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

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

Form 10-Q/A

(Amendment No. 2)

(Mark One)

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF

THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended June 30, 2003

or

¨ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF

THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from__________ to __________

Commission File Number: 001-31240

NEWMONT MINING CORPORATION

(Exact name of registrant as specified in its charter)

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

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

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

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

There were 364,076,754 shares of common stock outstanding on July 30, 2003 (and 43,989,956 exchangeable shares).

Explanatory Note

This Amendment No. 2 on Form 10-Q/A (this Amendment) amends the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2003 filed on August 4, 2003, as amended on October 24, 2003 (the Original Filing). Newmont Mining Corporation has filed this Amendment to correct an error in the Statements of Consolidated Cash Flows as described in Note 23, Restatement of Statements of Consolidated Cash Flows, as well as to make corresponding textual changes in Item 2, Management s Discussion and Analysis of Results of Operations and Financial Condition and to add related information in Item 4, Controls and Procedures. Other information contained herein has not been updated. Therefore, you should read this Amendment together with other documents that we have filed with the Securities and Exchange Commission subsequent to the filing of the Original Filing. Information in such reports and documents updates and supersedes certain information contained in this Amendment. The filing of this Amendment shall not be deemed an admission that the Original Filing, when made, included any known, untrue statement of material fact or knowingly omitted to state a material fact necessary to make a statement not misleading.

PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

NEWMONT MINING CORPORATION

STATEMENTS OF CONSOLIDATED OPERATIONS AND COMPREHENSIVE INCOME

	Three Months Ended June 30,	
	2003	2002
	(unaudited, in thousands, except per share)	
Revenues		
Sales gold	$ 724,026	$ 609,516
Sales base metals, net	12,735	22,935
Royalties	10,461	11,202
	747,222	643,653
Costs and expenses		
Costs applicable to sales (exclusive of depreciation, depletion and amortization shown separately below)		
Gold	423,700	383,515
Base metals	9,973	8,674
Depreciation, depletion and amortization	139,337	123,602
Exploration and research	30,247	18,788
General and administrative	31,292	27,652
Write-down of long-lived assets	1,794	
Other	2,454	(1,791)
	638,797	560,440
Other income (expense)		
Gain on investments, net		47,298
Gain (loss) on gold commodity derivative instruments, net	16,644	(9,478)
Gain on extinguishment of NYOL bonds, net	94,414	
Gain on extinguishment of NYOL derivatives liability, net	76,578	
Dividends, interest income, foreign currency exchange and other income	32,318	14,843
Interest expense, net of capitalized interest of $1,758 and $1,223, respectively	(22,669)	(35,101)
	197,285	17,562
Pre-tax income before minority interest, equity (loss) income and impairment of affiliates	305,710	100,775
Income tax expense	(89,038)	(29,821)
Minority interest in income of subsidiaries	(35,807)	(19,284)
Equity loss and impairment of Australian Magnesium Corporation	(107,758)	(688)
Equity income of affiliates	17,740	18,008

Net income	90,847	68,990
Preferred stock dividends		(1,869)
Net income applicable to common shares	$ 90,847	$ 67,121
Net income	$ 90,847	$ 68,990
Other comprehensive income, net of tax	19,130	29,828
Comprehensive income	$ 109,977	$ 98,818
Net income per common share, basic and diluted	$ 0.22	$ 0.17
Basic weighted average common shares outstanding	405,388	397,532
Diluted weighted average common shares outstanding	408,242	399,468
Cash dividends declared per common share	$ 0.04	$ 0.03

See Notes to Consolidated Financial Statements

NEWMONT MINING CORPORATION

STATEMENTS OF CONSOLIDATED OPERATIONS AND COMPREHENSIVE INCOME

	Six Months Ended June 30,	
	2003	**2002**
	(unaudited, in thousands, except per share)	
Revenues		
Sales gold	$ 1,438,582	$ 1,091,750
Sales base metals, net	32,168	32,305
Royalties	24,941	15,002
	1,495,691	1,139,057
Costs and expenses		
Costs applicable to sales (exclusive of depreciation, depletion and amortization shown separately below)		
Gold	822,709	712,050
Base metals	25,335	19,379
Depreciation, depletion and amortization	269,930	225,788
Exploration and research	51,719	30,355
General and administrative	57,702	48,967
Write-down of long-lived assets	1,794	
Other	24,473	(921)
	1,253,662	1,035,618
Other income (expense)		
Gain on investments, net	84,337	47,298
Gain (loss) on gold commodity derivative instruments, net	71,669	(3,147)
Gain on extinguishment of NYOL bonds, net	94,414	
Gain on extinguishment of NYOL derivatives liability, net	76,578	
Loss on extinguishment of debt	(19,530)	
Dividends, interest income, foreign currency exchange and other income	64,157	15,258
Interest expense, net of capitalized interest of $3,048 and $2,294, respectively	(52,615)	(66,238)
	319,010	(6,829)
Pre-tax income before minority interest, equity (loss) income and impairment of affiliates and cumulative effect of a change in accounting principle	561,039	96,610
Income tax expense	(151,601)	(31,009)
Minority interest in income of subsidiaries	(73,596)	(29,834)
Equity loss and impairment of Australian Magnesium Corporation	(119,485)	(688)
Equity income of affiliates	26,278	19,412
Net income before cumulative effect of a change in accounting principle	242,635	54,491
Cumulative effect of a change in accounting principle, net of tax of $11,188 and $(4,147), respectively	(34,533)	7,701
Net income	208,102	62,192
Preferred stock dividends		(3,738)
Net income applicable to common shares	$ 208,102	$ 58,454

Net income	$ 208,102	$ 62,192
Other comprehensive income, net of tax	60,159	57,706
Comprehensive income	$ 268,261	$ 119,898
Net income per common share before cumulative effect of a change in accounting principle, basic	$ 0.60	$ 0.15
Cumulative effect of a change in accounting principle per common share, basic	(0.08)	0.02
Net income per common share, basic	$ 0.52	$ 0.17
Net income per common share before cumulative effect of a change in accounting principle, diluted	$ 0.60	$ 0.15
Cumulative effect of a change in accounting principle per common share, diluted	(0.09)	0.02
Net income per common share, diluted	$ 0.51	$ 0.17
Basic weighted average common shares outstanding	403,648	339,817
Diluted weighted average common shares outstanding	406,305	341,262
Cash dividends declared per common share	$ 0.08	$ 0.06

