

NEWMONT MINING CORP /DE/

Form 10-K/A

October 24, 2003

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# 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)

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

For the Fiscal Year Ended December 31, 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

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(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:**

<u>Title of Each Class</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, \$1.60 par value	New York Stock Exchange

**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  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.

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

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of June 28, 2002: \$10,263,712,439. There were 353,498,884 shares of common stock outstanding (and 48,434,773 exchangeable shares exchangeable into Newmont Mining Corporation common stock on a one-for-one basis) on March 5, 2003.

**DOCUMENTS INCORPORATED BY REFERENCE**

Portions of Registrant's definitive Proxy Statement submitted to the Registrant's stockholders in connection with our 2003 Annual Stockholders Meeting held on May 7, 2003, are incorporated by reference into Part III of this report.

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*This document (including information incorporated herein by reference) contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and 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 11.*

## **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, 2002, filed on March 27, 2003. Newmont Mining Corporation has filed this Amendment to provide additional information and to make certain corrections in Note 24, Segment and Related Information, in the Consolidated Financial Statements. 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, 2003 and June 30, 2003, as amended, as well as the other documents that we have filed since December 31, 2002 with the Securities and Exchange Commission. Information in such reports and documents update and supersede certain information contained in this Amendment.

## **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 was 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, the Company and we refer to Newmont Mining Corporation and/or our affiliates and subsidiaries.

On February 16, 2002, Newmont completed the acquisition of Franco-Nevada Mining Corporation Limited, a Canadian company, pursuant to a Plan of Arrangement. On February 20, 2002, Newmont gained control of Normandy Mining Limited, an Australian company, through an off-market bid for all of the ordinary shares of Normandy. On February 26, 2002, when Newmont's off-market bid 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 in April 2002. Normandy was Australia's largest gold company with interests in 16 development-stage or operating mining properties worldwide. Prior to the merger, Franco-Nevada was the world's leading precious minerals royalty company and had interests in other investments in the mining industry. The results of operations of Normandy and Franco-Nevada have been included in this Annual Report and Newmont's financial statements from February 16, 2002 forward. The 10.5 month period of Newmont's ownership of these operations is referred to as the relevant period.

In 2001, Newmont completed a merger with Battle Mountain Gold Company. The merger was accounted for as pooling of interests and, as such, the financial statements in this report include Battle Mountain's financial data as if Battle Mountain had always been a part of Newmont.

As of December 31, 2002, Newmont had gold reserves of 86.9 million equity ounces and an aggregate land position of approximately 63,000 square miles (164,000 square kilometers). We have operations in North America, South America, Australia, New Zealand, Indonesia, Uzbekistan and Turkey. In 2002, we obtained more than 69% of our equity gold 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, silver, copper and zinc.



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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. After these transactions, Newmont had gold reserves of 83.2 million equity ounces.

During 2002, Newmont reviewed its asset base and operations, with the goal of achieving synergies by consolidating separately-managed assets, consolidating administrative and exploration staffs, achieving purchasing economies and better utilizing existing processing facilities. We also sold or disposed of lower margin or non-core operations or interests. During 2003, we will continue to focus on plans to achieve additional synergies.

Unless explicitly provided otherwise in this report, production, ounces sold, 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, 2002 and 2001, Newmont had revenues of \$2.75 billion and \$1.67 billion, respectively. In 2002, Newmont had net income applicable to common shares of \$154.3 million, while in 2001, Newmont had a net loss applicable to common shares of \$54.1 million.<sup>(1)</sup>

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 49 below.

## **Products**

### ***Gold***

*Equity Gold Sales.* Newmont sold 7.63 million equity ounces of gold in 2002 and 5.47 million equity ounces in 2001. 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 45% of Newmont's equity gold sales came from North American operations in 2002 and 55% from overseas operations. In 2001, approximately 59% of our gold sales came from North American operations and 41% came from overseas operations. In 2002, 28% of overseas production, or 15% of total production, was attributable to Minera Yanacocha in Peru. At December 31, 2002, approximately 44% of our total long-lived assets were related to operations outside North America, with 8.5% of that total in Indonesia and 10.5% in Peru.

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*Gold Uses.* Gold has two main categories of use—product fabrication and 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, in addition to gold equities such as Newmont.

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. In certain limited circumstances Newmont sells doré directly to a customer, but generally, because doré is an alloy consisting mostly of gold but also

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<sup>(1)</sup> All references to dollars or \$ in this report refer to United States currency unless otherwise specified. References to A\$ are to Australian currency.

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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 the refined gold is physically returned to Newmont for sale in international markets. We do not believe that the loss of 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 its acquisition of Normandy, Newmont has an interest in an Australian refining business.

*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 70% of the total annual supply of gold.

*Gold Price.* 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.

<u>Year</u>	<u>High</u>	<u>Low</u>	<u>Average</u>
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	\$ 349	\$ 278	\$ 310
2003 (through March 24)	\$ 382	\$ 329	\$ 354

Source of Data: Kitco and Reuters.

On March 24, 2003, the afternoon fixing price for gold on the London Bullion Market was \$329.45 per ounce and the spot market price of gold on the New York Commodity Exchange was \$329.80 per ounce.

Newmont's gold and doré 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 the price is determinable and upon delivery and transfer of title to the customer.

**Copper**

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*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 657.7 million pounds of copper (369.9 million equity pounds) and 492,500 ounces of gold (277,000 equity ounces) in 2002. The Batu Hijau concentrates contain about 32% copper and about 0.48 ounce of gold per ton. In addition, the Golden Grove operation in Western Australia, which was acquired as a result of the Normandy acquisition and is 100% owned, produced concentrates containing 61.0 million pounds of copper during the relevant period of 2002.

*Copper Uses.* Newmont delivers and sells the concentrates from the Batu Hijau mine 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

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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. Copper substitutes 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 worldwide 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 prices of high grade copper on the London Metal Exchange in each of the last ten years.

<u>Year</u>	<u>High</u>	<u>Low</u>	<u>Average</u>
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	\$ 0.77	\$ 0.64	\$ 0.71
2003 (through March 24)	\$ 0.78	\$ 0.70	\$ 0.76

Source of Data: London Metal Exchange

On March 24, 2003, the closing spot price of high grade copper on the London Metal Exchange was equivalent to \$0.76 per pound.

**Zinc**

*Zinc Production.* Newmont produces zinc, lead and copper concentrates at its Golden Grove operation in Western Australia. Golden Grove produced zinc concentrates containing 114.8 million pounds of zinc during the relevant period of 2002.

*Zinc Uses.* Newmont delivers and sells its zinc concentrates to major zinc smelters in Japan and Korea. The majority of the concentrates are sold under long-term evergreen contracts. The pricing terms of these contracts are negotiated annually. Refined zinc, the final product from the treatment of the concentrates, is primarily used for galvanizing iron and steel products such as sheet and strip steel, pipes, tubes, wire and wire rope. Other uses include the manufacture of a broad range of die-cast products and the manufacture of brass.

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*Zinc Price.* The price of zinc is quoted on the London Metal Exchange in terms of dollars per metric ton. The volatility of the zinc market is illustrated by the following table, which shows the dollar per pound equivalent of the high, low and average prices of zinc on the London Metal Exchange in each of the last ten years.

<u>Year</u>	<u>High</u>	<u>Low</u>	<u>Average</u>
1993	\$0.50	\$0.39	\$0.44
1994	\$0.54	\$0.41	\$0.45
1995	\$0.55	\$0.43	\$0.47
1996	\$0.50	\$0.44	\$0.46
1997	\$0.80	\$0.47	\$0.60
1998	\$0.52	\$0.42	\$0.46
1999	\$0.56	\$0.41	\$0.49
2000	\$0.58	\$0.46	\$0.51
2001	\$0.48	\$0.33	\$0.40
2002	\$0.38	\$0.33	\$0.35
2003 (through March 24)	\$0.37	\$0.34	\$0.36

Source of Data: London Metal Exchange

On March 24, 2003, the closing spot price of zinc on the London Metal Exchange was equivalent to \$0.36 per pound.

**Hedging Activities**

Newmont has a no-hedging philosophy and generally sells its production at market prices. Historically, 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. The hedging policy authorized by Newmont's board of directors limits total gold hedging activity to 16 million ounces. Prior to the acquisitions of Normandy and Franco-Nevada, Newmont 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 these 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 the time of Normandy's acquisition, three of its affiliates had a substantial derivative instrument position. Those affiliates are now known as Newmont Gold Treasury (NGT), Newmont NFM (Normandy NFM Limited trading as Newmont NFM) and Newmont Yandal Operations Limited (NYOL). Normandy's policy was to hedge a minimum of 60% of recoverable reserves (which are generally between 80% and 95% of total reserves). Normandy utilized forward sales contracts with fixed and floating gold lease rates, but did not enter into contracts that required margin calls and had no outstanding long-dated sold call options. A number of NYOL's hedging positions, however, are governed by agreements that confer on the relevant counterparties a right to terminate the position prior to its agreed scheduled maturity date. Such a termination would require an immediate cash settlement of that contract based on the market value on the date of termination and could result in a cash settlement obligation to NYOL hedge counterparties in excess of funds available to NYOL. NYOL's obligations, however, are non-recourse to Newmont and its other subsidiaries.



