for a new president and Congress were held in April 2001, with run-off elections for the presidency held in June 2001. During the last two years, Minera Yanacocha, of which Newmont owns a 51.35% interest, has been the target of numerous local political protests, including ones that blocked the road between the Yanacocha mine complex and the city of Cajamarca. Newmont cannot predict whether these incidents will continue, nor can we predict the new government s continuing positions on foreign investment, mining concessions, land tenure, environmental regulation, or taxation.

Remediation Costs for Federal Superfund Law Liabilities May Exceed the Provisions We Have Made

Newmont has conducted extensive remediation work at two inactive sites in the United States as a result of liability under the U.S. Superfund law. At one of these two sites, remediation requirements have not been finally determined, and the ultimate cost cannot be estimated with certainty. At a third site in the U.S., an inactive uranium mine and mill formerly operated by a subsidiary of Newmont, final remediation has not begun due to the failure to date of federal agencies to agree on a remediation plan. We dispute our liability for remediation costs at this site. The environmental standards that may ultimately be imposed at this site remain uncertain and there is a risk that the costs of remediation may exceed the provision Newmont s subsidiary has made for such remediation by a material amount.

Whenever a previously unrecognized remediation claim becomes known or a previously estimated cost is increased, that amount of additional cost is expensed and this can materially reduce net income in that period.

We May Face Risks Related To Our Investment In Australian Magnesium Corporation (AMC)

AMC is an Australian company based in Queensland whose primary project is the development of its A$1.5 billion Stanwell magnesium project. As a result of its acquisition of Normandy, Newmont is a substantial holder of AMC securities with a 22.8% voting interest in AMC. Newmont also has significant future obligations to AMC including an obligation to contribute A$100 million (approximately $51 million) in equity by January 31, 2003, which was satisfied in the first quarter of 2003. See additional discussion below.

Additionally, AMC announced on November 29, 2001, that Normandy, which subsequently has become a subsidiary of Newmont, agreed to continue as guarantor of AMC s foreign exchange hedging position and of AMC s A$71 million (approximately $36 million) corporate facility with ANZ Banking Group Limited. If AMC is unable to perform its obligations under these arrangements, there is a risk that Newmont s subsidiary, as guarantor, may incur liabilities under these arrangements.

On January 3, 2003 Newmont contributed an additional A$100 million ($US 55.9 million) to AMC pursuant to its obligation under the original investment in return for approximately 167 million additional shares, increasing our ownership percentage to 40.9%. However, due to the conversion by a third-party shareholder of preferred shares to voting common shares, our interest was decreased to 27.8%. In addition,

subsequent to year end the A$90 million (approximately $49 million) contingent equity commitment outlined in Note 7 was negotiated into an A$75 million (approximately $41 million) contingent convertible debt and equity facility.

Additionally, there are a number of significant risks related to investments in AMC, including:

- risks related to the project, which has no operating history;
- AMC s substantial dependence on the project;
- risks related to the magnesium market;

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- financial risks specific to AMC s business and operations; and

- AMC s reliance upon Newmont for financial and operational support.

For additional information on AMC, see the discussion in Item 2, Investment Interests, Australian Magnesium Corporation.

Our Level Of Indebtedness May Affect Our Business

As a result of our recent acquisitions, our level of indebtedness has increased, although indebtedness is a smaller percentage of our total capitalization. From December 31, 2001 to March 31, 2002, the Company s debt increased from $1.4 billion to $2.3 billion. The level of indebtedness could have important consequences for our operations, including:

- Newmont may need to use a large portion of the money Newmont earns to repay principal and pay interest on our debt, which will reduce the amount of money available to finance our operations and other business activities;

- Newmont s debt level may make us vulnerable to economic downturns and adverse developments in Newmont s businesses and markets; and

- Newmont s debt level may limit our ability to pursue other business opportunities, borrow money for operations or capital in the future or implement our business strategy.

Newmont expects to obtain the funds to pay our expenses and to pay principal and interest on our debt by utilizing cash flow, refinancing existing debt and asset sales. Newmont s ability to meet these requirements will depend on our future financial performance, which will be affected by financial, business, economic and other factors. Newmont will not be able to control many of these factors, such as economic conditions in the markets in which Newmont operates. Newmont cannot be certain that our future cash flow will be sufficient to allow us to pay principal and interest on our debt and meet our other obligations. If cash flow is insufficient, we may be required to refinance all or part of our existing debt, sell assets or borrow more money. We cannot be sure that we will be able to do so on commercially reasonable terms, if at all.

Occurrence of Events for which We are not Insured may Affect Our Cash Flows and Overall Profitability

We maintain insurance to protect ourselves against certain risks related to our operations. This insurance is maintained in amounts that we believe to be reasonable depending upon the circumstances surrounding each identified risk. However, Newmont may elect not to have insurance for certain risks because of the high premiums associated with insuring those risks or for various other reasons, including the fact that insurance may not be available for certain matters. Occurrence of events for which Newmont is not insured may affect its cash flows and overall profitability.

Uncertainties Exist in Integrating the Business Operations of all of Our Recently Acquired Subsidiaries

We intend, to the extent possible, to integrate our operations with those of our recently acquired subsidiaries. Our goal in integrating these operations is to increase earnings and achieve cost savings by taking advantage of the synergies of consolidation and enhanced growth opportunities. We may encounter substantial difficulties integrating these operations, resulting in a delay or the failure to achieve the anticipated synergies and, therefore, the expected increases in earnings. Moreover, the integration process may cause us to incur substantial unanticipated costs as a result of, among other things:

- the loss of key employees;
- the possible inconsistencies in standards, controls, procedures and policies, business cultures and compensation structures among the subsidiaries; and the need to implement, integrate and harmonize various business-specific operating procedures and systems, as well as company-wide financial, accounting, information, and other systems; and
- the diversion of management s attention from day-to-day business as a result of the need to deal with integration issues.