See Notes to Consolidated Financial Statements

NEWMONT MINING CORPORATION

CONSOLIDATED BALANCE SHEETS

	June 30, 2003	December 31, 2002
	(unaudited, in thousands)	
ASSETS		
Cash and cash equivalents	$ 274,741	$ 401,683
Marketable securities short-term	12,030	13,188
Accounts receivable	44,971	44,510
Inventories	170,458	169,324
Stockpiles and ore on leach pads	277,021	328,993
Prepaid taxes	19,318	28,335
Deferred stripping costs short term	28,660	32,085
Deferred income tax assets	53,482	51,451
Newmont Australia infrastructure bonds	114,287	
Other current assets	63,365	43,687
Current assets	1,058,333	1,113,256
Property, plant and mine development, net	2,343,102	2,287,030
Mineral interests and other intangible assets, net	1,405,066	1,415,348
Investments	695,059	1,206,705
Marketable securities long-term	291,004	
Deferred stripping costs long term	39,336	23,302
Long-term stockpiles and ore on leach pads	282,537	199,761
Deferred income tax assets	879,324	761,428
Other long-term assets	89,208	123,112
Goodwill	3,068,657	3,024,576
Total assets	$ 10,151,626	$ 10,154,518
LIABILITIES		
Current portion of long-term debt	$ 176,422	$ 115,322
Accounts payable	151,042	105,277
Deferred income tax liabilities	9,171	28,469
Derivative instruments	7,914	74,999
Employee related benefits short-term	117,196	100,936
Other current liabilities	420,049	268,460
Current liabilities	881,794	693,463
Long-term debt	1,277,166	1,701,282
Reclamation and remediation liabilities	421,970	288,536
Deferred revenue from sale of future production	53,841	53,841
Derivative instruments	17,254	388,659
Deferred income tax liabilities	742,237	656,452
Employee related benefits long-term	214,697	234,103
Other long-term liabilities	379,677	364,376
Total liabilities	3,988,636	4,380,712
Commitments and contingencies (Note 18)		
Minority interest in subsidiaries	362,196	354,558
STOCKHOLDERS EQUITY		
Preferred stock $5.00 par value;		
Authorized 5.0 million shares		

Issued and outstanding none		
Common stock $1.60 par value;		
Authorized 750 million shares at each period end, respectively		
Issued and outstanding		
Common: 362.1 million and 353.2 million shares issued, less 90 thousand and 9 thousand treasury shares, respectively	579,733	565,019
Exchangeable: 55.9 million shares, less 10 million and 7 million redeemed shares, respectively		
Additional paid-in capital	5,153,258	5,038,468
Accumulated other comprehensive income (loss)	(3,867)	(64,026)
Retained earnings (deficit)	71,670	(120,213)
Total stockholders equity	5,800,794	5,419,248
Total liabilities and stockholders equity	$ 10,151,626	$ 10,154,518

See Notes to Consolidated Financial Statements

NEWMONT MINING CORPORATION

STATEMENTS OF CONSOLIDATED CASH FLOWS

As Restated. See Note 23

	Six Months Ended June 30,	
	2003	**2002**
	(unaudited, in thousands)	
Operating activities:		
Net income	$ 208,102	$ 62,192
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	269,930	225,788
Accretion of accumulated reclamation obligations	11,320	
Amortization of deferred stripping costs, net	(14,114)	8,903
Deferred income taxes	8,745	(10,403)
Foreign currency exchange (gain) loss	(51,884)	1,482
Minority interest, net of dividends of $29,190 and $2,700, respectively	44,406	27,134
Equity loss (income) and impairment of affiliates, net of dividends	99,309	(14,859)
Write-downs of inventories, stockpiles and ore on leach pads	17,941	15,897
Cumulative effect of a change in accounting principle, net of tax	34,533	(7,701)
Gain on investments, net	(84,337)	(47,298)
Gain on gold commodity derivative instruments, net	(71,669)	3,147
Gain on extinguishment of NYOL bonds, net	(94,414)	
Gain on extinguishment of NYOL derivatives liability, net	(76,578)	
Loss on extinguishment of debt	19,530	
Gain on sale of assets and other	(11,027)	(9,704)
(Increase) decrease in operating assets:		
Accounts receivable	8,000	14,413
Inventories, stockpiles and ore on leach pads	(25,574)	(5,441)
Other assets	7,332	14,881
Increase (decrease) in operating liabilities:		
Accounts payable and other accrued liabilities	40,656	(35,603)
Derivative instruments	(12,935)	
Early settlement of derivative instruments classified as cash flow hedges	(119,988)	
Other liabilities	(12,698)	(42,896)
Net cash provided by operating activities	194,586	199,932
Investing activities:		
Additions to property, plant and mine development	(219,101)	(140,810)
Advances to joint ventures and affiliates, net	(46,203)	(24,750)
Proceeds from sale of short-term investments	1,653	406,731
Proceeds from the sale of TVX Newmont Americas	180,000	
Proceeds from sale of marketable securities of Lihir		84,002
Proceeds from sale of cross currency swaps		50,816
Early settlement of ineffective derivative instruments	(30,153)	
Cash consideration for acquisition of Newmont NFM minority interest and other	(11,195)	
Cash consideration for the acquisition of Normandy and Franco-Nevada, net of cash received and transaction costs		(87,885)
Proceeds from asset sales and other	988	19,888
Net cash (used in) provided by investing activities	(124,011)	307,992
Financing activities:		

Proceeds from long-term debt	115,000	489,131
Repayment of long-term debt	(322,360)	(911,817)
Dividends paid on common and preferred stock	(32,308)	(25,871)
Proceeds from stock issuance and other	24,851	62,898
Other		(691)
Net cash used in financing activities	(214,817)	(386,350)
Effect of exchange rate changes on cash	17,300	14,400
Net change in cash and cash equivalents	(126,942)	135,974
Cash and cash equivalents at beginning of period	401,683	149,431
Cash and cash equivalents at end of period	$ 274,741	$ 285,405
Supplemental information:		
Accrual for NYOL bond extinguishment	$ 98,398	$
Interest paid, net of amounts capitalized of $3,048 and $2,294, respectively	$ 67,297	$ 61,668
Income taxes paid	$ 110,467	$ 45,700

See Notes to Consolidated Financial Statements

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(1) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The following interim Consolidated Financial Statements of Newmont Mining Corporation and its subsidiaries (collectively, Newmont or the Company) are unaudited and prepared in accordance with the rules and regulations of the Securities and Exchange Commission for Form 10-Q. Such rules and regulations allow the omission of certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles as long as the statements are not misleading. In the opinion of management, all adjustments necessary for a fair presentation of these interim statements have been included. These adjustments are of a normal recurring nature, except for the effects of the February 2002 acquisitions. These interim Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements of Newmont included in its Annual Report on Form 10-K/A for the year ended December 31, 2002.

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

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

Certain amounts for the three and six months ended June 30, 2002 and at December 31, 2002 have been reclassified to conform to 2003 presentation.

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(2) ACQUISITIONS

Newmont NFM Limited Scheme of Arrangement

On April 2, 2003, the shareholders of Normandy NFM Limited (an Australian corporation trading as Newmont NFM on the Australian Stock Exchange or ASX) voted to approve the proposed scheme of arrangement under which Newmont NFM would become a wholly-owned subsidiary of Newmont Australia Limited, a wholly-owned subsidiary of Newmont Mining Corporation, through the acquisition of the remaining minority interest of Newmont NFM. The Federal Court in Sydney, Australia approved the scheme on April 11, 2003 and the scheme became effective on April 14, 2003 after the orders of the Federal Court were filed with the Australian Securities and Investments Commission. Under the terms of the scheme, Newmont NFM shareholders could receive 4.40 ASX listed Newmont Mining Corporation CHESS Depositary Interests (CDIs) for each Newmont NFM share. Each CDI is equivalent to 0.1 Newmont Mining Corporation common shares. As an alternative to receiving Newmont Mining Corporation CDIs, shareholders could sell their Newmont NFM shares back to the company under a concurrent buy-back offer of A$16.50 per Newmont NFM share. On April 29, 2003, Newmont Mining Corporation issued 4,437,506 common shares to CHESS Depository Nominees Pty Ltd, and in turn, 44,375,060 CDIs were issued to former Newmont NFM shareholders. The market value of the issued Newmont Mining Corporation shares was approximately $105 million, based on the average quoted value of the shares of $23.58 two days before and after November 28, 2002, the date the terms of the transaction were announced. The market value of the issued shares, together with the cash consideration paid to those shareholders who elected to accept the buy-back offer of approximately $10 million (including transaction costs), gave rise to a total purchase price of approximately $115 million. The transaction was accounted for as a purchase of minority interest in accordance with Statement of Financial Accounting Standards (SFAS) No. 141 Business Combinations in the second quarter of 2003. Newmont NFM was delisted from the ASX in April 2003. Newmont has performed a preliminary purchase price allocation based on independent appraisals and valuations that gave rise to goodwill of $77.1 million. The final purchase price allocation is not expected to vary significantly from the preliminary allocation.