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Following the Normandy acquisition, and in accordance with our no-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 3 million ounces from February 16, 2002 to December 31, 2002. Contracts for a further 1.1 million committed ounces will mature or are scheduled to be delivered into during 2003. At December 31, 2002, the Normandy gold hedge positions consisted of the following commodity instruments covering approximately 6.7 million ounces of gold at an average price of \$319 per ounce:

Entity	Gold Purchased Put Options	Gold Forward Sales	Combination Options and Other	Total
NGT Ounces (in thousands)	737	2,037		2,774
Mark-to-Market (US\$millions)	\$(7)	\$(115)		\$(122)
NFM Ounces (in thousands)		349		349
Mark-to-Market (\$millions)		\$(23)		\$(23)
NYOL Ounces (in thousands)	758	946	1,818	3,522
Mark-to-Market (\$millions)	\$(16)	\$(72)	\$(200)	\$(288)
TOTAL Ounces (in thousands)	1,495	3,333	1,818	6,646
Mark-to-Market (\$millions)	\$(23)	\$(210)	\$(200)	\$(433)

At December 31, 2002, the mark-to-market valuation of the Normandy gold hedge positions was a negative \$433 million, broken down as follows: NGT, negative \$122 million; Newmont NFM, negative \$23 million; and NYOL, negative \$288 million.

The following table shows the approximate sensitivities of the US\$ mark-to-market value of the Normandy gold hedge positions to changes in certain market variables as of December 31, 2002 (assuming all other market variables remain unchanged):

Market Variables	Change in Variable	Change in Mark-to-Market Value (Millions)
A\$ Interest Rates	+/-1.0%	-/+\$40.0
US\$/A\$ Exchange Rates	+/-US\$0.01	+/--\$35.4
Gold Lease Rates	+/-1.0%	+/--\$15.2
US\$ Interest Rates	+/-1.0%	-/+\$10.5
US\$ Gold Price/oz.	+/- \$1.00	-/+\$ 6.6

For more information see Hedging in Item 7A, Quantitative and Qualitative Disclosures about Market Risk, commencing on page 93 below.

**Merchant Banking**



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Newmont has a separate business unit, Newmont Capital Limited, that is responsible for managing new business opportunities and the portfolio management of operating, property and equity interests, as well as managing Newmont's royalty portfolio and its interests in downstream gold businesses.

Newmont Capital offers a unique approach to help Newmont maximize net asset value per share and increase cash flow, earnings and reserves by working with Newmont's exploration, operations and finance teams to prioritize near-term goals within longer-term strategies. In 2002, Newmont Capital concentrated on debt reduction and portfolio optimization. \$241 million in asset sales in 15 separate sales transactions closed during 2002 (including sales that occurred prior to the acquisition), and another \$180 million of asset sales from five separate transactions were contracted during 2002 and closed in early 2003. Most of the proceeds were used to reduce debt. Newmont participated in the creation of the seventh largest gold company in the world by

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contributing its shares in Echo Bay Mines Ltd. and selling its interest in the TVX Newmont Americas joint venture into the newly merged Kinross Gold Corporation.

During 2002, Newmont sold its interests in the Kasese Cobalt Company Limited in Uganda, the Ity gold mine in Cote d'Ivoire, and the Tasiast mine in Mauritania, as well as its equity interests in Lihir Gold Limited, Aber Diamond Corporation and Inco Limited. In addition, offers were announced in late 2002 to acquire the minority interest in two remaining public subsidiary companies in Australia and New Zealand, Newmont NFM and Otter Gold Mines. These acquisitions are expected to be completed in the first half of 2003. The full acquisition of Newmont NFM enables Newmont to integrate the Tanami gold operations and exploration district in Australia. The Otter acquisition will give Newmont 100 percent of the Martha mine in New Zealand.

A key aspect of portfolio management is assisting Newmont in extracting district economies of scale with its partners and neighboring mines. Newmont Capital is evaluating district optimization opportunities in Nevada, Australia and Canada, covering a broad range of alternatives, including asset exchanges, unitization, joint ventures, general partnerships, sales, spinouts and buyouts.

Newmont Capital is responsible for managing Newmont's royalty income portfolio. Royalties are a natural hedge against lower gold prices by providing free cash flow from a diversified set of assets with limited operating, capital or environmental risk while still retaining upside exposure to further exploration discoveries and reserve expansions.

In 2002 Newmont had royalty interests in properties that produced approximately 2.9 million ounces of gold and 634,000 ounces of platinum group metals. Newmont has royalty interests in Barrick Gold Corporation's Betze-Post, Meikle and Eskay Creek mines, Placer Dome's Henty, Bald Mountain and Getchell mines and Stillwater Mining's Stillwater and East Boulder palladium-platinum mines. Newmont also has a significant oil and gas royalty portfolio in Western Canada. In 2002, royalty income was \$35.7 million from 25 properties around the world.

Newmont Capital identifies properties or exploration targets for divestiture if they are incompatible with our core objectives. In the case of a sale, Newmont Capital could negotiate a return in the form of cash, equity, a royalty and/or future participation rights. Through this process, Newmont intends to continue to benefit from any discoveries made by other operators on lands in which we have a royalty, and to obtain revenues from the properties without incurring operating or capital risk.

During the year, over 30 new royalties were added through property transactions and asset sales. The majority of these were created in Canada as part of a rationalization of Newmont's exploration holdings. A land lease program in Nevada is accelerating exploration of non-core lands with Newmont retaining royalties and future participation rights. A similar program is planned for Australia in 2003.

Newmont is pursuing new downstream business opportunities related to gold refining and product distribution. During 2002, Newmont merged its interest in Australian Gold Refineries with Johnson Matthey's Australian business to create a new company known as AGR Matthey, in which Newmont has a 40% interest. AGR Matthey expects to process more than 9.6 million ounces of gold per year, making it the world's second largest gold refiner and largest distributor of gold into the Asian market. The products division markets wholesale finished jewelry and supplies the jewelry manufacturing industry throughout Australia and Asia.

## **Exploration**

Newmont spent \$88.9 million in 2002 and \$55.5 million in 2001 for exploration and research. The Exploration Segment is responsible for all activities, regardless of location, associated with the Company's efforts to discover other mineralized material (as defined in Note 2 to the Company's Consolidated Financial Statements) that will advance into proven and probable reserves. Exploration work may be conducted in areas surrounding our existing mines for the purpose of locating additional deposits and determining mine geology and

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in other prospective gold regions. 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.

In 2002, as a result of exploration activities, Newmont replaced 9.4 million ounces of reserve depletion from production, including reserve additions in all four of our core operating regions in Nevada, Peru, Australia and Indonesia.

In Nevada, exploration efforts in conjunction with optimization work added 3.1 million ounces of new reserves in 2002 on the Carlin Trend and at our other Nevada operations.

In Peru, exploration at Minera Yanacocha focused on defining surface and covered oxide mineralization in the La Quinoa basin including the prospective Corimayo deposit, which was brought into reserves in 2002. Exploration work also continued to further define mineralized sulfide material below several oxide deposits. This mineralization was initially intersected during the delineation drilling of the oxide material, and is now being selectively drilled to identify higher-grade zones.

In Australia, major reserve additions in 2002 included 717,000 ounces at Yandal's Jundee mine and 581,000 ounces at Tanami. Exploration activities also added reserves, from pit optimization drilling at the Kalgoorlie Super Pit and at the Pajingo underground mine.

At Batu Hijau, exploration in conjunction with optimization work added 1.3 billion pounds (0.7 billion equity pounds) of copper and 1.4 million ounces (0.8 million equity ounces) of gold to Newmont's 2002 reserves.

In addition to reserve additions at our core operations, exploration efforts in 2002 focused on two greenfields projects in Ghana and resulted in the addition of 1.6 million equity ounces of reserves at our 85% owned Akyem project.

For more information, see Item 2, Properties, Proven and Probable Reserves commencing on page 37 below.

## **Segment Information, Export Sales, etc.**

See Note 24 to the Consolidated Financial Statements, beginning on page 157 below, for information relating to our business segments, our domestic and export sales, and our customers.