For these reasons, Newmont may not complete successfully the necessary integration or realize some or all of the anticipated benefits of the integration. Actual cost savings and synergies may be lower than Newmont currently expects and may take a longer time to achieve than Newmont currently anticipates.

Our Business Depends on Good Relations with Our Employees

Newmont may experience difficulties in integrating labor policies, practices, and strategies with our recently acquired subsidiaries. In addition, problems with or changes affecting employees of one subsidiary may affect relations with employees of other subsidiaries. The process of integrating our recently acquired subsidiaries increases the risk of labor disputes, work stoppages, or other disruptions in production that could adversely affect us. Furthermore, at December 31, 2001, approximately 34 percent of Newmont s employees (including Franco-Nevada s and Normandy s employees) are subject to collective bargaining or similar labor agreements.

Our Earnings also Could be Affected by the Prices for Other Commodities

The revenues and earnings of Newmont also could be affected, to a lesser extent than by the price of gold, by the prices of other commodities such as copper and zinc. The prices of these commodities are affected by numerous factors beyond Newmont s control. For more information see Item 1, Copper and Zinc, commencing on page 4 above, and Item 2, Properties, commencing on page 14 below.

Title to Some of Our Properties May Be Defective or Challenged

Although we have conducted title reviews of our properties, title review does not necessarily preclude third parties from challenging our title. While Newmont believes that it has satisfactory title to its properties, some risk exists that some titles, particularly titles to undeveloped properties, may be defective or subject to challenge. In addition, certain of our Australian properties could be subject to native title or traditional landowner claims. For information regarding native title or traditional landowner claims, see the discussion under Mineral Rights and Native Title under Item 2, Properties.

ITEM 2. PROPERTIES

Introduction: Gold Processing Methods

Gold is extracted from naturally-oxidized ores by either heap leaching or milling, depending on the amount of gold contained in the ore and the amenability of the gold ore to treatment. Gold contained in ores that are not naturally oxidized can be directly milled if the gold is amenable to cyanidization, generally known as free milling ores. Ores that will not leach efficiently, known as refractory ores, require more costly and complex processing techniques than oxide or free milling ore. Higher-grade refractory ores are processed through either roasters or autoclaves. Roasters heat finely ground ore with air and oxygen to a high temperature and burn off the carbon and oxidize the sulfide minerals that encase the gold and prevent efficient leaching. Autoclaves use heat, oxygen and pressure to remove sulfide minerals from the ore.

Some gold bearing sulfide ores may be processed through a flotation plant or by bio-milling. In flotation, ore is finely ground, turned into slurry, then placed in a tank known as a flotation cell. Chemicals are added to the slurry causing the gold-containing sulfides to float in air bubbles to the top of the tank, where they can be separated from waste particles that sink to the bottom. The sulfides are removed from the cell and formed into a concentrate that can then be processed in an autoclave or roaster to fully recover the gold. Bio-milling incorporates patented technology that involves inoculation of suitable crushed ore on a leach pad with naturally occurring bacteria strains that oxidize the sulfides encasing the gold over a period of time. The ore is then processed through an oxide mill.

Free milled ores and some oxide ores are processed through mills where the ore is ground into a fine powder and mixed with water in slurry, which then passes through a cyanide leaching circuit where gold is extracted and collected on carbon followed by extraction from the carbon and electrowinning. Other ores are processed using

heap leaching. The ore is crushed and stacked on impermeable pads, where weak cyanide solution is applied to the top surface of the heaps to dissolve the gold. The gold-bearing solution is collected and pumped to facilities to remove the gold by collection on carbon or zinc precipitation directly from leach solutions.

Production Properties

Set forth below is a description of the properties of Newmont and its subsidiaries, including the properties of Normandy and Franco-Nevada.

North America

Nevada

Production

Newmont has been mining gold in Nevada since 1965. Newmont s Nevada operations include Carlin, located west of Elko on the geological feature known as the Carlin Trend, and the Winnemucca Region, located 80 miles (129 kilometers) to the west of Carlin. The Carlin Trend is the largest gold district discovered in North America in the last 50 years. The Winnemucca Region includes the Twin Creeks mine located near Winnemucca,

the Lone Tree Complex located near Battle Mountain, and the Battle Mountain Complex, near Battle Mountain, where there are no currently active mining operations but where studies are ongoing with respect to the feasibility of developing a large gold/copper deposit, known as Phoenix. Following Newmont s acquisition of Normandy, our Nevada operations also include the Midas mine.

In 2001, ore was mined from nine open-pit deposits and five underground mines, including the Midas mine. Although the Deep Post open pit was mined out at the end of 2000, production from stockpiled ore continued into 2001. Production from the Deep Post underground mine, which is accessed through a decline near the bottom of the pit, commenced in March 2001.

Gold sales from Newmont s Nevada operations (excluding the Midas mine, which was acquired by Newmont in the Normandy acquisition) totaled approximately 2.7 million equity ounces at a cash cost of $222 per ounce for 2001. The Midas mine sold 138,900 ounces of gold in 2001. Total cash costs per ounce produced were $135.(5)

Underground production will continue to grow at Carlin, as preliminary underground mine development is expected to begin in 2002 at Leeville. Additionally, for the first time, underground mining will occur from the Gold Quarry open pit mine, where development of a small deposit, Chukar, began in January 2002, with production expected in November 2002.