Normandy and Franco-Nevada

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

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

	Six Months Ended June 30, 2002

Revenues	$	1,368.8
Net loss applicable to common shares before cumulative effect of a change in accounting principle	$	(77.6)
Net loss applicable to common shares	$	(69.9)
Basic and diluted loss per common share before cumulative effect of a change in accounting principle	$	(0.20)
Basic and diluted loss per common share	$	(0.18)
Basic and diluted weighted average common shares outstanding		394.1

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

On a pro forma basis during the six months ended June 30, 2002, the net loss includes mark-to-market losses on derivative instruments totaling $166.9 million, net of tax. The above pro forma amounts do not include the application of hedge accounting prior to the acquisitions to significant portions of the acquired derivative instruments, as hedge accounting documentation was not in place during those periods. The pro forma information is not indicative of the results of operations that would have occurred had the acquisitions been consummated on January 1, 2002. The information is not indicative of the combined company s future results of operations.

Goodwill

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

	Nevada	Other North America	Total North America	Yanacocha	Other South America	Total South America
Balance at January 1, 2002	$	$	$	$	$	$
Purchase price allocation for Normandy and Franco-Nevada acquisitions	40.9		40.9			
Balance at December 31, 2002	40.9		40.9			
Reversal of valuation allowances for acquired deferred tax assets						
Balance at March 31, 2003	40.9		40.9			
Purchase price allocation for Newmont NFM Scheme of Arrangement						
Reversal of valuation allowances for acquired deferred tax assets						
Balance at June 30, 2003	$ 40.9	$	$ 40.9	$	$	$

	Pajingo	Other Australia	Total Australia	Zarafshan-Newmont	Other International Operations	Total Gold
Balance at January 1, 2002	$	$	$	$	$	$
Purchase price allocation for Normandy and Franco-Nevada acquisitions	56.9	140.8	197.7			238.6
Balance at December 31, 2002	56.9	140.8	197.7			238.6
		(18.5)	(18.5)			(18.5)

Reversal of valuation allowances for acquired deferred tax assets						
Balance at March 31, 2003	56.9	122.3	179.2			220.1
Purchase price allocation for Newmont NFM Scheme of Arrangement		77.1	77.1			77.1
Reversal of valuation allowances for acquired deferred tax assets		(14.5)	(14.5)			(14.5)
Balance at June 30, 2003	$ 56.9	$ 184.9	$ 241.8	$	$	$ 282.7

8

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

	Base Metals	Exploration	Merchant Banking	Corporate and Other	Consolidated
Balance at January 1, 2002	$	$	$	$	$
Purchase price allocation for Normandy and Franco-Nevada acquisitions	31.5	1,129.5	1,625.0		3,024.6
Balance at December 31, 2002	31.5	1,129.5	1,625.0		3,024.6
Reversal of valuation allowances for acquired deferred tax assets					(18.5)
Balance at March 31, 2003	31.5	1,129.5	1,625.0		3,006.1
Purchase price allocation for Newmont NFM Scheme of Arrangement					77.1
Reversal of valuation allowances for acquired deferred tax assets					(14.5)
Balance at June 30, 2003	$ 31.5	$ 1,129.5	$ 1,625.0	$	$ 3,068.7

During the six months ended June 30, 2003, the Company reversed valuation allowances for deferred tax assets related to capital loss carry-forwards in Australia due to capital gains generated by the sale of TVX Newmont Americas, the loss of tax attributes from the extinguishment of Newmont Yandal Operations Pty Ltd (NYOL) bonds (see Note 10 for discussion) and from tax benefits arising from the completion of the Newmont NFM Scheme of Arrangement. The valuation allowances were originally recorded as part of the purchase price allocation for the acquisition of Normandy and were therefore reversed against goodwill.

(3) INVENTORIES

	At June 30, 2003	At December 31, 2002
	(unaudited, in thousands)	
Current:		
In-process	$ 41,782	$ 46,435
Precious metals	23,923	19,467
Materials and supplies	104,753	103,310
Other		112
	$ 170,458	$ 169,324

The Company recorded aggregate write-downs of $5.1 million and $0.8 million for the three months ended June 30, 2003 and 2002, respectively, to reduce the carrying value of inventories to net realizable value. Write-downs in 2003 included $0.8 million at Yanacocha, $0.3 million at Yandal, $0.5 million at Martha and $3.5 million at Golden Grove. Write-downs in 2002 related to $0.8 million at Nevada.

The Company recorded aggregate write-downs of $10.9 million and $2.3 million for the six months ended June 30, 2003 and 2002, respectively, to reduce the carrying value of inventories to net realizable value. Write-downs in 2003 include $0.8 million at Yanacocha, $1.0 million at Yandal, $1.3 million at Minahasa, $1.0 million at Martha and $6.8 million at Golden Grove. Write-downs in 2002 primarily related to $2.0 million at Nevada.

Inventory write-downs are classified as components of *Costs applicable to sales*.

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(4) STOCKPILES AND ORE ON LEACH PADS

	At June 30, 2003	At December 31, 2002
	(unaudited, in thousands)	
Current:		
Stockpiles	$ 92,129	$ 104,997
Ore on leach pads	184,892	223,996
	$ 277,021	$ 328,993
Long-term:		
Stockpiles	$ 164,830	$ 136,116
Ore on leach pads	117,707	63,645
	$ 282,537	$ 199,761

Write-downs of inventories included in *Costs applicable to sales* totaled $5.1 million and $6.8 million for the three months ended June 30, 2003 and 2002, respectively, to reduce the carrying value of stockpiles to net realizable value. The 2003 stockpile write-downs included $1.4 million at Yandal, $2.1 million at Tanami, $1.0 million at Kalgoorlie, and $0.6 million at Martha. The 2002 stockpile write-downs primarily related to $6.6 million at Nevada.

Write-downs of inventories included in *Costs applicable to sales* totaled $6.8 million and $13.6 million for the six months ended June 30, 2003 and 2002, respectively, to reduce the carrying value of stockpiles to net realizable value. The Company also recorded a write-down in Nevada of $0.2 million for the six months ended June 30, 2003 to reduce the carrying value of ore on leach pads to net realizable value. Stockpile write-downs in 2003 include $0.8 million in Nevada, $1.4 million at Yandal, $2.1 million at Tanami, $1.0 million at Kalgoorlie and $1.5 million at Martha. $13.3 million of the stockpile write-downs in 2002 related to Nevada.