## **Licenses and Concessions**

Other than operating licenses for our mining and processing facilities, there are no third party patents, licenses or franchises material to Newmont's business. In many 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, Ghana, Indonesia, Peru, Mexico and Turkey. The concessions and contracts are subject to the political risks associated with foreign operations. See Item 1A, Risk Factors, Risks Related to Newmont Operations on page 13 below. For a more detailed description of our Indonesian Contracts of Work, see Item 2, Properties, on page 23 below.

#### **Condition of Physical Assets and Insurance**

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 page 83 below.

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We maintain insurance against property loss and business interruption and insure against risks that are typical in the operation of our 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 and political risk. There can be no assurance that claims would be paid under such insurance in connection with a particular event. See Item 1A, Risk Factors, Risks Related to Newmont Operations on page 13 below.

## **Environmental Matters**

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 Comprehensive Environmental Response, Compensation and Liability 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. Newmont's activities outside the United States are also subject to governmental regulations for the protection of the environment. In general, environmental regulations have not had, and are not expected to have, a material adverse impact on Newmont's operations or our competitive position.

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. Newmont has global environmental policies that define the expectations for each site's operating performance. Each operating Newmont mine has a reclamation plan in place that meets all applicable 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, 2002, \$268.2 million was accrued for reclamation costs relating to currently or recently producing mineral properties.

### ***Reclamation and Remediation of Inactive Sites within the United States***

Newmont also is involved in several matters concerning environmental obligations associated with former, primarily historic, mining activities. Generally, these matters concern developing and implementing remediation plans at the various sites. 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, \$48.1 million was accrued as of December 31, 2002 for such obligations associated with properties owned or operated by Newmont or our subsidiaries. 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 45% greater or 25% lower than the amount accrued at December 31, 2002. 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 of the most significant reclamation and remediation activities, see Item 7, Management's Discussion and Analysis of Consolidated Financial Condition and Results of Operations, commencing on page 49 below, and Note 25 to Consolidated Financial Statements, beginning on page 161 below.

## **Employees**

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There were 13,200 people employed by Newmont and our affiliates worldwide at December 31, 2002, and 10,600 people employed by Newmont and our affiliates worldwide at December 31, 2001. At December 31, 2001, Franco-Nevada employed 25 people and Normandy employed 2,900 people.

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### **Forward-Looking Statements**

Certain statements contained in this report (including information incorporated by reference) are 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, and are intended to be covered by the safe harbor provided for under these sections. Our forward-looking statements include, without limitation:

statements regarding future earnings, and the sensitivity of earnings to gold and other metal prices;

estimates of future mineral production and sales 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 cash flows and the sensitivity of cash flows to gold and other metal prices;

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 statements regarding future exploration results and reserve replacement;

statements regarding modifications to Newmont's hedge positions;

statements regarding future transactions relating to portfolio management or rationalization efforts; 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. Such risks include, but are not limited to, the price of gold and copper; currency fluctuations; 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 in 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 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, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

#### **Available Information**

Newmont maintains an internet web site at [www.newmont.com](http://www.newmont.com). Newmont makes available, free of charge, through the Investor Information section of its web site, its Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and all amendments to those reports, as soon as reasonably practicable after such material is electronically filed with the Securities and Exchange Commission. Newmont has provided same day access to such reports through its web site since November 15, 2002. Newmont's Corporate Governance Guidelines and the charters of its key committees are also available on the web site.

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**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 perception of geopolitical or economic risk;

decreased demand for gold for industrial uses, use in jewelry, and investment;

high supply of gold from production, disinvestment, and scrap and hedging;

sales by gold producers in forward transactions and other hedging transactions; and

devaluing local currencies (relative to gold priced in U.S. 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 low gold prices in the future.

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 Must Continually Obtain Additional Reserves***

Gold producers must continually replace gold reserves depleted by production. Depleted reserves must be replaced by expanding known ore bodies or by locating new deposits in order for gold producers to maintain production levels over the long term. 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

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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. As a result, reserves may decline as gold is produced if they are not adequately replaced.

### ***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 total cash costs at any particular mining location are frequently subject to great variation from one year to the next due to a number of factors, such as changing ore grade, metallurgy and mining activities in response to the physical shape and location of the ore body. In addition, cash costs are affected by the price of commodities such as fuel and electricity. Such commodities are at times subject to volatile price movements, including increases that could make production at certain operations less profitable. A material increase in costs at any one location could have a significant effect on Newmont's profitability.

### ***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 no-hedging philosophy, Newmont does not intend to enter into new material gold hedging positions and intends to decrease its hedge positions over time by opportunistically delivering gold into our existing hedge contracts, and by seeking to unwind our hedge position when economically attractive. Nonetheless, Newmont currently has gold hedging positions. 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. In addition, we may experience losses if a hedge counterparty defaults under a contract when the contract price exceeds the gold price.

For a more detailed description of the Newmont hedge positions, see the discussion in Hedging in Item 7A, Quantitative and Qualitative Disclosures About Market Risk, beginning on page 93 below.

*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

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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 Newmont's results of operations are the Canadian and Australian dollars.

During 2002, the Canadian and Australian dollars strengthened by an average of 1% and 5%, respectively, against the U.S. dollar. This increased U.S. dollar reported operating costs in Canada and Australia by approximately \$1.0 million and \$18.3 million, respectively.

For a more detailed description of how currency exchange rates may affect costs, see discussion in Foreign Currency in Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

### ***Gold Mining Companies are Subject to Extensive Environmental Laws and Regulations***

Newmont's exploration, mining and processing operations are regulated in all countries in which we operate under various federal, state, provincial and local laws relating to the protection of the environment, which generally includes air and water quality, hazardous waste management and reclamation. Delays in obtaining or failure to obtain government permits and approvals may adversely impact our operations. The regulatory environment in which Newmont operates could change in ways that would substantially increase costs to achieve compliance. In addition, significant changes in regulation 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, Note 25 to the Consolidated Financial Statements, beginning on page 161 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.

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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. If this were to occur with respect to Newmont's Contracts of Work, Newmont's financial condition and results of operations could be materially adversely affected.

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 in Peru. We cannot predict whether these incidents will continue, nor can we predict the government's continuing positions on foreign investment, mining concessions, land tenure, environmental regulation or taxation. The continuation or intensification of protests or a change in prior governmental positions could adversely affect our operations in Peru.

Recent violence reportedly committed by radical elements in Indonesia and other countries, and the presence of U.S. forces in Iraq and Afghanistan may increase the risk that operations owned by U.S. companies will be the target of further violence. If any of Newmont's operations were so targeted it could have an adverse effect on our business.

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

Newmont has conducted extensive work at one inactive site in Australia and two inactive sites in the United States. At one of these sites, remediation requirements have not been finally determined, and, therefore, the final cost cannot be estimated. At a third site in the U.S., an inactive uranium mine and mill formerly operated by a subsidiary of Newmont, remediation work at the mill is ongoing, but remediation at the mine is subject to dispute and has not yet commenced. The environmental standards that may ultimately be imposed at this site as a whole 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 liability becomes known or a previously estimated cost is increased, the amount of that liability or additional cost is expensed and this can materially reduce net income in that period.

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

AMC is an Australian company based in Queensland whose primary focus is the development of its Stanwell magnesium project. As a result of its acquisition of Normandy, Newmont is a substantial holder of AMC securities with a 27.8% voting interest in AMC. Newmont also is a



guarantor of certain AMC obligations.

If AMC is unable to perform its obligations, there is a risk that Newmont, as guarantor, may incur liabilities under those arrangements.

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

risks related to the project, which has not been completed and has no operating history;

AMC's substantial dependence on the project;

risks related to the magnesium market; and

AMC's need for additional financial and operational support from third-parties.

For additional information on AMC, see the discussion in Item 2, Investment Interests, Australian Magnesium Corporation, beginning on page 36 below.

### ***Our Level of Indebtedness May Affect Our Business***

As a result of our acquisitions, our level of indebtedness has increased, although net indebtedness is a smaller percentage of our total capitalization than it was prior to the acquisitions. From December 31, 2001 to December 31, 2002, Newmont's debt increased from \$1.4 billion to \$1.8 billion. This level of indebtedness could have important consequences for our operations, including:

Newmont may need to use a large portion of its cash flow to repay principal and pay interest on our debt, which will reduce the amount of funds 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 expenditures 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 from operations. Newmont's ability to meet these payment obligations 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 from operations will be sufficient to allow us to pay principal and interest on our debt and meet our other obligations. If cash flow from operations is insufficient, we may be required to refinance all or part of our existing debt, sell assets, borrow more money or issue additional equity. We cannot be sure that we will be able to do so on commercially reasonable terms, if at all.