Processing Facilities

Newmont s operations in Nevada have a number of different ore types and processing techniques. Newmont has developed a linear programming model to determine the best mix of ore types for each processing facility in order to obtain the maximum ounces of gold at the lowest cost from the ores. Approximately 74.6% of Newmont s 2001 year-end proven and probable gold reserves in Nevada (excluding the Midas mine) were refractory and the balance were oxide. Nevada s production has increasingly come from higher-cost refractory ores from both deep open pits and underground mines, as near-surface oxide ores have been depleted. Refractory ore treatment facilities are expected to generate approximately 76% of Nevada s gold production (excluding the Midas mine) in 2002, compared with 65% in 2001, and 68% in 2000.

Higher-grade oxide ores are processed at one oxide mill at Carlin, two at Twin Creeks and one at Lone Tree. Newmont is considering whether to continue operating the Midas mill, or close it and process the Midas ore at one of the oxide mills at Twin Creeks. Lower-grade oxide ores are processed using heap leaching. Higher-grade refractory ores are processed through either a roaster at Carlin or through autoclaves at Twin Creeks or Lone Tree. Lower grade sulfide ores are processed through a flotation plant at Lone Tree or at Carlin by bio-milling.

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(5) Midas was acquired by Normandy effective April 1, 2001, prior to which it was owned and operated by Franco-Nevada.

Gold-bearing activated carbon from Carlin s milling and leaching facilities is processed on site at a central carbon processing plant and adjacent smelting facilities. Separate carbon processing facilities are located in the North and South Areas at Twin Creeks with one smelter in the North Area. Lone Tree has two carbon processing facilities. Material from the Lone Tree carbon processing facilities is smelted at Carlin.

Other Facilities

Analytical laboratories, maintenance facilities and administrative offices are located at Carlin, Twin Creeks and the Lone Tree Complex. Newmont also has an advanced metallurgical research laboratory in Denver, Colorado.

Mineral Rights

Newmont owns, or controls through long-term mining leases and unpatented mining claims, all of the minerals and surface area within the boundaries of the present Carlin and Winnemucca Region mining operations. The long-term leases extend for at least the anticipated mine life of those deposits. With respect to a significant portion of the Gold Quarry mine at Carlin, Newmont owns a 10% undivided interest in the mineral rights and leases the remaining 90%, on which Newmont pays a royalty equivalent to 18% of the mineral production. The remainder of the Gold Quarry mineral rights are wholly-owned or controlled by Newmont, in some cases subject to additional royalties. With respect to certain smaller deposits in the Winnemucca Region, Newmont is obligated to pay royalties on production to third parties that vary from 3% to 5% of production.

Exploration

Exploration near existing mines was highlighted by underground drilling in the Deep Post/Deep Star corridor. Follow-up drilling will test for additional extensions and other targets in that region.

California

Newmont has one mine in Southern California, Mesquite. Mining operations at Mesquite ceased in the second quarter of 2001, with the depletion of the main ore body. Production from residual heap leaching resulted in sales of 92,600 ounces of gold at a total cash cost of $205 per ounce in 2001. Mesquite operations are transitioning to temporary shut-down and reclamation, and declining amounts of gold will be recovered from the inventory of ores on the heap leach pads. The permitting process for an expansion at Mesquite is continuing, but such expansion is dependent on higher gold prices.

Canada

Newmont s Canadian operations include two underground mines. The Golden Giant mine (100% owned), is located approximately 25 miles (40 kilometers) east of Marathon in Ontario, Canada and has been in production since 1985. The Holloway mine is located approximately 35 miles (56 kilometers) east of Matheson in Ontario, and about 400 miles (644 kilometers) northeast of Golden Giant. The Holloway mine is owned by a joint venture in which Newmont has an 84.65% interest. The remaining 15.35% interest is held by Teddy Bear Valley Mines.

The Golden Giant and Holloway mines together sold 373,100 equity ounces of gold in 2001 at a total cash cost of $192 per ounce.

Also see the TVX Normandy description on page 21 below for information on other Newmont property interests in Canada.

Mexico

Newmont has a 44% interest in La Herradura, which is located in northwest Sonora, Mexico, and operated by the Peñoles group, Mexico s largest silver producer. The mine is an open pit operation with a two-stage crushing circuit and heap-leach recovery. Mine sales were 124,300 ounces of gold (54,700 equity ounces) in 2001. Total cash costs were $173 per ounce.

South America

Peru

The properties of Minera Yanacocha S.R.L. are located approximately 375 miles (604 kilometers) north of Lima and 28 miles (45 kilometers) north of the city of Cajamarca. Since the discovery of gold ores in 1986, the area has become the largest gold district in South America. Minera Yanacocha began production in 1993. Newmont holds a 51.35% interest in Minera Yanacocha. The remaining interest is held by Compañia de Minas Buenaventura, S.A.A. (43.65%) and the International Finance Corporation (5%).

Minera Yanacocha has mining rights with respect to a large land position that includes multiple deposits as well as other prospects. Minera Yanacocha s mining rights were acquired through assignments of concessions granted by the Peruvian government to a related entity. The assignments have a term of 20 years, beginning in the early 1990s, renewable at the option of Minera Yanacocha for another 20 years. In October 2000, Newmont and Buenaventura unitized their land holdings in northern Peru, folding them into Minera Yanacocha. The unitization increased Minera Yanacocha s land position from 100 to 535 square miles.