Stockpile and ore on leach pads write-downs are classified as components of *Costs applicable to sales*.

(5) GAIN ON INVESTMENTS, NET

Gain on investment for the three and six months ended June 30, 2003 and 2002 was as follows:

	Three months ended June 30,		Six months ended June 30,	
	2003	2002	2003	2002
	(unaudited, in thousands)			
Gain on exchange of Echo Bay shares for Kinross marketable securities	$	$	$ 84,337	$
Gain on sale of marketable securities of Lihir Gold		47,298		47,298
Total	$	$ 47,298	$ 84,337	$ 47,298

Kinross Gold Corporation

On January 31, 2003, Kinross Gold Corporation (Kinross), Echo Bay Mines Ltd. (Echo Bay) and TVX Gold Inc. (TVX Gold) were combined, and TVX Gold acquired Newmont s 49.9% interest in the TVX Newmont Americas joint venture. Under the terms of the combination and acquisition, Newmont received a 13.8% interest in the restructured Kinross in exchange for its then 45.67% interest in Echo Bay and $180 million for its interest in TVX Newmont Americas. Cash proceeds of $170.6 million were received immediately after the

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

close of the transaction. The remaining $9.4 million, originally held in escrow, were received subsequent to the end of the first quarter. Newmont recognized a pre-tax gain of $84.3 million on the transaction in *Gain on investments, net* in the *Statement of Consolidated Operations*.

Newmont classifies its investment in Kinross as a long-term, available-for-sale marketable security. At June 30, 2003, the fair value of the Kinross investment was $291 million. During the three months ended March 31, 2003, a loss of $45.3 million, net of tax, was recorded in *Other comprehensive income, net of tax* for the change in market value of the investment. During the second quarter of 2003, a loss of $3.2 million, net of tax, was recorded in *Other comprehensive income, net of tax* for the change in market value of the investment. Newmont will continue to monitor the market value of its investment in Kinross Gold Corporation. In the event that the decline in the market value of the Kinross shares continues in future periods, the Company will evaluate the need to recognize a loss for an other-than-temporary decline in the value of the investment.

Gain on Sale of Marketable Securities of Lihir Gold

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

Sales of Debt Securities

As part of the Franco-Nevada acquisition in February 2002, the Company acquired significant investments in marketable debt securities. These debt securities are classified as available-for-sale and recorded at their fair values of $402.6 million under purchase accounting. All such securities were sold immediately after the Franco-Nevada acquisition for net proceeds of $402.9 million, resulting in the recognition of a pre-tax gain of $0.3 million, which is included in *Dividends, interest income, foreign currency exchange, and other income* for the six months ended June 30, 2002.

(6) DEFERRED STRIPPING COSTS

Movements in the deferred stripping cost balance were as follows:

	Six months ended June 30,	Year ended December 31,

	2003	2002
	(unaudited, in thousands)	
Opening balance	$ 55,387	$ 91,631
Additions	84,238	65,371
Amortization	(71,629)	(101,615)
Closing balance	$ 67,996	$ 55,387

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(7) PROPERTY, PLANT AND MINE DEVELOPMENT

	At June 30, 2003			At December 31, 2002		
	Cost	Accumulated Depreciation and Depletion	Net Book Value	Cost	Accumulated Depreciation and Depletion	Net Book Value
	(unaudited, in thousands)					
Land	$ 76,743	$	$ 76,743	$ 71,521	$	$ 71,521
Buildings and equipment	4,156,356	(2,583,915)	1,572,441	4,093,028	(2,371,017)	1,722,011
Mine development	1,158,455	(670,688)	487,767	1,005,166	(580,594)	424,572
Asset retirement cost	131,649	(69,332)	62,317			
Construction-in-progress	143,834		143,834	68,926		68,926
Total	$ 5,667,037	$ (3,323,935)	$ 2,343,102	$ 5,238,641	$ (2,951,611)	$ 2,287,030
Leased assets included above in property, plant and mine development	$ 351,498	$ (153,600)	$ 197,898	$ 361,889	$ (146,884)	$ 215,005

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(8) MINERAL INTERESTS AND OTHER INTANGIBLE ASSETS

	At June 30, 2003			At December 31, 2002		
	Carrying Value	Accumulated Amortization	Net Book Value	Carrying Value	Accumulated Amortization	Net Book Value
			(unaudited, in thousands)			
Mineral Interests:						
Production stage						
Mineral interests	$ 801,518	$ (373,726)	$ 427,792	$ 712,098	$ (325,822)	$ 386,276
Royalties net smelter returns	223,684	(19,387)	204,297	222,614	(12,751)	209,863
Royalties net profit interest	18,290	(3,639)	14,651	17,340	(3,231)	14,109
	1,043,492	(396,752)	646,740	952,052	(341,804)	610,248
Development stage						
Mineral interests	123,955		123,955	92,757		92,757
Royalties net smelter returns	1,542		1,542	1,321		1,321
Royalties net profit interest	6,911	(90)	6,821	5,921	(50)	5,871
	132,408	(90)	132,318	99,999	(50)	99,949
Exploration stage						
Mineral interests	548,433	(10,813)	537,620	632,284	(8,449)	623,835
Royalties-net smelter returns	5,815	(351)	5,464	5,700	(314)	5,386
	554,248	(11,164)	543,084	637,984	(8,763)	629,221
Total mineral interests	1,730,148	(408,006)	1,322,142	1,690,035	(350,617)	1,339,418
Oil and gas:						
Producing property						
Royalties net refining returns	44,293	(7,142)	37,151	37,964	(3,842)	34,122
Working interest	21,510	(2,174)	19,336	18,430	(1,400)	17,030
	65,803	(9,316)	56,487	56,394	(5,242)	51,152
Non-producing property						
Royalties net refining returns	5,545		5,545	4,751		4,751
Working interest	8,280		8,280	7,090		7,090
	13,825		13,825	11,841		11,841
Total oil and gas	79,628	(9,316)	70,312	68,235	(5,242)	62,993

Other	12,937	(325)	12,612	12,937		12,937
Total	$ 1,822,713	$ (417,647)	$ 1,405,066	$ 1,771,207	$ (355,859)	$ 1,415,348

The Company s intangible assets for mineral interests and oil and gas interests are subject to amortization. The aggregate amortization expense for the three months ended June 30, 2003 and 2002 was $39.6 million and $39.0 million, respectively. The aggregate amortization expense for the six-month periods ended June 30, 2003 and 2002 was $61.1 million and $54.4 million, respectively.