### ***We Face Risks Related to Newmont Yandal Operations Limited***

Newmont Yandal Operations Limited ( NYOL ), the Newmont subsidiary that owns the Yandal operations, has a substantial derivatives position. At December 31, 2002, NYOL s hedge positions exceeded NYOL s forecasted sales and had a mark-to-market valuation of negative \$288 million. A number of NYOL s hedge positions are governed by agreements that confer on the relevant counterparties a right to terminate the position prior to its agreed scheduled maturity date. Such a termination would require an immediate cash settlement of that contract based on the market value on the date of termination and could result in a cash settlement obligation to NYOL hedge counterparties in excess of available funds. NYOL also has outstanding \$300 million (of which Newmont owns \$62.8 million) of ten year 8 <sup>7</sup>/<sub>8</sub>% senior unsecured notes due in 2008. NYOL s liabilities represent a significant challenge to NYOL, and while these liabilities are non-recourse to Newmont and its other subsidiaries, should NYOL become bankrupt or insolvent there could be a loss or liquidation of NYOL s assets including the Bronzewing, Jundee and Wiluna mines, which had proven and probable reserves of 2.1 million ounces as of December 31, 2002.

For a more detailed description of the Newmont hedge positions, see the discussion in Hedging in Item 7A, Quantitative and Qualitative Disclosures About Market Risk, beginning on page 93 below.

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### ***Occurrence of Events for Which We are Not Insured May Affect Our Cash Flow 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; in other cases, insurance may not be available for certain risks. Some concern always exists with respect to investments in parts of the world where civil unrest, war, nationalist movements, political violence or economic crisis are possible. These countries may also pose heightened risks of expropriation of assets, business interruption, increased taxation and a unilateral modification of concessions and contracts. Newmont does not maintain insurance against political risk. Occurrence of events for which Newmont is not insured may affect its cash flow and overall profitability.

### ***Our Business Depends on Good Relations with Our Employees***

Newmont may experience difficulties in integrating labor policies, practices, and strategies with our 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 acquired subsidiaries increases the risk of labor disputes, work stoppages or other disruptions in production that could adversely affect us.

At December 31, 2002, unions represented approximately 37% of our worldwide work force. On that date, Newmont had 958 employees at its Carlin, Nevada operations, 244 employees in Canada at its Golden Giant operation, 3,446 employees in Indonesia at its Batu Hijau operations, 47 employees in New Zealand at its Martha operation, 351 employees in Bolivia at its Kori Kollo operation, and 494 employees in Australia at its Golden Grove, Pajingo, Tanami and Yandal operations combined, working under a collective bargaining agreement or similar labor agreement.

Currently there are labor agreements in effect for all hourly workers except those in Carlin, Nevada. The Operating Engineers Local Union No. 3 of the International Union of Operating Engineers, AFL-CIO is the bargaining agent for these employees. The Carlin labor agreement expired on September 30, 2002. Newmont is currently in negotiations with the union to reach an acceptable contract, but also has developed contingency plans in case of a work stoppage or strike. Newmont cannot predict when or if it will reach an agreement with the union. If no such agreement is reached or if the negotiations take an excessive amount of time, there may be a heightened risk of a prolonged work stoppage.

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

The revenues and earnings of Newmont also could be affected by the prices of other commodities such as copper and zinc, although to a lesser extent than by the price of gold. The prices of copper and zinc are affected by numerous factors beyond Newmont's control. For more information, see Item 1, Copper and Zinc, commencing on page 3 above, and Item 2, Properties, commencing 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 may be defective or subject to challenge. In addition, certain of our Australian properties could be subject to native title or traditional landowner claims, but such claims would not deprive us of the properties. For information regarding native title or traditional landowner claims, see the discussion under the Australia section of Item 2, Properties, on page 21 below.

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### ***We Compete With Other Mining Companies***

We compete with other mining companies to attract and retain key executives and other employees with technical skills and experience in the mining industry. We also compete with other mining companies for rights to mine properties containing gold and other minerals. There can be no assurance that Newmont will continue to attract and retain skilled and experience employees, or to acquire additional rights to mine properties.

### ***Newmont's Anti-Takeover Provisions Could Limit Amounts Offered in a Takeover***

Article Ninth of our certificate of incorporation and our rights agreement may make it more difficult for various corporations, entities or persons to acquire control of us or to remove management. Article Ninth of our certificate of incorporation requires us to obtain the approval of holders of 80% of all classes of our capital stock who are entitled to vote in the election of directors, voting together as one class, to enter into certain types of transactions generally associated with takeovers, unless our Board of Directors approves the transaction before the other corporation, entity or person acquires 10% or more of our outstanding shares. In addition, the Board has declared a dividend of one preferred share purchase right for each outstanding share of our common stock under a rights agreement, dated as of February 13, 2002, between Newmont and Mellon Investor Services LLC, as the rights agent. The rights agreement, in effect, imposes a significant penalty upon any person or group that acquires 15% or more of our outstanding common stock without the approval of the Board. While the anti-takeover provisions protect stockholders from coercive or otherwise unfair takeover tactics, they may also limit the premium over market price available to holders of common stock in a takeover situation.

### ***Certain Factors Outside of Our Control May Affect Our Ability to Support the Carrying Value of Goodwill***

At December 31, 2002, the carrying value of our goodwill was approximately \$3.0 billion or 30% of our total assets. Such goodwill has been assigned to our Merchant Banking (\$1.6 billion) and Exploration Segments (\$1.1 billion), and to various mine site reporting units (\$300 million in the aggregate). As further described in Note 3 to the Consolidated Financial Statements, this goodwill arose in connection with our February 15, 2002 acquisition of Normandy and Franco-Nevada, and it represents the excess of the aggregate purchase price over the fair value of the identifiable net assets of Normandy and Franco-Nevada. Such goodwill was assigned to reporting units based on independent appraisals performed by Behre Dolbear and Company, Inc., a mineral industry consulting firm ( Behre Dolbear ). We evaluate, on at least an annual basis, the carrying amount of goodwill to determine whether current events and circumstances indicate that such carrying amount may no longer be recoverable. This evaluation involves a comparison of the fair value of our reporting units to their carrying values. The fair values of the applicable reporting units are based in part on certain factors that may be partially or completely outside of our control, such as the investing environment, the discovery of proven and probable reserves, commodity prices and other factors. In addition, certain of the assumptions underlying the Merchant Banking and Exploration Segment February 15, 2002 appraisals may not be easily replicated by the Company, even though such assumptions were based on historical experience and the Company considers such assumptions to be reasonable under the circumstances. With respect to the Merchant Banking Segment, such assumptions included (i) an initial investment of \$300 million; (ii) additional annual investments of \$50 million commencing in year two of a seven-year time horizon; (iii) an average long-term after-tax return of 37.3%; (iv) the immediate reinvestment of average annual returns; and (v) discount rates ranging from 8% to 9%. With respect to the Exploration Segment, such assumptions included (i) 1.6 million recoverable ounces of additions to proven and probable reserves through new discoveries in the first year following the acquisition; (ii) an annual growth rate for such reserve additions of 23.1% over a ten-year period; (iii) a fair value for each recoverable ounce of reserve additions of approximately \$58; and (iv) a discount rate of 15%. In the absence of any mitigating valuation factors, the Company's failure to achieve one or more of the February 15, 2002 appraisal assumptions will over time result in an impairment charge. Accordingly, no assurance can be given that significant non-cash impairment losses will not be recorded in the future due to possible declines in the fair values of our reporting units. For a more detailed description of the estimates and assumptions involved in



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assessing the recoverability of the carrying value of goodwill, see Item 7, Management's Discussion and Analysis of Consolidated Financial Condition and Results of Operations Critical Accounting Policies.

## **ITEM 2. PROPERTIES**

### **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 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 are not amenable to cyanidization, 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, burn off the carbon and oxidize the sulfide minerals that 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 converted into a concentrate that can then be processed in an autoclave or roaster to recover the gold. Bio-milling incorporates patented technology that involves inoculation of suitable crushed ore on a leach pad with naturally occurring bacteria strains, which oxidize the sulfides over a period of time. The ore is then processed through an oxide mill.

Free-milled ores and high grade 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. 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. In both cases, the gold-bearing solution is then collected and pumped to facilities to remove the gold by collection on carbon or by zinc precipitation directly from leach solutions.

### **Production Properties**



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Set forth below is a description of the properties of Newmont and its subsidiaries. Total cash costs and total production costs for each operation are presented in a table beginning on page 26. Total cash costs and total production costs represent measures of performance that are not calculated in accordance with generally accepted accounting principles ( GAAP ). Management uses these non-GAAP financial measures to analyze the cash generating capacities and performance of Newmont 's mining operations. For a reconciliation of these non-GAAP measures to *Costs Applicable to Sales* as calculated and presented under GAAP, see Item 2, Properties, Operating Statistics on page 31.