Five open-pit mines, four leach pads, and two processing plants are in operation at Yanacocha. Gold sales for 2001 totaled 1.91 million ounces (983,100 equity ounces) at a total cash cost of $115 per ounce. Production from the La Quinua deposit commenced in the fourth quarter of 2001. By 2003, production from La Quinua is expected to reach one million ounces per year at an average total cash cost of approximately $125 per ounce.

Exploration at Minera Yanacocha is focused on further definition of covered oxide deposits and deeper copper/gold sulfide systems. Additional oxide mineralization was found during 2001 at Corimayo, on the western edge of La Quinua.

Bolivia

The Kori Kollo open pit mine is on the high plain in northwestern Bolivia near Oruro, on government mining concessions issued to a Bolivian corporation, Empresa Minera Inti Raymi S.A., of which Newmont has a 88% interest. The remaining 12% is owned by Zeland Mines, S.A. Inti Raymi owns and operates the mine. In 2001, the mine sold 312,300 ounces (274,800 equity ounces) of gold, while total cash costs declined 21% from 2000 to $158 per ounce.

Brazil and Chile

Newmont also has interests in two operating mines in Brazil and one in Chile. See the TVX Normandy discussion on page 21 below for more details.

Australia

General

Prior to our acquisition of Normandy, we owned a 50% interest in the Pajingo (Vera/Nancy) Mine discussed below. The remaining 50% interest in Pajingo (Vera/Nancy), and all other Australian properties described in this report, were acquired as part of our acquisition of Normandy.

Mineral Rights and Native Title

In Australia, mineral exploration and mining titles are granted by the individual states or territories. Mineral titles may also be subject to native title legislation. Native title describes the rights of Aboriginal people in land and water according to their traditional laws and customs. In 1992, the High Court of Australia held that Aboriginal people who have maintained a continuing connection with their land according to their traditions and customs may hold native title. Since the High Court's decision, Australia has passed legislation providing for the

protection of native title and established procedures for Aboriginal people to claim these rights. The fact that native title is claimed with respect to an area, however, does not necessarily mean that native title exists, and disputes may be resolved by the Federal Court of Australia.

Generally, under native title legislation, all mining titles granted before January 1, 1994 are valid. Titles granted between January 1, 1994 and December 23, 1996, however, are subject to invalidation if they were not obtained in compliance with applicable legislative procedures. Titles granted or renewed after December 23, 1996 and all new titles are also subject to legislative processes that generally give native title claimants the right to negotiate with the title applicant for compensation and other conditions. Native title holders do not have a veto over the granting of mining titles, but if agreement cannot be reached, the matter will be referred to arbitration for decision.

Newmont does not expect that native title claims will have a material adverse effect on any of its operations in Australia. Generally, native title is only an issue for Newmont with respect to obtaining new mineral titles or moving from one form of title to another, for example, from an exploration title to a mining title. In these cases, the requirements for negotiation and the possibility of a requirement to pay compensation may result in delay and increased costs for mining in the affected areas.

Kalgoorlie

The Kalgoorlie operations comprise the Fimiston open pit (commonly referred to as the Super Pit) and Mt. Charlotte underground mine at Kalgoorlie-Boulder, 373 miles (600 kilometers) east of Perth. The mines are managed and run by Kalgoorlie Consolidated Gold Mines Pty Ltd for the joint venture owners, Newmont and Barrick, each of which holds 50%.

The Super Pit is Australia s largest gold mine, in terms of both gold production and total annual mining volumes. Mt. Charlotte is a large underground gold mine. In 2001, 768,700 ounces of gold (384,400 Normandy ounces) were sold at the combined Kalgoorlie operations. Total cash costs of production were $203 per ounce. The Mt. Charlotte operation closed in December 2001.

Boddington

Boddington, a large-scale open pit mining operation, is located 81 miles (130 kilometers) southeast of Perth in Western Australia. Boddington is operated by Worsley Alumina Pty Ltd on behalf of the joint venture owners, Newmont (44.4%), AngloGold Limited (33.3%) and Newcrest Mining Limited (22.2%). Mining operations ceased in November 2001, and facilities are being placed on care and maintenance, as the facilities may be used for a proposed expansion project pending the restructuring of current management arrangements as a prerequisite to any development. In 2001, 234,000 ounces of gold (104,000 Normandy ounces) were sold. Total cash costs of production were $195 per ounce.

Yandal

Newmont owns a 100% interest in Yandal, which consists of the Bronzewing, Jundee and Wiluna mines situated approximately 435 miles (700 kilometers) northeast of Perth in the Yandal Goldfields in Western Australia. The three operations collectively sold 835,500 ounces of gold in 2001. Normandy estimated that the average cash costs of production were $160 per ounce.

Tanami

The Tanami operations comprise The Granites treatment plant and associated mining operations, which are located in the Northern Territory approximately 342 miles (550 kilometers) northwest of Alice Springs, adjacent to the Tanami highway, and the Dead Bullock Soak mining operations, approximately 25 miles (40 kilometers) west of The Granites. The Tanami operations are owned by Normandy NFM Limited, a publicly listed, 87.45% owned subsidiary of Newmont.