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(9) INVESTMENTS AND EQUITY INCOME OF AFFILIATES

Investments:

	At June 30, 2003	At December 31, 2002
	(unaudited, in thousands)	
Investments in affiliates:		
Batu Hijau	$ 684,905	$ 660,928
TVX Newmont Americas		183,028
Echo Bay Mines		210,643
Australian Magnesium Corporation		44,244
AGR Matthey Joint Venture	10,154	11,213
	$ 695,059	$ 1,110,056
Other:		
Newmont Australia infrastructure bonds long-term		96,649
	$ 695,059	$ 1,206,705
Other:		
Newmont Australia infrastructure bonds short-term	$ 114,287	

Equity Loss and Impairment of Australian Magnesium Corporation

	Three months ended June 30, 2003	Three months ended June 30, 2002	Six months ended June 30, 2003	Six months ended June 30, 2002
	(unaudited, in thousands)			
Australian Magnesium Corporation	$ (107,758)	$ (688)	$ (119,485)	$ (688)

Equity Income of Affiliates:

	Three months ended June 30,		Six months ended June 30,	
	2003	2002	2003	2002
	(unaudited, in thousands)			
Batu Hijau	$ 18,397	$ 13,533	$ 25,750	$ 14,937
TVX Newmont Americas		3,892	810	3,892
AGR Matthey Joint Venture	(657)	583	(282)	583
Total	$ 17,740	$ 18,008	$ 26,278	$ 19,412

Investment in Batu Hijau

The Company and an affiliate of Sumitomo Corporation (Sumitomo) are partners with economic interests of 56.25% and 43.75%, respectively, in the Nusa Tenggara Partnership (NTP), which holds 80% of P.T. Newmont Nusa Tenggara (PTNNT), the owner of the Batu Hijau copper/gold mine in Indonesia. Due to the significant participating rights provided to Sumitomo under the terms of the NTP partnership agreement, the Company uses the equity method to account for its investment in NTP. The Company and Sumitomo have an indirect 45% and 35% interest, respectively, in PTNNT. The remaining 20% interest is held by an unrelated Indonesian company. Because the Company and Sumitomo have carried the investment of the 20% owner, the

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Company and Sumitomo recognize 56.25% and 43.75% of PTNNT s net income (loss), respectively, until recouping the bulk of the construction investment, including interest. Under the Contract of Work, a portion of PTNNT not already owned by Indonesian nationals must be offered for sale to the Indonesian government or to Indonesian nationals, beginning in the sixth year after mining operations commenced. The effect of this provision could potentially reduce the Company and Sumitomo s ownership to 49% by the end of the tenth year after mining operations commenced.

The Company s equity investment in PTNNT was $684.9 million and $660.9 million at June 30, 2003 and December 31, 2002, respectively, based on accounting principles generally accepted in the United States. At June 30, 2003, differences between 56.25% of PTNNT s net assets of $266.5 million and Newmont s investment included (i) $45.2 million for Newmont s contribution prior to the formation of NTP; (ii) $106.9 million for the fair market value adjustment recorded by Newmont in conjunction with the purchase of a subsidiary minority interest, net of amortization; (iii) $395.6 million for the contributions and interest income recorded by Newmont classified as debt and interest expense by PTNNT; (iv) negative $120.6 million for contributions to PTNNT, through NTP, by Sumitomo disproportionate to its equity interest, net of amounts recorded; (v) negative $76.9 million for stockholders equity of the carried interest partner; (vi) $38.6 million for other intercompany charges; (vii) $30.9 million for capitalized interest; and, (viii) negative $1.3 million for other adjustments recorded by Newmont. At December 31, 2002, differences between 56.25% of PTNNT s net assets of $257.6 million and Newmont s investment included (i) $45.2 million for Newmont s contribution prior to the formation of NTP; (ii) $109.1 million for the fair market value adjustment recorded by Newmont in conjunction with the purchase of a subsidiary minority interest, net of amortization; (iii) $391.2 million for the contributions and interest income recorded by Newmont classified as debt and interest expense by PTNNT; (iv) negative $122.6 million for contributions in PTNNT, through NTP, by Sumitomo disproportionate to its equity interest, net of amounts recorded; (v) negative $76.9 million for stockholders equity of the carried interest partner; (vi) $33.3 million for other intercompany charges; (vii) $30.9 million for capitalized interest; and, (viii) negative $6.9 million for other adjustments recorded by Newmont. Certain of these amounts are amortized or depreciated on a units-of-production basis based on proven and probable reserves. Below is a description of Newmont s equity income (loss) in PTNNT, where the net income (loss) reflects the elimination of interest between PTNNT and NTP.

Newmont s equity income in PTNNT for the six months ended June 30, 2003 was $25.8 million versus $14.9 million for the same period in 2002. Newmont s equity income for the six months ended June 30, 2003 was based on 56.25% of PTNNT s net income of $16.0 million, adjusted for the elimination of $3.6 million of inter-company interest, $4.2 million of inter-company management fees, the cumulative effect of reclamation and remediation liabilities of $8.0 million and other adjustments of $1.0 million. For the comparable 2002 period, Newmont s equity income was based on 56.25% of PTNNT s net income of $7.4 million, adjusted for the elimination of $3.6 million of inter-company interest, $5.1 million of inter-company management fees, and other adjustments of $2.0 million.

On May 9, 2002, PTNNT completed a restructuring of its $1.0 billion project financing facility (Senior Debt) that provides PTNNT the ability to defer up to $173.5 million in principal payments scheduled for 2002 and 2003. The restructuring was expected to provide a better match between the expected cash flows of the project and the maturities of the debt. Any deferred principal amounts were to be repaid between 2004 and 2010. Under this restructuring, Batu Hijau is not permitted to pay dividends or make other restricted payments to Newmont or Sumitomo as long as any amount of deferred principal is outstanding; however, there is no restriction on prepaying any of the deferred principal amounts. Amounts outstanding under the project financing were $783.2 million at June 30, 2003 and $913.3 million in December 31, 2002. The amount of deferred principal at June 30, 2003 was $43.3 million and at December 31, 2002 was $173.4 million. During the quarter ended June 30, 2003, PTNNT repaid $130.1 million of this facility all of which represented repayments

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

of the deferred principal. Newmont and its partner provide a contingent support line of credit to PTNNT. During the first half of 2003 and 2002, Newmont funded zero and $24.8 million, respectively under this contingent support facility as its pro-rata share of capital expenditures. Additional support from Newmont and its partner available under this facility amounts to $115.0 million, of which Newmont s pro-rata share is $64.7 million.

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

	Three months ended June 30,		Six months ended June 30,	
	2003	2002	2003	2002
	(unaudited, in thousands)			
Revenues, net of smelting and refining costs	$ 102,718	$ 94,083	$ 177,591	$ 165,988
Revenues from by-product sales credited to production costs	$ 58,336	$ 37,342	$ 91,947	$ 59,475
Gross profit	$ 40,271	$ 13,384	$ 50,426	$ 9,058
Net income before cumulative effect of a change in accounting principle	$ 25,528	$ 13,181	$ 31,488	$ 8,751
Net income	$ 25,528	$ 13,181	$ 17,270	$ 8,751

In the six-month period ended June 30, 2003, NTP recorded a charge of $14.2 million to reflect the cumulative effect of the adoption of Statement of Financial Accounting Standards (SFAS) No. 143 Accounting for Asset Retirement Obligations.