### ***North America***

*Nevada.* 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 optimization work is ongoing with respect to a large gold/copper deposit known as Phoenix. Our Nevada operations also include the Midas underground mine, acquired in February 2002.

In 2002, ore was mined from 14 open-pit deposits and five underground mines, including Midas. Gold sales from Newmont 's Nevada operations totaled approximately 2.7 million equity ounces for 2002.

Underground production will continue to grow at Carlin, as underground mine development is expected to continue in 2003 at Leeville. Additionally, for the first time, underground mining occurred from the Gold Quarry open pit mine, where development of a small deposit, Chukar, began in January 2002.

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 66.4% of Newmont 's 2002 year-end proven and probable gold reserves in Nevada were refractory and the balance were oxide. Nevada 's production has increasingly come from higher grade, but 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 70% of Nevada 's gold production in 2003, compared with 66% in 2002, 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. 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. Ore from the Midas mine is processed at an on-site treatment plant using a conventional crushing, grinding and gravity circuit and cyanide leaching process.

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 refinery in the North Area. Material from two carbon processing facilities located at Lone Tree is refined at Carlin or Twin Creeks. Gold-bearing solutions from Midas are processed through a Merrill Crowe plant and adjacent smelting facility.

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.

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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, Winnemucca Region and Midas 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.

*California.* Newmont has one mine in California, Mesquite. Mining operations at Mesquite ceased in the second quarter of 2001, with the depletion of the main ore body. Mesquite operations have transitioned to temporary shutdown and reclamation, and declining amounts of gold will be recovered from the inventory of ores on the heap leach pads. Production from residual heap leaching resulted in gold sales of 57,100 ounces in 2002. The permitting process for an expansion at Mesquite was completed in 2002, but such expansion is dependent on higher gold prices. Final gold production from inventory on the existing heap leach pads is expected in 2004.

*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, and has been in production since 1996. 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. In 2002, the Golden Giant mine sold 281,500 equity ounces of gold, and the Holloway mine sold 97,700 equity ounces of gold.

Also see the TVX Newmont Americas description on page 25 below for information on other Newmont property interests in Canada owned in 2002. Newmont sold its interest in TVX Newmont Americas on January 31, 2003.

*Mexico.* Newmont has a 44% interest in La Herradura, which is located 250 miles (400 kilometers) southeast of Mesquite in Mexico's Sonora desert. La Herradura is operated by Industriales Peñoles, 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 145,900 ounces (64,200 equity ounces) of gold in 2002.

## ***South America***

*Peru.* The properties of Minera Yanacocha S.R.L. are located approximately 375 miles (604 kilometers) north of Lima and 30 miles (48 kilometers) north of the city of Cajamarca. Since the discovery of gold 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 interests are held by Compañía 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 consolidated their land holdings in northern Peru, folding them into Minera Yanacocha. The consolidation increased Minera Yanacocha's land position from 100 to 535 square miles.

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Five open-pit mines, four leach pads, and two processing plants are in operation at Minera Yanacocha. Gold sales for 2002 totaled 2.29 million ounces (1.2 million equity ounces).

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*Bolivia.* The Kori Kollo open pit mine is on a high plain in northwestern Bolivia near Oruro, on government mining concessions issued to a Bolivian corporation, Empresa Minera Inti Raymi S.A., in which Newmont has an 88% interest. The remaining 12% is owned by Mrs. Beatriz Rocabado. Inti Raymi owns and operates the mine. In 2002, the mine sold 283,400 ounces (249,400 equity ounces) of gold. Because higher grade ores have been exhausted at Kori Kollo, it is expected that mining will cease in 2003, with leach production to continue until stockpiles are depleted.

*Brazil and Chile.* In 2002, Newmont had interests in two operating mines in Brazil and one in Chile. See the TVX Newmont Americas discussion on page 25 below for more details.

## *Australia*

Prior to the acquisition of Normandy, Newmont owned a 50% interest in the Pajingo (Vera/Nancy) mine discussed below. The remaining 50% interest in Pajingo, and all other Australian properties described in this report, were acquired as part of the acquisition of Normandy. With the exception of Pajingo, information related to Australian operations for 2002 reflects activity from February 16, 2002.

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. 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 courts.

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, though subsequent legislation has validated some of these titles. After December 23, 1996, mining titles over areas where native title is claimed to exist became 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 the National Native Title Tribunal for decision.

Newmont does not expect that native title claims will have a material adverse effect on any of its operations in Australia. The High Court of Australia determined in an August 2002 decision that native title does not extend to minerals in Western Australia and that the rights granted under a mining title would, to the extent inconsistent with asserted native title rights, operate to extinguish those native title rights. 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 paying compensation may result in delay and increased costs for mining in the affected areas. Similarly, the process of conducting Aboriginal heritage surveys to identify and locate areas or sites of Aboriginal cultural significance can result in delay in gaining access to land for exploration and mining-related activities.

In Australia, various ad valorem royalties are paid to state and territorial governments and to traditional land owners, typically based on a percentage of gross revenues.

*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 2002, Pajingo sold 296,400 equity ounces of gold.

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*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 by Kalgoorlie Consolidated Gold Mines Pty Ltd for the joint venture owners, Newmont and Barrick Gold Corporation, each of which holds a 50% interest. The Super Pit is Australia's largest gold mine, in terms of both gold production and total annual mining volume. During the relevant period in 2002, the Kalgoorlie operations sold 324,700 equity ounces.

*Yandal.* Newmont owns a 100% interest in Newmont Yandal Operations Limited, which owns and operates the Bronzewing, Jundee and Wiluna mines situated approximately 435 miles (700 kilometers) northeast of Perth in Western Australia. The three operations collectively sold 611,100 ounces of gold in the relevant period of 2002. The Wiluna mine was the subject of a sales contract that contained certain conditions that were not satisfied as of March 14, 2003, resulting in termination of the sales contract. See Item 7, Management's Discussion and Analysis of Consolidated Financial Condition and Results of Operations, at page 49 for more details.

*Tanami.* The Tanami operations include 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 Newmont NFM a publicly listed company of which Newmont owns approximately 85.9%.

The operations are predominantly focused on the Callie underground mine at Dead Bullock Soak, with mill feed supplemented by production from the Dead Bullock Soak 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. Ore from Groundrush is processed through the Tanami plant rather than The Granites plant.

During the relevant period of 2002, the Tanami operations sold 526,800 ounces (452,400 equity ounces) of gold.

In November 2002, Newmont and Newmont NFM announced a proposal that, if approved by Newmont NFM shareholders and the Federal Court of Australia, would result in Newmont NFM becoming a wholly owned subsidiary of Newmont. The proposal involves a scheme of arrangement and buy-back offer which, if successful, would result in Newmont having 100% ownership of the Tanami operations in April 2003. See Item 7, Management's Discussion and Analysis of Consolidated Financial Condition and Results of Operations, at page 49 for more details.

*Boddington.* Boddington is located 81 miles (130 kilometers) southeast of Perth in Western Australia. Boddington is owned by Newmont (44.4%), AngloGold Limited (33.3%) and Newcrest Mining Limited (22.2%). Mining operations ceased in November 2001. A proposed expansion project is being optimized, and restructuring of current management arrangements is underway.

*Golden Grove.* Newmont owns 100% of the Golden Grove operation in Western Australia, approximately 217 miles (350 kilometers) north of Perth. The principal products are zinc and copper concentrates. A high precious metal lead concentrate is also produced. Golden Grove has two underground mines at the Scuddles and Gossan Hill deposits. Golden Grove sold 45.7 million pounds of copper and 148.0 million pounds of zinc during the relevant period of 2002.

## *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 owned by Newmont and Otter Gold Mines Limited.



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The operation sold 116,400 ounces of gold (107,800 equity ounces) in the relevant period of 2002. The Martha mine does not currently pay royalties. Under new royalty arrangements, Martha 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.

In December 2002, Newmont NFM announced a takeover offer for all of the shares and options in Otter Gold Mines Limited that Newmont NFM did not already own, and it now owns 100% of Otter Gold Mines Limited. Newmont owns 67.06% of the Martha gold mine and Newmont NFM, of which Newmont owns approximately 85.9%, owns 32.94% of Martha. If the Newmont and Newmont NFM arrangement mentioned under the Tanami section above is approved, Newmont will own 100% of the Martha mine.