The operation is predominantly focused on the Callie underground mine at Dead Bullock Ridge with mill feed supplemented by production from the Dead Bullock Ridge open pit and the Bunkers and Quorn pits at The Granites. Ore from all of these operations is processed through The Granites plant. The Tanami operations also include the Groundrush deposit, at which mining commenced in mid-September 2001. Ore from Groundrush is processed through the Tanami plant rather than The Granites plant.

In 2001, the Tanami operations sold 506,000 ounces of gold (442,500 Normandy ounces). Total cash costs of production were $144 per ounce.

Pajingo (Vera/Nancy)

The Pajingo gold mine is an underground mine located approximately 93 miles (150 kilometers) southwest of Townsville, Queensland and 45 miles (72 kilometers) south of the local township of Charters Towers. Prior to the Normandy acquisition, Newmont owned a 50% interest in Pajingo. Following the Normandy acquisition, Newmont owns 100% of Pajingo. In 2001, Pajingo sold 252,000 ounces of gold (126,000 equity ounces). Total cash costs of production were $105 per ounce.

In respect to the Pajingo mine, royalties are paid to the Queensland government at 4.0%-5.9% of revenues depending on the gold price. Royalties are also paid to traditional land owners consisting of 0.2% of revenues and a fixed payment upon exploration success.

Mt. Leyshon

The Mt. Leyshon open pit gold mine, near Charters Towers, Queensland, is owned by Leyshon Resources Ltd, which is a publicly listed company, of which Newmont owns 13.7%.

Mining ceased at Mt. Leyshon in February 2001. The operation is currently producing gold by treating existing low-grade stockpiles. Treatment of stockpiles is expected to be completed in early 2002, with operations expected to be closed by mid-2002.

A comprehensive mine closure and rehabilitation plan covering remaining operations, closure, rehabilitation, decommissioning, and post-closure monitoring has been implemented. As part of a restructuring of Leyshon Resources Ltd, Newmont will assume responsibility for mine closure and rehabilitation costs, as well as ongoing environmental obligations.

Golden Grove

Newmont owns 100% of the Golden Grove operation in Western Australia, approximately 217 miles (350 kilometers) north of Perth. The principal product is zinc concentrate. A high precious metal lead concentrate and low precious metal copper concentrate are also produced. Golden Grove has two underground mines at the Scuddles and Gossan Hill deposits, with a combined mining rate of 1.2 million tonnes per year. Golden Grove produced 182,700 tonnes of zinc concentrates containing 82,400 tonnes of payable zinc during the period July 1, 2000 to June 30,

2001. It also produced concentrates containing 24.3 million pounds of copper during the same period.

New Zealand

Newmont acquired an interest in the Martha gold mine as part of the Normandy acquisition. This mine is located within the town of Waihi, located approximately 68 miles (110 kilometers) southeast of Auckland, New Zealand. It is a joint venture between Newmont and Otter Gold Mines Limited. Newmont receives a management fee of 2% of gross revenues from Otter. The long-term future for the Martha operation is based on the recently discovered Favona vein.

Normandy Mining Limited (now known as Newmont Australia Limited), a 100% owned subsidiary of Newmont, owns a 67.06% interest in the Martha Mine. Otter Gold Mines Limited, an 89.9% owned subsidiary of Newmont, owns the remaining 32.94% interest in the Martha Mine. As a result, Newmont now has an approximate 92% interest in the Martha mine.

The operation sold 109,300 ounces of gold (78,900 Normandy ounces) in 2001. Total cash costs of production were $172 per ounce.

The Martha mine does not currently pay royalties. Under new royalty arrangements, the Martha mine will be required to pay a royalty on new discoveries such as Favona. The royalty rate is the greater of 1% of gross revenues from silver and gold sales or 5% of accounting profit.

Indonesia

Newmont has two operating properties in Indonesia, Minahasa, a gold operation, and Batu Hijau, a producer of copper/gold concentrates. Newmont owns 80% of Minahasa. The remaining 20% interest is a carried interest held by P.T. Tanjung Serapung, an unrelated Indonesian company. Newmont has a 45% equity interest in Batu Hijau through a partnership with an affiliate of Sumitomo Corporation, which holds a 35% interest. The remaining 20% is a carried interest held by P.T. Pukuafu Indah, an Indonesian company. We account for our investment in Batu Hijau as an equity investment due to each partner s significant participating rights in the business. Newmont is entitled to 56.25% of production until Newmont recovers the bulk of its investment, including interest.

Newmont s first project in Indonesia, Minahasa, on the island of Sulawesi, approximately 1,500 miles (2,414 kilometers) northeast of Jakarta, was a Newmont discovery and consisted of a multi-deposit operation. Production began in 1996 and mining was completed in October 2001. It is expected, however, that processing of stockpiled ore from this mine will continue through 2003. In 2001, Minahasa sold 341,500 equity ounces at a total cash cost of $142 per ounce.

Newmont s second project in Indonesia, Batu Hijau, is located on the island of Sumbawa, approximately 950 miles (1,529 kilometers) east of Jakarta. Batu Hijau is a large porphyry copper/gold deposit, which Newmont discovered in 1990. The mine contains reserves of 9.7 billion pounds of copper (5.5 billion equity pounds) and 11 million ounces of gold (6.1 million equity ounces). Development and construction activities began in 1997 and start-up took place in late 1999. In 2001, copper production increased 26% to 657 million pounds (370 million equity pounds), while gold production increased 65% to 524,600 ounces (295,100 equity ounces). Total cash costs in 2001 declined 37% to $0.37 per pound of copper after gold credits.