	At June 30, 2003	At December 31, 2002
	(unaudited, in thousands)	
Current assets	$ 254,748	$ 313,110
Property, plant and mine development, net	$ 1,672,313	$ 1,658,912
Mineral interests	$ 183,319	$ 188,294
Other assets	$ 291,795	$ 282,133
Debt and related interest to partners and affiliates	$ 261,640	$ 259,793
Other current liabilities	$ 187,975	$ 103,117
Long-term debt third parties (including current portion)	$ 805,677	$ 935,771
Other liabilities	$ 149,420	$ 163,346

For the six months ended June 30, 2003 and 2002, PTNNT recorded gross revenues, before smelting and refining costs, of $220 million and $212 million, respectively, which were subject to final pricing adjustments. The average price adjustment for copper was 2.38% and 5.2% for the six months ended June 30, 2003 and 2002, respectively. The average price adjustment for gold was 0.9% and 4.4% for the six months ended June 30, 2003 and 2002, respectively. At June 30, 2003, PTNNT had copper derivatives embedded in outstanding shipment contracts of 74.9

million pounds of copper recorded at an average price of $0.74 per pound. A one-cent movement in the average price used for these derivatives will have an approximate $0.5 million impact on PTNNT s 2003 net income.

By-product commodities, gold and silver, represented 57% and 40% of sales, net of smelting and refining charges, and reduced production costs by 79% and 57% for the three-month periods ended June 30, 2003 and 2002, respectively, and 52% and 36% of sales, net of smelting and refining charges, and reduced production costs by 71% and 49% for the six-month periods ended June 30, 2003 and 2002, respectively.

PTNNT entered into a series of copper hedging transactions in March 2002. At March 31, 2002, 23,400 metric tons of copper were hedged. These contracts were settled during the second quarter of 2002. These

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

contracts allowed PTNNT to realize an average price of $1,619 per metric ton (approximately $0.73 per pound). In second quarter 2003, PTNNT entered into copper forward sales contracts covering 5,000 metric tonnes per month for each of August and September 2003 at a weighted average fixed price between $1,665 and $1,725 per metric tonne. Each contract is settled by cash on a monthly basis. These contracts had a positive fair value as at June 30, 2003 of US$0.4 million (US$0.3 million net of tax).

In 2001, PTNNT entered into two diesel hedging contracts for 360,000 barrels each at a fixed price of $27.39 per barrel and $27.98 per barrel, respectively. Each of these contracts cover purchases of 15,000 barrels monthly and expire in August and September of 2003, respectively. Each contract is settled monthly. In December 2002, PTNNT entered into an additional hedge contract for 60,000 barrels over the following 12 months at a fixed price of $27.50 per barrel. These contracts have all been designated as cash flow hedges and the fair value at June 30, 2003 and December 31, 2002 was $0.2 million and $0.6 million, respectively. At June 30, 2003, 140,000 barrels are outstanding for these contracts.

TVX Newmont Americas and Echo Bay Mines Ltd.

Newmont had a 49.9% interest and an equity investment of $183.0 million in TVX Newmont Americas joint venture at December 31, 2002. On January 31, 2003, Newmont sold its interest in TVX Newmont Americas for $180 million.

On January 31, 2003, Kinross, Echo Bay and TVX Gold were combined. Under the terms of the combination and acquisition, Newmont received a 13.8% interest in the restructured Kinross in exchange for its then 45.67% interest in Echo Bay. Newmont recorded a pre-tax gain on the transactions of $83.4 million (See Note 5).

Australian Magnesium Corporation (AMC)

At December 31, 2002, Newmont s interest in AMC comprised a 22.8% equity and voting interest and a loan receivable in the amount of A$38 million (approximately $20.1 million) including interest capitalized since December 31, 2002. In addition, Newmont subsidiaries had obligations to contribute to AMC A$100 million in equity by January 31, 2003 and a further A$90 million in equity (reduced to A$75 million through a funding agreement reached in January 2003, though a condition required to bring the agreement into effect was not satisfied), contingent upon the Stanwell Magnesium Project not achieving certain specified production and operating criteria by December 2006. On January 3, 2003, Newmont purchased an additional 167 million shares at A$0.60 per share for a total of A$100 million (approximately $56.2 million) increasing its ownership to 40.9%, thereby satisfying its January 2003 equity contribution obligation. However, due to additional equity contributions by other shareholders on January 31, 2003, Newmont s interest was decreased to 27.8%. As a result of this equity dilution in its interest in AMC, Newmont recorded an increase of $7.0 million to *Additional paid-in-capital*.

AMC s primary asset is the Stanwell Magnesium Project (the Project), a proprietary chemical and dehydration process for producing anhydrous magnesium chloride as feed for an electrolytic cell to produce molten magnesium metal and magnesium alloys. The original funding arrangements for the Project amounted to approximately A$1.5 billion (approximately $1 billion), including contingencies and cost overrun reserves. Preliminary indications by AMC are that the project may now require A$150 million to A$200 million (approximately $100 million to

$134 million) of funds in addition to the existing funding arrangements and potentially some form of third-party project financing support.

On April 17, 2003, AMC announced that it was unlikely that it would reach agreement with its independent engineering firm for a fixed price contract for the development of the Project. Following this announcement,

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

AMC s share price declined substantially and was A$0.24 per share on May 8, 2003. As a result, Newmont wrote down the carrying value of its investment at March 31, 2003 to the quoted market price of the AMC shares at that date of $A0.43 per share and recorded a loss for an other-than-temporary decline in market value of $11 million.

On June 5, 2003, AMC requested suspension of its securities on the ASX. Subsequently, on June 12, 2003 AMC announced a restructuring agreement with the project s major creditors including Newmont (the Agreement). The Agreement was designed to give AMC time to assess the Project development options and to search for either a corporate or project partner. Work on the Project has essentially ceased and the site is in a care and maintenance status. It is not known if or when the Project or any other magnesium project will be developed by AMC. In addition, as part of the Agreement, AMC (i) will settle outstanding obligations to its outside creditors from existing cash reserves, (ii) has cancelled the senior debt facilities associated with the Project and the associated foreign exchange and interest rate hedging contracts and (iii) has agreed to release Newmont from the above-mentioned A$90 million (approximately $60.1 million) contingent funding commitment. Newmont has agreed to forgive its A$38 million (approximately $24.8 million) loan receivable and provide support in the form of an A$10 million (approximately $6.6 million) contingent, subordinated credit facility and to maintain the existing guarantee in relation to the QMC finance facilities described below.

As a result of the agreement, Newmont recorded an additional write-down in the second quarter of $107.8 million reducing the carrying value of its investment in AMC to zero. The write-down is attributable to the following: (i) $72.7 million representing the book value of its investment at June 30, 2003, (ii) $24.8 million for the loan receivable from AMC, (iii) $10 million charge to settle Newmont s guarantee of the Ford contract (see discussion below), (iv) $6.6 million relating to the contingent credit facility, and (v) $1.1 million for various other items offset by a $7.4 million income tax benefit.

Newmont had guaranteed a $30 million obligation payable by AMC to Ford Motor Company (Ford) in the event the Project did not meet certain specified production and operating criteria by November 2005. AMC indemnified Newmont for this obligation, but this indemnity was unsecured. As of June 30, 2003, Newmont and Ford agreed to settle the liability in relation to the guarantee for $10 million in exchange for a release of the guarantee. Newmont has agreed not to seek recovery of this amount from AMC.

Subsequent to June 30, 2003, Newmont s ownership interest in AMC was further diluted to 26.9% (See Note 21, Subsequent Events).