## ***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. Prior to November 2001, 100% of Minahasa's gold production was attributed to Newmont. Since then, 94% has been attributed to Newmont as we have recouped some of our investment in accordance with existing loan agreements. 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 unrelated 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. 56.25% of production is attributed to Newmont until we recover the bulk of our investment, including interest.

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 late 2001. However, processing of stockpiled ore from this mine will continue until the fourth quarter of 2003. In 2002, Minahasa sold 147,200 equity ounces of gold.

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. Development and construction activities began in 1997 and start-up took place in late 1999. In 2002, copper sales were 362.3 million equity pounds, while gold sales, treated as by-product credits, were 278,000 equity ounces.

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 Minahasa and Batu Hijau 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 must be offered for sale to the Indonesian parties is 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 accordance with its Contract of Work, Newmont made an offer of a 3% interest in Minahasa in 2002, but received no interest in the offer due in large part, we believe, to the imminent

closure of the operation.

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### *Uzbekistan*

Newmont has a 50% interest in the Zarafshan-Newmont Joint Venture in Uzbekistan. 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, located in the Kyzylkum Desert. The gold produced by Zarafshan-Newmont is sold in international markets for U.S. dollars. Zarafshan-Newmont sold 511,600 ounces (255,800 of equity ounces) of gold in 2002.

The State Committee and Navoi furnish ore to Zarafshan-Newmont under an ore supply agreement. Under the agreement, the State Committee and Navoi are obligated to deliver 220 million metric tons of ore to Zarafshan-Newmont. As of December 31, 2002, approximately 98.1 million metric tons of ore have been delivered, leaving a balance of 121.9 million metric tons. Initially, ore was to be delivered regardless of the gold price and the price of the ore was dependent on the grade of ore delivered. In 2000, however, the ore supply agreement was amended to modify the required grades and pricing structure. Under the 2000 amendment, 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. In October 2002, the parties reached tentative agreement to further amend the ore supply agreement. Under the new amendment, the pricing terms for approximately 99.5 million metric tons of the remaining 121.9 million metric tons will be determined by a formula whereby the amount paid for ore is dependent on the average grade of ore and the average gold price during the period which the ore is processed. At certain combinations of ore grade and gold price, the computed price may result in a credit to Zarafshan-Newmont, which will be offset against future ore purchase payments or free cash flow distributions to Navoi and the State Committee.

### *Turkey*

The wholly owned Ovacik mine, located in western Turkey 12 miles (19 kilometers) from the Aegean Sea and 66 miles (106 kilometers) north of the city of Izmir, commenced production in May 2001. Ovacik sold 125,700 ounces of gold during the relevant period of 2002. Newmont acquired the Ovacik mine as part of the Normandy acquisition.

### *Africa*

Newmont has two advanced exploration projects located in southwestern Ghana. The Ahafo (formerly Yamfo-Sefwi) project, in which Newmont holds an 85.6% equity interest, had reserves of 3.3 million equity ounces of gold at December 31, 2002. The remaining interest in Ahafo is held by Moydow Mines International Inc. On March 24, 2003, Moydow and Newmont announced the signing of a letter of intent for Newmont to acquire Moydow's interest in Ahafo. Newmont also has an 85% interest in the Akyem project, which had 1.6 million equity ounces of gold reserves at year-end. The remaining interest in Akyem is held by Kenbert Mines Limited. Newmont will continue to study the development and optimization of both projects in 2003. At the time a production decision is reached for a project in Ghana, the Ghanaian government becomes entitled to receive a 10% free carried interest in the project, which entitles the government to 10% of the dividends payable from corporate surplus cash flow after Newmont has recouped its investment.

Newmont also had an interest in the Ity gold mine located in Cote d'Ivoire, in West Africa. Prior to being acquired by Newmont, however, Normandy accepted an offer for the sale of its interest in the Ity mine. The sale was finalized on March 7, 2002, for \$10.8 million paid at closing and a net smelter return royalty.



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*TVX Newmont Americas Joint Venture*

Through the Normandy acquisition, Newmont acquired an equity interest in TVX Newmont Americas, a joint venture between Normandy and TVX Gold. The venture, subsequently renamed TVX Newmont Americas, was 49.9% owned by Newmont and 50.1% owned by TVX Gold. TVX Newmont Americas sold 368,000 gold equivalent ounces (183,500 equity ounces) in 2002. On January 31, 2003, TVX Gold acquired Newmont's 49.9% interest in TVX Newmont Americas. Under the terms of the acquisition, Newmont received \$180 million for its interest.

The principal assets of TVX Newmont Americas were interests in the following operating gold mines in South America and Canada:

**Paracatu** (51% Rio Tinto Limited; 49% economic interest TVX Newmont Americas)

Rio Tinto is the operator of the mine, which is located in Brazil, 149 miles (240 kilometers) southeast of Brasilia. In 2002, Paracatu produced 193,400 ounces of gold.

**Crixas** (50% AngloGold; 50% economic interest TVX Newmont Americas)

AngloGold is the operator of the mine, which is located in Brazil, 218 miles (350 kilometers) northwest of Brasilia. In 2002, Crixas produced 164,000 ounces of gold.

**La Coipa** (50% Placer Dome; 50% TVX Newmont Americas)

Placer Dome is the operator of the mine, which is located in northern Chile. In 2002, La Coipa's gold equivalent production was 171,000 ounces.

**Musselwhite** (68.1% Placer Dome; 31.9% TVX Newmont Americas)

Placer Dome is the operator of the mine, which is located 311 miles (500 kilometers) north of Thunder Bay in northwestern Ontario, Canada. In 2002, Musselwhite produced 178,900 ounces of gold.

**New Britannia** (50% High River Gold; 50% TVX Newmont Americas)

TVX is the operator of the mine, which is located in Snow Lake, Canada, 436 miles

(700 kilometers) north of Winnipeg in central Manitoba. In 2002, New Britannia produced

96,300 ounces of gold.

**Table of Contents****Newmont Mining Corporation Operating Statistics****Gold Production and Sales****North American Operations**

<u>Year Ended December 31,</u>	<b>North America</b>					
	<b>Nevada</b>			<b>Other North America</b>		
	<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>
Tons Mined (000 dry short tons):						
Open-Pit	139,985	139,000	200,228	11,774	19,030	36,465
Underground	1,538	1,123	943	1,621	1,607	1,762
Tons Milled/Processed (000):						
Oxide	5,164	5,395	5,739	1,628	1,605	1,720
Refractory	9,201	8,844	8,548	n/a	n/a	n/a
Leach	15,027	24,448	25,490	3,981	7,861	16,078
Average Ore Grade:						
Oxide	0.119	0.108	0.086	0.230	0.236	0.259
Refractory	0.224	0.218	0.276	n/a	n/a	n/a
Leach	0.031	0.033	0.036	0.026	0.028	0.018
Average Mill Recovery Rate:						
Oxide	74.4%	70.5%	81.0%	95.0%	95.2%	95.6%
Refractory	88.6%	88.9%	90.4%	n/a	n/a	n/a

<u>Year Ended December 31,</u>	<b>North America</b>								
	<b>Nevada</b>			<b>Other North America</b>			<b>Total North America</b>		
	<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>
Ounces Produced (000)	2,718.1	2,696.9	3,044.0	485.8	496.0	607.8	3,203.9	3,192.9	3,651.8
Equity Ounces Produced (000):									
Oxide	474.8	433.2	400.2	364.5	348.7	426.9	839.3	781.9	827.1
Refractory	1,805.7	1,749.3	2,072.6	n/a	n/a	n/a	1,805.7	1,749.3	2,072.6
Leach	437.6	514.4	571.2	121.3	147.3	180.9	558.9	661.7	752.1
Total	2,718.1	2,696.9	3,044.0	485.8	496.0	607.8	3,203.9	3,192.9	3,651.8
Equity Ounces Sold (000)	2,723.5	2,703.2	3,047.9	500.5	520.4	670.8	3,224.0	3,223.6	3,718.7
Production Costs Per Ounce:									
Direct mining and production costs	\$ 207	\$ 207	\$ 192	\$ 192	\$ 187	\$ 172	\$ 205	\$ 204	\$ 188
Deferred stripping and other costs	11	11	7	(1)		(8)	9	9	4

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Cash operating costs	218	218	199	191	187	164	214	213	192
Royalties and production taxes	7	4	4	2	5	6	6	4	5
<b>Total cash costs</b>	<b>225</b>	<b>222</b>	<b>203</b>	<b>193</b>	<b>192</b>	<b>170</b>	<b>220</b>	<b>217</b>	<b>197</b>
Reclamation and mine closure costs	2	4	3	4	8	5	2	5	3
<b>Total costs applicable to sales</b>	<b>227</b>	<b>226</b>	<b>206</b>	<b>197</b>	<b>200</b>	<b>175</b>	<b>222</b>	<b>222</b>	<b>200</b>
Depreciation, depletion and amortization	44	43	41	73	68	71	49	47	47
<b>Total production costs</b>	<b>\$ 271</b>	<b>\$ 269</b>	<b>\$ 247</b>	<b>\$ 270</b>	<b>\$ 268</b>	<b>\$ 246</b>	<b>\$ 271</b>	<b>\$ 269</b>	<b>\$ 247</b>