In Indonesia, rights are granted to foreign investors to explore for and to develop mineral resources within defined areas through Contracts of Work entered into with the Indonesian government. In 1986, Newmont entered into separate Contracts of Work with the government covering Minahasa and Batu Hijau, under which Newmont was granted the exclusive right to explore in the contract area, construct any required facilities, extract and process the mineralized materials, and sell and export the minerals produced, subject to certain requirements including Indonesian government approvals and payment of royalties to the government. Under the Contracts of Work, Newmont has the right to continue operating the projects for 30 years from operational start-up, or longer if approved by the Indonesian government.

Under Newmont s Contracts of Work, beginning in the sixth year after mining operations commenced (and continuing through the tenth year), a portion of each project not already owned by Indonesian nationals must be offered for sale to the Indonesian government or to Indonesian nationals, thereby potentially reducing Newmont s (and, in the case of Batu Hijau, Newmont s and Sumitomo s) ownership in each project to 49%

by the end of the tenth year. The price at which such interest would be offered for sale to the Indonesian parties

would be the highest of the then-current replacement cost, the price at which shares of the project company would be accepted for listing on the Jakarta Stock Exchange, or the fair market value of such interest in the project company as a going concern.

In April 1997, Newmont entered into a third Indonesian Contract of Work granting rights to explore an area located on Sulawesi near the Minahasa mine. Newmont owned 80% of this project, and P.T. Lebong Tandai, an Indonesian company, held the remaining 20%, as a carried interest. After several years of exploration, which resulted in the identification of mineralized areas but no resources sufficient to support a large-scale gold mining operation, Newmont solicited third party interest in this Contract of Work. As a result, in January 2002, we sold all of our interest in this Contract of Work to Avocet Mining Plc., a company based in London, which operates the Penjom gold mine in Malaysia. In addition to cash consideration, Avocet has agreed to pay Newmont the equivalent of a 4% NSR royalty on the first 500,000 ounces of gold produced from this Contract of Work area, if any gold is produced.

Uzbekistan

Newmont has a 50% interest in Zarafshan-Newmont. Ownership of the remaining 50% interest is divided between the State Committee for Geology and Mineral Resources and Navoi Mining and Metallurgical Combine, each a state entity of Uzbekistan. The joint venture produces gold by crushing and leaching ore from existing stockpiles of low-grade oxide ore from the nearby government-owned Muruntau mine. The gold produced by Zarafshan-Newmont is sold in international markets for U.S. dollars. Newmont provides technical and managerial support to Zarafshan-Newmont.

The State Committee and Navoi furnish ore to Zarafshan-Newmont under an ore supply agreement. In late 2000, the ore supply agreement was amended to modify the required grades and pricing structure of the ore supply agreement covering 220 million metric tons of ore. At signing of the amendment, 68.8 million metric tons had already been delivered. Of the remaining 151.2 million metric tons, 48.7 million metric tons, are to be delivered regardless of the gold price, with the price of the ore being dependent on the grade of ore delivered. For the remaining ore (102.5 million metric tons) the grade of ore that the State Committee and Navoi are obligated to provide is dependent on the forecasted gold price as determined by the board of directors of Zarafshan-Newmont, and the price is dependent on the average gold price during the period the ore is processed. Thus, at higher gold prices, the State Committee and Navoi may deliver lower grade ore, but receive a higher price. For 2001, the project sold 444,000 ounces of gold (222,000 equity ounces) at a total cash cost of $136 per ounce.

Turkey

The Ovacik gold mine is located on the western Aegean coast of Turkey and was acquired by Newmont through the acquisition of Normandy. Newmont owns 100% of the mine. The first gold was produced in June 2001. In 2001, Ovacik sold 48,200 ounces of gold. Total cash costs of production were $153 per ounce. The mine is the subject of lawsuits which could result in its closure.

Africa

The Ity gold mine is located in Cote d Ivoire, West Africa. Normandy, prior to being acquired by Newmont, accepted an offer for the sale of its interest in the Ity gold mine. The sale was finalized on March 7, 2002, for $10.8 million paid at closing and an NSR royalty.

TVX Normandy

TVX Normandy was formed in June 1999 as a strategic alliance between Normandy and TVX Gold. TVX Normandy is 49.9% owned by Normandy and 50.1% owned by TVX Gold. TVX Normandy sold 857,500 ounces (192,400 Normandy ounces) in 2001. Total cash costs of production were $154 per ounce. On January 31, 2003, Newmont sold its 49.9% interest in TVX Newmont Americas (a joint venture between the Company and TVX Gold Inc., acquired as part of the Normandy acquisition) to TVX for $180 million in cash and recognized no significant gain or loss on the transaction. Also on January 31, 2002, the combination of Kinross Gold Corporation (Kinross), TVX Gold Inc. (TVX) and Echo Bay was announced whereby shareholders of Echo Bay and TVX became common shareholders of Kinross.

The principal assets of TVX Normandy are interests in the following operating gold mines in South America and Canada:

Paracatu (51% Rio Tinto Limited; 49% economic interest TVX Normandy)

Rio Tinto is the operator of the mine, which is located in Brazil, 149 miles (240 kilometers) southeast of Brasilia. In 2001, Paracatu sold 191,400 ounces of gold. Total cash costs of production were $193 per ounce.

Crixas (50% AngloGold; 50% economic interest TVX Normandy)

AngloGold is the operator of the mine, which is located in Brazil, 218 miles (350 kilometers) northwest of Brasilia. In 2001, Crixas sold 203,500 ounces of gold. Total cash costs of production were $109 per ounce.