Newmont is also the guarantor of an A$71 million (approximately $47 million) amortizing loan facility of AMC s subsidiary, QMC Finance Pty Ltd (QMC), of which A$67.5 million (approximately $45.0 million) was outstanding as of June 30, 2003. The QMC loan facility, which is secured by the assets of the Queensland Magnesia Project, expires in November 2006.

QMC is also a party to hedging contracts, which have been guaranteed by Newmont. The contracts include a series of foreign exchange forward contracts and bought put options, the last of which expire in June 2006. As of June 30, 2003, the fair value of these contracts was a positive A$5.5 million (approximately $3.7 million).

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

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The Company is currently evaluating the impact of adoption of FIN 46, Consolidation of Variable Interest Entities on its investment in AMC and related entities, including QMC.

AGR Matthey Joint Venture

Newmont holds a 40% interest in a joint venture with the West Australian Mint and Johnson Matthey (Australia) Ltd. known as AGR Matthey Joint Venture (AGR). Newmont has no guarantees related to this investment. At June 30, 2003 and December 31, 2002, the difference between Newmont s investment in AGR of $10.2 million ($11.2 million at December 31, 2002) and its share of AGR s net assets consisted of a $2.4 million reduction in long-lived assets recorded by Newmont.

Newmont Australia Infrastructure Bonds

In June 1996, NP Finance Limited and GPS Finance Limited, wholly owned subsidiaries of Newmont Australia Limited (formerly Normandy), issued A$111.9 million (approximately $63.2 million) and A$21.9 million (approximately $12.4 million), respectively, of 7.906%, fifteen-year bonds at a premium to fund certain gas pipeline and power station projects. The bonds were issued at a premium due to unique tax-related benefits available to the bondholders and the issuer under Australian tax regulations. Interest is accrued and capitalized semi-annually in arrears in June and December of each year. Concurrently, with the issue of the Infrastructure Bonds described above, GMK Investments Pty Ltd (GMKI), a wholly owned subsidiary of Newmont Australia Limited (formerly Normandy), entered into an offsetting transaction, making payments to Deutsche Bank Aktiengesellschaft (DBA) equal to the face value of the bonds in return for DBA agreeing to purchase the bonds from each holder of the bonds in June 2004 and to sell those bonds to GMKI for a nominal amount at that time. The receivable from DBA also accrues interest receivable at 7.906% and such interest is capitalized semi-annually in arrears in June and December of each year. Because the arrangement does not technically qualify as a defeasance of debt, the receivable is presented in *Investments* at December 31, 2002. As of June 30, 2003, Newmont reclassified this investment as a current asset and the corresponding debt liability to *Current portion of long-term debt* (see Note 11, Long-Term Debt) since, as stated above, DBA is obligated to repurchase these bonds from each holder in June 2004. The repurchase of these bonds will effectively retire the outstanding liability and satisfy the receivable.

(10) EXTINGUISHMENT OF NYOL OBLIGATIONS

On May 29, 2003, Newmont made an offer through its wholly owned subsidiary, Yandal Bond Company Limited (YBCL) to acquire all of the outstanding 8 7/8% Senior Notes due in April 2008 of its wholly owned Australian subsidiary, NYOL. On May 28, 2003, YBCL made a separate offer to acquire all of NYOL s gold hedge contracts from the counterparties. The offer to acquire the Senior Notes was at a price of $500 per $1,000 of principal amount. The offer to acquire the gold hedge contracts was at $0.50 per $1.00 of the net mark-to-market hedge liability as of May 22, 2003. As of June 30, 2003, YBCL had received binding tenders for the Senior Notes totaling $196.8 million, representing 83% of the total $237.2 million outstanding principal amount. Six of the total of seven counterparties to the gold hedge contracts, representing 94% of the gold ounces in the NYOL hedge book and 76% of the mark-to-market May 22, 2003 hedge liability, had assigned their hedge contracts to YBCL as of June 30, 2003. The transactions gave rise to a *Gain on extinguishment of NYOL bonds, net* of $94.4 million, net of transaction costs, and a *Gain on extinguishment of NYOL derivatives liability, net* of $76.6 million, net of transaction costs. The cash payments of $98.4 million to settle the extinguishment of the bonds were accrued in *Other current liabilities* at June 30, 2003 and were made subsequent to that date. YBCL subsequently received additional binding tenders for a portion of the remaining outstanding Senior Notes and extended the offer deadline (see Note 21, Subsequent Events).

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(11) LONG-TERM DEBT

	June 30, 2003	December 31, 2002
	(unaudited, in thousands)	
Sale-leaseback of refractory ore treatment plant	$ 298,944	$ 307,880
8 3/8% debentures, net of discount	182,696	204,658
8 5/8% notes, due May 2011, net of discount	222,234	274,339
Newmont Australia 7 5/8% notes, net of premium	121,027	152,690
Newmont Australia 7 1/2% notes, net of premium	91,400	101,850
NYOL 8 7/8% notes	40,435	237,220
6% convertible subordinated debentures	99,980	99,980
Medium-term notes	17,000	32,000
Newmont Australia infrastructure bonds	116,933	99,680
Prepaid forward sales obligation	145,000	145,000
Revolving credit facility	19,000	
Interest rate swaps	(8,086)	(6,684)
Project financing, capital leases and other	107,025	167,991
	1,453,588	1,816,604
Current maturities	(176,422)	(115,322)
	$ 1,277,166	$ 1,701,282

Scheduled minimum long-term debt repayments are $23.6 million for the remainder of 2003, $177.4 million in 2004, $437.0 million in 2005, $109.8 million in 2006, $74.8 million in 2007 and $631.0 million thereafter.

During the six months ended June 30, 2003, the Company repurchased $23.0 million of 8 3/8% debentures, $52.4 million of 8 5/8% notes due in May 2011, $30.9 million of Newmont Australia 7 5/8% notes and $10.0 million of Newmont Australia 7 1/2% notes for total cash consideration of $135.8 million. As a result of these debt repurchases, the Company recognized a *Loss on extinguishment of debt* of $19.5 million.

In March 2002, Newmont, through an indirect, wholly-owned subsidiary, YBCL, made an offer to repurchase any and all of the outstanding 8 7/8% Senior Notes due 2008 of NYOL. As of the offer date, $300 million principal amount of notes was outstanding. The transaction resulted in redemption of $62.8 million of the outstanding notes at 101% of the principal amount of the notes, plus accrued and unpaid interest as of the repurchase date.

On May 27, 2003, Newmont Mining Corporation initiated an offer through YBCL to acquire all of the outstanding 8 7/8% Senior Notes due April 2008 issued by NYOL (see Note 10, Extinguishment of NYOL Obligations). At June 30, 2003, YBCL had acquired $196.8 million through this offer.

Newmont has extended its offer to acquire the remaining NYOL 8 $^{7}/8$% Senior Notes and acquired amounts subsequent to June 30, 2003. NYOL also entered into Voluntary Administration (VA, a form of insolvency proceeding in Australia) subsequent to June 30, 2003 (see Note 21, Subsequent Events).

(12) RECLAMATION AND REMEDIATION

The Company s mining and exploration activities are subject to various federal and state laws and regulations governing the protection of the environment. These laws and regulations are continually changing

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

and are generally becoming more restrictive. The Company conducts its operations so as to protect the public health and environment and believes its operations are in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations, but cannot predict the amount of such future expenditures. Estimated future reclamation costs are based principally on legal and regulatory requirements.