**Table of Contents****Overseas Operations**

Year Ended December 31,	South America					
	Yanacocha, Peru			Other South America		
	2002	2001	2000	2002	2001	2000
Tons Mined (000 dry short tons):						
Open-Pit	203,720	155,707	131,916	18,676	18,444	18,616
Underground	n/a	n/a	n/a	n/a	n/a	n/a
Tons Milled/Processed (000):						
Oxide	n/a	n/a	n/a	n/a	n/a	n/a
Refractory	n/a	n/a	n/a	7,675	7,582	7,753
Leach	148,297	84,738	83,024	6,479	3,853	n/a
Average Ore Grade:						
Oxide	n/a	n/a	n/a	n/a	n/a	n/a
Refractory	n/a	n/a	n/a	0.047	0.059	0.055
Leach	0.023	0.030	0.031	0.018	0.021	n/a
Average Mill Recovery Rate:						
Oxide	n/a	n/a	n/a	n/a	n/a	n/a
Refractory	n/a	n/a	n/a	60.7%	61.8%	62.4%

Year Ended December 31,	South America								
	Yanacocha, Peru			Other South America			Total South America		
	2002	2001	2000	2002	2001	2000	2002	2001	2000
Ounces Produced (000)	2,285.6	1,902.5	1,795.4	284.1	305.6	273.9	2,569.7	2,208.1	2,069.3
Equity Ounces Produced (000):									
Oxide	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Refractory	n/a	n/a	n/a	195.9	247.4	241.0	195.9	247.4	241.0
Leach	1,173.6	976.9	921.9	54.1	21.6	n/a	1,227.7	998.5	921.9
Total	1,173.6	976.9	921.9	250.0	269.0	241.0	1,423.6	1,245.9	1,162.9
Equity Ounces Sold (000)	1,176.9	983.1	901.2	249.4	274.8	247.7	1,426.3	1,257.9	1,148.9
Production Costs Per Ounce:									
Direct mining and production costs	\$ 123	\$ 113	\$ 85	\$ 163	\$ 163	\$ 212	\$ 130	\$ 124	\$ 112
Deferred stripping and other costs	(2)	(1)	(2)	(7)	(5)	(12)	(3)	(2)	(4)
Cash operating costs	121	112	83	156	158	200	127	122	108
Royalties and production taxes	4	3	4				4	3	3
Total cash costs	125	115	87	156	158	200	131	125	111
Reclamation and mine closure costs	3	3	3	7	5	15	3	3	6
Total costs applicable to sales	128	118	90	163	163	215	134	128	117

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Depreciation, depletion and amortization	<u>57</u>	<u>48</u>	<u>45</u>	<u>48</u>	<u>62</u>	<u>85</u>	<u>55</u>	<u>51</u>	<u>54</u>
Total production costs	\$ 185	\$ 166	\$ 135	\$ 211	\$ 225	\$ 300	\$ 189	\$ 179	\$ 171

**Table of Contents****Newmont Mining Corporation Operating Statistics**

<b>Year Ended December 31,</b>	<b>Australia</b>					
	<b>Pajingo</b>			<b>Other Australia</b>		
	<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>
Tons Mined (000 dry short tons):						
Open-Pit	n/a	n/a	n/a	66,328	n/a	n/a
Underground	656	368	325	4,975	n/a	n/a
Tons Milled/Processed (000):						
Oxide	738	361	341	7,898	n/a	n/a
Refractory	n/a	n/a	n/a	7,056	n/a	n/a
Leach	n/a	n/a	n/a	n/a	n/a	n/a
Average Ore Grade:						
Oxide	0.397	0.351	0.350	0.137	n/a	n/a
Refractory	n/a	n/a	n/a	0.069	n/a	n/a
Leach	n/a	n/a	n/a	n/a	n/a	n/a
Average Mill Recovery Rate:						
Oxide	96.8%	96.9%	96.8%	96.0%	n/a	n/a
Refractory	n/a	n/a	n/a	82.2%	n/a	n/a

<b>Year Ended December 31,</b>	<b>Australia</b>								
	<b>Pajingo</b>			<b>Other Australia</b>			<b>Total Australia</b>		
	<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>
Ounces Produced (000)	290.7	123.8	115.7	1,457.3	n/a	n/a	1,748.0	123.8	115.7
Equity Ounces Produced (000):									
Oxide	290.7	123.8	115.7	957.0	n/a	n/a	1,247.7	123.8	115.7
Refractory	n/a	n/a	n/a	426.2	n/a	n/a	426.2	n/a	n/a
Leach	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Total</b>	<b>290.7</b>	<b>123.8</b>	<b>115.7</b>	<b>1,383.2</b>	<b>n/a</b>	<b>n/a</b>	<b>1,673.9</b>	<b>123.8</b>	<b>115.7</b>
Equity Ounces Sold (000)	296.4	126.0	112.1	1,388.2	n/a	n/a	1,684.6	126.0	112.1
Production Costs Per Ounce:									
Direct mining and production costs	\$ 90	\$ 97	\$ 93	\$ 207			\$ 186	\$ 97	\$ 93
Deferred stripping and other costs	(4)	1		(7)			(6)	1	
Cash operating costs	86	98	93	200			180	98	93
Royalties and production taxes	9	7	6	12			11	7	6

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Total cash costs	95	105	99	212			191	105	99
Reclamation and mine closure costs	4	1	1	5			6	1	1
Total costs applicable to sales	99	106	100	217			197	106	100
Depreciation, depletion and amortization	72	34	38	68			68	34	38
Total production costs	\$ 171	\$ 140	\$ 138	\$ 285			\$ 265	\$ 140	\$ 138

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Year Ended December 31,	Zarafshan-Newmont Uzbekistan			Other International Operations		
	2002	2001	2000	2002	2001	2000
	Tons Mined (000 dry short tons):					
Open-Pit	n/a	n/a	n/a	10,345	5,586	6,766
Underground	n/a	n/a	n/a	n/a	n/a	n/a
Tons Milled/Processed (000):						
Oxide	n/a	n/a	n/a	1,514	n/a	n/a
Refractory	n/a	n/a	n/a	717	716	753
Leach	7,867	7,677	7,770	n/a	1,572	1,732
Average Ore Grade:						
Oxide	n/a	n/a	n/a	0.164	n/a	n/a
Refractory	n/a	n/a	n/a	0.213	0.387	0.439
Leach	0.053	0.044	0.046	n/a	0.080	0.086
Average Mill Recovery Rate:						
Oxide	n/a	n/a	n/a	91.7%	n/a	n/a
Refractory	n/a	n/a	n/a	90.9%	91.4%	92.4%

Year Ended December 31,	Zarafshan Newmont Uzbekistan			Other International Operations			Total Gold		
	2002	2001	2000	2002	2001	2000	2002	2001	2000
	Ounces Produced (000)	259.0	216.7	249.4	384.4	326.0	364.3	8,165.0	6,067.5
Equity Ounces Produced (000):									
Oxide	n/a	n/a	n/a	230.3	n/a	n/a	2,317.3	905.7	942.8
Refractory	n/a	n/a	n/a	130.5	251.6	311.1	2,558.3	2,248.3	2,624.7
Leach	259.0	216.7	249.4	14.4	72.1	53.2	2,060.0	1,949.0	1,976.6
Total	259.0	216.7	249.4	375.2	323.7	364.3	6,935.6	5,103.0	5,544.1
Equity Ounces Sold (000)	255.8	222.0	251.4	380.7	341.5	354.2	6,971.4	5,171.0	5,585.3
Production Costs Per Ounce:									
Direct mining and production costs	\$ 132	\$ 133	\$ 126	\$ 177	\$ 125	\$ 111	\$ 179	\$ 173	\$ 163
Deferred stripping and other costs	2	3	3	(13)	14	19	2	7	3
Cash operating costs	134	136	129	164	139	130	181	180	166
Royalties and production taxes				5	3	3	8	4	4
Total cash costs	134	136	129	169	142	133	189	184	170
Reclamation and mine closure costs	(1)	1	1	9	3	2	3	3	3
Total costs applicable to sales	133	137	130	178	145	135	192	187	173
Depreciation, depletion and amortization	40	54	56	99	66	75	58	50	51
Total production costs	\$ 173	\$ 191	\$ 186	\$ 277	\$ 211	\$ 210	\$ 250	\$ 237	\$ 224