La Coipa (50% Placer Dome; 50% TVX Normandy)

Placer Dome is the operator of the mine, which is located in Northern Chile. In 2001, La Coipa s gold equivalent sold was 124,800 ounces. Total cash costs of production were $88 per ounce.

Musselwhite (68.1% Placer Dome; 31.9% TVX Normandy)

Placer Dome is the operator of the mine, which is located 311 miles (500 kilometers) north of Thunder Bay in northwestern Ontario, Canada. In 2001, Musselwhite sold 229,600 ounces of gold. Total cash costs of production were $189 per ounce.

New Britannia (50% High River Gold; 50% TVX Normandy)

TVX Normandy is the operator of the mine, which is located in Snow Lake, Canada, 436 miles (700 kilometers) north of Winnipeg in central Manitoba. In 2001, New Britannia sold 108,200 ounces of gold. Total cash costs of production were $188 per ounce.

Newmont Mining Corporation Operating Statistics

Reflects only operations owned by Newmont Mining Corporation on December 31, 2001

North American Operations

Year ended December 31,	Nevada(2)			Canada			Other		
	2001	2000	1999	2001	2000	1999	2001	2000	1999
Tons Mined (000 dry short tons):									
Open-Pit	139,000	200,228	221,110	n/a	n/a	n/a	19,030	36,465	33,167
Underground	1,123	943	919	1,607	1,762	1,738	n/a	n/a	n/a
Tons Milled/Processed (000):									
Oxide	5,395	5,739	6,757	1,605	1,720	1,727	n/a	n/a	n/a
Refractory	8,844	8,548	8,001	n/a	n/a	n/a	n/a	n/a	n/a
Leach	24,448	25,490	28,022	n/a	n/a	n/a	7,861	16,078	16,541
Average Ore Grade:									
Oxide	0.108	0.086	0.116	0.236	0.259	0.284	n/a	n/a	n/a
Refractory	0.218	0.276	0.191	n/a	n/a	n/a	n/a	n/a	n/a
Leach	0.033	0.036	0.031	n/a	n/a	n/a	0.028	0.018	0.018
Average Mill Recovery Rate:									
Oxide	70.5%	81.0%	77.4%	95.2%	95.6%	94.4%	n/a	n/a	n/a
Refractory	88.9%	90.4%	87.6%	n/a	n/a	n/a	n/a	n/a	n/a
Equity Ounces Produced (000):									
Oxide	433.2	400.2	556.8	348.7	426.9	447.2	n/a	n/a	n/a
Refractory	1,749.3	2,072.6	1,337.6	n/a	n/a	n/a	n/a	n/a	n/a
Leach	514.4	571.2	604.3	n/a	n/a	n/a	147.3	180.9	204.8
Total	2,696.9	3,044.0	2,498.7	348.7	426.9	447.2	147.3	180.9	204.8
Equity Ounces Sold (000)	2,703.2	3,047.9	2,498.7	373.1	490.0	448.7	147.3	180.8	204.8

	Nevada			Canada			Total N. America		
	2001	2000	1999	2001	2000	1999	2001	2000	1999
Production Costs Per Ounce:									
Direct mining and production costs	$ 207	$ 192	$ 212	$ 187	$ 155	$ 151	$ 204	$ 188	$ 198
Deferred stripping and other costs	11	7	(5)	1			9	4	(2)
Cash operating costs	218	199	207	188	155	151	213	192	196
Royalties and production taxes	4	4	4	4	5	5	4	5	5
Total cash costs	$ 222	$ 203	$ 211	$ 192	$ 160	$ 156	$ 217	$ 197	$ 201
Reclamation and mine closure costs	4	3	3	6	5	4	5	3	2

Total costs applicable to sales	226	206	214	198	165	160	222	200	203
Depreciation, depletion and amortization(1)	43	41	53	67	75	77	47	47	56
Total production costs	$ 269	$ 247	$ 267	$ 265	$ 240	$ 237	$ 269	$ 247	$ 259

Overseas Operations

	Yanacocha, Peru(1)			Kori Kollo, Bolivia			Zarafshan-Newmont Uzbekistan		
Year ended December 31,	**2001**	**2000**	**1999**	**2001**	**2000**	**1999**	**2001**	**2000**	**1999**
Tons Mined (000 dry short tons)	155,707	131,916	105,920	18,444	18,616	19,345	n/a	n/a	n/a
Tons Milled/Processed (000):									
Leach	84,738	83,024	61,367	3,853	n/a	n/a	15,354	15,540	14,996
Mill	n/a	n/a	n/a	7,582	7,753	7,613	n/a	n/a	n/a
Average Ore Grade	0.030	0.031	0.037	0.046	0.055	0.057	0.044	0.046	0.056
Average Mill Recovery Rate	n/a	n/a	n/a	61.8%	62.4%	63.8%	n/a	n/a	n/a
Ounces Produced (000)	1,902.5	1,795.4	1,665.8	305.6	273.9	291.4	433.5	498.8	543.0
Equity Ounces Produced (000)	976.9	921.9	850.3	269.0	241.0	256.4	216.7	249.4	271.5
Equity Ounces Sold (000)	983.1	901.2	850.3	274.8	247.7	256.1	222.0	251.4	271.5