**Table of Contents****Batu Hijau Copper Production**

Twelve months ended December 31,	2002	2001	2000
Dry tons processed (000)	51,754	48,358	42,131
Average copper grade	0.72%	0.75%	0.72%
Average recovery rate	89.0%	89.2%	87.5%
Copper pounds produced (000)	657,664	656,954	520,781
Equity copper pounds produced (000)	369,936	369,537	292,939
Equity copper pounds sold (000)	362,253	359,955	294,182

Twelve months ended December 31, 2002	By-Product Method	Co-Product Method		
		Copper	Gold	Total
Revenue	\$ 260,670	\$ 260,670	\$ 85,840	\$ 346,510
Cash production costs	200,619	150,920	\$ 49,699	200,619
By-product credits	(89,548)	(2,789)	(919)	(3,708)
<b>Total Cash Costs</b>	<b>111,071</b>	<b>148,131</b>	<b>48,780</b>	<b>196,911</b>
Noncash costs	66,650	50,139	16,511	66,650
<b>Total Production Costs</b>	<b>\$ 177,721</b>	<b>\$ 198,270</b>	<b>\$ 65,291</b>	<b>\$ 263,561</b>
<b>Pounds of copper sold (000)</b>	<b>362,253</b>			
Ounces of gold sold (000)	278.0			
<b>Reported cash cost per lb./oz.</b>	<b>\$ 0.31</b>	<b>\$0.41</b>	<b>\$175</b>	
Reported noncash cost per lb./oz.	0.18	0.14	60	
<b>Total costs per lb./oz.</b>	<b>\$ 0.49</b>	<b>\$0.55</b>	<b>\$235</b>	

**Golden Grove Copper and Zinc Production**

Twelve months ended December 31,	2002
Dry tons processed	1,273,222
Average copper grade	4.7%
Average zinc grade	13.9%
Copper pounds produced (000)	60,973
Copper pounds sold (000)	45,662
Zinc pounds produced (000)	114,806
Zinc pounds sold (000)	147,985
Copper cash cost per pound	\$0.56
Zinc cash cost per pound	\$0.18

For all periods presented, total cash costs include charges for mining ore and waste associated with current period 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, and Batu Hijau produces gold as a by-product. Proceeds from the sale of by-products are reflected as credits to total cash costs. With the exception of Nevada, Golden Grove and Batu Hijau, such by-product sales have not been significant to the economics or profitability of the Company's mining operations. See Item 7, Management's Discussion and Analysis of Consolidated Financial Condition and Results of Operations. 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 mining properties, when taking into account the average realized price received for production sold, as this measure combines *Costs applicable to sales* plus *Depreciation, depletion and amortization*, net of minority interest.



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The total cash costs per ounce is a measure intended to provide investors with information about the cash generating capacities of these mining operations. Newmont's management uses this measure for the same purpose and for monitoring the performance of its mining operations. This information differs from measures of performance 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, a non-profit industry group, 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* to total cash costs and total production costs per ounce (unaudited):

For the Year Ended	La					Total
	Nevada	Mesquite	Herradura	Golden Giant	Holloway	North America
December 31, 2002						
(dollars in millions except per ounce amounts)						
Costs applicable to sales per financial statements	\$ 657.1	\$ 10.1	\$ 11.5	\$ 57.1	\$ 20.4	\$ 756.2
Minority interest						
Write-downs of stockpiles, ore on leach pads and inventories	(37.0)			(0.3)		(37.3)
Reclamation and other	(6.9)		(0.2)	(1.7)	(0.5)	(9.3)
Non-cash inventory adjustment	(1.5)					(1.5)
Other	(0.1)					(0.1)
Total cash costs for per ounce calculation	611.6	10.1	11.3	55.1	19.9	708.0
Reclamation and other	8.4		0.2	1.6	0.5	10.7
Depreciation, depletion and amortization	118.2	6.3	3.1	20.5	6.7	154.8
Minority interest and other						
Total production cost for per ounce calculation	\$ 738.1	\$ 16.4	\$ 14.6	\$ 77.2	\$ 27.1	\$ 873.4
Equity ounces sold (000)	2,723.5	57.1	64.2	281.5	97.7	3,224.0
Equity cash cost per ounce sold	\$ 225	\$ 177	\$ 176	\$ 196	\$ 204	\$ 220
Equity production cost per ounce sold	\$ 271	\$ 287	\$ 227	\$ 274	\$ 277	\$ 271
For the Year Ended	Total South					
	Yanacocha	Kori Kollo	America	Pajingo	Kalgoorlie	Yandal
December 31, 2002						
(dollars in millions except per ounce amounts)						
Costs applicable to sales per financial statements	\$ 302.0	\$ 46.6	\$ 348.6	\$ 30.5	\$ 85.0	\$ 136.4
Minority interest	(152.3)	(5.6)	(157.9)			
Write-downs of stockpiles, ore on leach pads and inventories		(0.5)	(0.5)			(1.6)
Reclamation and other	(3.0)	(1.6)	(4.6)	(1.2)	(1.7)	(3.2)
Non-cash inventory adjustment				(1.0)	(13.6)	(0.1)
Other	0.7		0.7			
Total cash costs for per ounce calculation	147.4	38.9	186.3	28.3	69.7	131.5
Reclamation and other	3.0	1.6	4.6	1.8	15.3	3.1
Depreciation, depletion and amortization	121.5	13.8	135.3	20.6	9.0	43.5

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Minority interest and other	(54.6)	(1.7)	(56.3)			
Total production cost for per ounce calculation	\$ 217.3	\$ 52.6	\$ 269.9	\$ 50.7	\$ 94.0	\$ 178.1
Equity ounces sold (000)	1,176.9	249.4	1,426.3	296.4	324.7	611.1
Equity cash cost per ounce sold	\$ 125	\$ 156	\$ 131	\$ 95	\$ 215	\$ 215
Equity production cost per ounce sold	\$ 185	\$ 211	\$ 189	\$ 171	\$ 289	\$ 292

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For the Year Ended	NFM	Total	Zarafshan-			
December 31, 2002	Tanami	Australia	Newmont	Minahasa	Martha	Ovacik
(dollars in millions except per ounce amounts)						
Costs applicable to sales per financial statements	\$ 112.3	\$ 364.2	\$ 34.0	\$ 41.2	\$ 19.6	\$ 17.5
Minority interest	(15.8)	(15.8)				
Write-downs of stockpiles, ore on leach pads and inventories		(1.6)		(4.6)		
Reclamation and other	(2.6)	(8.7)	0.3	(2.4)	(0.7)	(0.7)
Non-cash inventory adjustment	(0.9)	(15.6)			(2.1)	(1.5)
Other				(2.1)		
<b>Total cash costs for per ounce calculation</b>	<b>93.0</b>	<b>322.5</b>	<b>34.3</b>	<b>32.1</b>	<b>16.8</b>	<b>15.3</b>
Reclamation and other	2.7	22.9	(0.3)	2.4	2.6	2.0
Depreciation, depletion and amortization	32.5	105.6	10.3	9.5	13.9	11.5
Minority interest and other	(4.5)	(4.5)		(0.6)		
<b>Total production cost for per ounce calculation</b>	<b>\$ 123.7</b>	<b>\$ 446.5</b>	<b>\$ 44.3</b>	<b>\$ 43.4</b>	<b>\$ 33.3</b>	<b>\$ 28.8</b>
Equity ounces sold (000)	452.4	1,684.6	255.8	147.2	107.8	125.7
Equity cash cost per ounce sold	\$ 205	\$ 191	\$ 134	\$ 218	\$ 156	\$ 122
Equity production cost per ounce sold	\$ 273	\$ 265	\$ 173	\$ 294	\$ 309	\$ 229

For the Year Ended	Total Other	Total	Golden	Other		
December 31, 2002	International	Gold	Grove	Kasese	Non-Gold	Consolidated
(dollars in millions except per ounce amounts)						
Costs applicable to sales per financial statements	\$ 112.3	\$ 1,581.3	\$ 27.7	\$ 7.8	\$ (0.4)	\$ 1,616.4
Minority interest		(173.7)				(173.7)
Write-downs of stockpiles, ore on leach pads and inventories	(4.6)	(44.0)	(0.4)			(44.4)
Reclamation and other	(3.5)	(26.1)				(26.1)
Non-cash inventory adjustment	(3.6)	(20.7)				(20.7)
Other	(2.1)	(1.5)	(27.3)	(7.8)	0.4	(36.2)
<b>Total cash costs for per ounce calculation</b>	<b>98.5</b>	<b>1,315.3</b>				