	Yanacocha, Peru(1)			Kori Kollo, Bolivia			Zarafshan-Newmont Uzbekistan		
	2001	**2000**	**1999**	**2001**	**2000**	**1999**	**2001**	**2000**	**1999**
Production Costs Per Ounce:									
Direct mining and production costs	$ 113	$ 85	$ 100	$ 163	$ 200	$ 190	$ 133	$ 126	$ 159
Deferred stripping and other costs	(1)	(2)	(1)	(5)			3	3	2
Cash operating costs	112	83	99	158	200	190	136	129	161
Royalties and production taxes	3	4	4						
Total cash costs	$ 115	$ 87	$ 103	$ 158	$ 200	$ 190	$ 136	$ 129	$ 161
Reclamation and mine closure costs	3	3	3	5	15	14	1	1	1
Total costs applicable to sales	118	90	106	163	215	204	137	130	162
Depreciation, depletion and amortization(1)	48	45	43	62	85	89	54	56	56
Total production costs	$ 166	$ 135	$ 149	$ 225	$ 300	$ 293	$ 191	$ 186	$ 218

Newmont Mining Corporation Operating Statistics

	Minahasa, Indonesia			Vera/Nancy, Australia			Batu Hijau, Indonesia		
Year ended December 31,	**2001**	**2000**	**1999**	**2001**	**2000**	**1999**	**2001**	**2000**	**1999**
Tons Mined (000 dry short tons)	5,586	6,766	8,449	736	650	404	183,991	156,223	87,903
Tons Milled/Processed (000):									
Leach	1,572	1,732	448	n/a	n/a	n/a	n/a	n/a	n/a
Mill	716	753	754	722	681	361	48,358	42,131	
Average Ore Grade	0.176	0.193	0.334	0.351	0.350	0.387	0.013	0.010	
Average Mill Recovery Rate	91.4%	92.4%	92.5%	96.9%	96.8%	95.2%	80.3%	77.4%	
Ounces Produced (000)	326.0	364.3	343.9	247.6	231.3	133.9	533.6	320.1	11.3
Equity Ounces Produced (000)	323.7	364.3	343.9	123.8	115.7	67.0	300.2	180.1	6.3
Equity Ounces Sold (000)	341.5	354.2	343.9	126.0	112.1	65.9	295.1	178.4	6.3

	Minahasa, Indonesia			Vera/Nancy, Australia			Total International(1)		
	2001	**2000**	**1999**	**2001**	**2000**	**1999**	**2001**	**2000**	**1999**
Production Costs Per Ounce:									
Direct mining and production costs	$ 125	$ 111	$ 97	$ 97	$ 93	$ 120	$ 123	$ 112	$ 122
Deferred stripping and other costs	14	19	3	1			2	3	
Cash operating costs	139	130	100	98	93	120	125	115	122
Royalties and production taxes	3	3	3	7	6	4	3	2	3
Total cash costs	$ 142	$ 133	$ 103	$ 105	$ 99	$ 124	$ 128	$ 117	$ 125
Reclamation and mine closure costs	3	2	2	1	1	2	3	5	4
Total costs applicable to sales	145	135	105	106	100	126	131	122	129
Depreciation, depletion and amortization(1)	66	75	57	34	38	42	52	56	54
Total production costs	$ 211	$ 210	$ 162	$ 140	$ 138	$ 168	$ 183	$ 178	$ 183

(1) As restated. See Note 23 to the Company s Consolidated Financial Statements.
(2) Restated to include only ore processed. Previously reported mill tons processed included concentrates, an intermediate product derived from processing mined ore.

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. 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 the charges and applicable 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* is provided below, in total and by segment. 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.

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This measure is intended to provide investors with information about cash generating capacities of these mining operations. Newmont 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 as 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 comparibility; however, Newmont s measure may not be comparable to similarly titled measures of other companies.

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

For the Year Ended December 31, 2001	Nevada	Golden Giant	Holloway	Total Canada (1)	Mesquite	La Herradura	Total North America
	(in millions, except for equity ounces sold and equity cash cost per ounce sold)						
Costs applicable to sales per financial statements	$ 610.9	$ 54.8	$ 19.1	$ 73.9	$ 20.4	$ 9.6	$ 714.8
Minority interest in Minera Yanacocha							
Minority interest in Kori Kollo							
Reclamation accrual	(10.3)	(1.7)	(0.4)	(2.1)	(1.5)	(0.2)	(14.1)
Other							
Total cash cost for per ounce calculation	$ 600.6	$ 53.1	$ 18.7	$ 71.8	$ 18.9	$ 9.4	$ 700.7
Equity ounces sold (000)	2,703.2	283.7	89.4	373.1	92.6	54.7	3,223.6
Equity cash cost per ounce sold	$ 222	$ 187	$ 209	$ 192	$ 205	$ 173	$ 217

For the Year Ended December 31, 2001	Yanacocha (3)	Kori Kollo	Zarafshan-Newmont, Uzbekistan	Minahasa, Indonesia	Pajingo	Total International (2)(3)	Corporate And Other	Consolidated(3)
	(in millions, except for equity ounces sold and equity cash cost per ounce sold)							
Costs applicable to sales per financial statements	$ 233.9	$ 50.8	$ 30.4	$ 49.7	$ 13.4	$ 378.2	$ (0.2)	$ 1,092.8
Minority interest in Minera Yanacocha	(117.6)					(117.6)		(117.6)
Minority interest in Kori Kollo		(6.1)				(6.1)		(6.1)
Reclamation accrual	(2.9)	(1.4)	(0.2)	(1.0)	(0.2)	(5.7)		(19.8)
Other							0.2	0.2