Effective January 1, 2003, the Company adopted SFAS No. 143 Accounting for Asset Retirement Obligations. As a result, *Reclamation and remediation liabilities* increased by $120.7 million for the fair value of the estimated asset retirement obligations, *Other accrued liabilities* increased by $2.3 million for worker participation bonuses in Peru (bonuses required by law at Minera Yanacocha based on net income), *Deferred income tax assets* increased by $6.9 million, *Property, plant and mine development, net* increased by $69.1 million, *Minority interest in subsidiaries* decreased by $16.2 million and a $34.5 million loss was recorded for the *Cumulative effect of a change in accounting principle, net of tax.* At June 30, 2003 and December 31, 2002, $379.8 million and $254.1 million, respectively, were accrued for reclamation obligations relating to currently or recently producing mineral properties.

In addition, the Company is involved in several matters concerning environmental obligations associated with former, primarily historic, mining activities. Generally, these matters concern developing and implementing remediation plans at the various sites involved. At June 30, 2003 and December 31, 2002, respectively, $62.5 million and $48.1 million were accrued for such obligations These amounts are also included in *Reclamation and remediation liabilities*.

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

Balance December 31, 2002	$ 302,229
Impact of adoption of SFAS No. 143	120,707
Additions to liabilities	21,460
Liabilities settled	(13,396)
Accretion expense	11,320
Revisions	
Balance June 30, 2003	$ 442,320

The current portions of *Reclamation and remediation liabilities* of $20.3 million and $13.7 million at June 30, 2003 and December 31, 2002, respectively, are included in *Other accrued liabilities*.

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

There were no assets that were legally restricted for purposes of settling asset retirement obligations at June 30, 2003.

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The table below presents the impact of the accounting change for the three- and six-month periods ended June 30, 2003 and the pro forma effect for the three- and six-month periods ended June 30, 2002 as if the change had been in effect for that period (unaudited, in thousands, except per share data):

	Three months ended June 30,		Six months ended June 30,	
	2003	2002	2003	2002
		(pro forma)		(pro forma)
Increase/(decrease) to net income				
Costs applicable to sales (exclusive of depreciation, depletion and amortization shown separately below)				
Gold	$ 4,815	$ 1,752	$ 10,112	$ 1,905
Base metals	89		179	
Depreciation, depletion, and amortization	(3,420)	(3,307)	(6,833)	(6,614)
Income tax (expense) benefit	(519)	544	(1,210)	1,648
Minority interest	(995)	577	(1,953)	1,204
Equity loss of affiliate	(319)	(201)	(799)	(541)
Net loss before cumulative effect of a change in accounting principle	$ (349)	$ (635)	$ (504)	$ (2,398)
Net loss before cumulative effect of a change in accounting principle per common share, basic and diluted	$ 0.00	$ 0.00	$ 0.00	$ (0.01)

The table below presents pro forma net income and earnings per share before cumulative effect of a change in accounting principle for the three- and six-month periods ended June 30, 2002 as if the Company had adopted the SFAS No. 143 as of January 1, 2002 (unaudited, in thousands, except per share data):

	Three months ended June 30, 2002		Six months ended June 30, 2002	
	Net income applicable to common shares	Income per share	Net income applicable to common shares	Income per share
As reported	$ 67,121	0.17	$ 50,753	$ 0.15
Change in accounting method SFAS No. 143	(635)		(2,398)	(0.01)
Pro forma	$ 66,486	$ 0.17	$ 48,355	$ 0.14

(13) SALES CONTRACTS, COMMODITY AND DERIVATIVE INSTRUMENTS

Newmont has a no hedging philosophy and generally sells its gold production at market prices. Newmont has, on a limited basis, entered into derivative contracts to protect the selling price for certain anticipated gold production and to manage risks associated with sales contracts, commodities, interest rates and foreign currency. In addition, at the time of Normandy s acquisition, three of its affiliates had a substantial derivative instrument position. These three affiliates are now known as Newmont Gold Treasury Pty Ltd., Newmont NFM and NYOL. Newmont is not required to place collateral with respect to its commodity instruments and there are no margin calls associated with such contracts. A number of NYOL s hedging positions pertaining to one counterparty are governed by agreements that confer on the relevant counterparties a right to terminate the position prior to its agreed scheduled maturity date. Such a termination would result in an immediate cash settlement of that contract based on the contract s market value on the date of termination. Exercise of termination rights may result in a cash settlement obligation to NYOL hedge counterparties in excess of funds available to NYOL. NYOL obligations, however, are non-recourse to Newmont and its other subsidiaries.

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Gold Commodity Contracts

The tables below are expressed in thousands of ounces of gold, and prices for contracts denominated in A$ have been translated to US$ at the exchange rate at June 30, 2003 of US$0.67 per A$1.

On May 28, 2003, YBCL offered to acquire all of the gold hedge obligations owed by NYOL from the counterparties (see Note 10, Extinguishment of NYOL Obligations). The offer included two alternatives: the counterparties could elect to receive $0.50 for each dollar of net mark-to-market liability under their individual hedge contracts, as calculated by YBCL as of May 22, 2003; or, in lieu of cash, the counterparties could elect to assign all such contracts with NYOL to YBCL and enter into new hedging contracts with Newmont, such that Newmont would assume obligations equivalent to an undivided 40% of NYOL s existing hedge obligations with such counterparty.

At the close of the offer YBCL had acceptances from six of the seven gold hedge book counterparties. All of the six counterparties elected to receive $0.50 for each dollar of net mark-to-market liability, as calculated by YBCL as of May 22, 2003. This resulted in a total cash payment from YBCL to the counterparties of approximately $77 million. A gain of $76.6 million was recorded in *Gain on extinguishment of NYOL derivatives liability, net* due to the extinguishment of the hedge book liability for the six NYOL hedge counterparties who accepted the offer.

NYOL was placed into VA on July 3, 2003 and deconsolidated from the Newmont group as of that date (see Note 21, Subsequent Events). Accordingly, the Company has reclassified to earnings as of June 30, 2003, $542,000 of *Accumulated other comprehensive income* (OCI) related to hedged forecasted sales designated against NYOL s production scheduled to occur during the period ending September 30, 2003 (the period through which NYOL is expected to remain in VA). No similar reclassification has been made with respect to the amounts in OCI associated with sales expected to occur after September 30, 2003, as the Company believes that it is reasonably possible that those forecasted transactions will occur since the Company expects to regain control of NYOL or its assets by October 1, 2003. Accordingly, the balance deferred in OCI as of June 30, 2003 (a gain of approximately $43.8 million, net of taxes) relating to hedge contracts designated against forecasted sales of NYOL s production beyond September 30, 2003, will continue to be deferred in OCI. The Company will continue to assess the probability of its regaining control of NYOL and making any necessary adjustments to the balance of OCI in future periods, if required.

For the three months ended June 30, 2003 and 2002, gains of $8.1 million and $1.4 million, respectively, were included in income in *Gain (loss) on gold commodity derivative instruments, net* for the ineffective portion of derivative instruments designated as cash flow hedges, and a gain of $8.5 million and a loss of $10.8 million, respectively, for the change in fair value of gold commodity contracts that do not qualify as hedges. For the half year ended June 30, 2003 and 2002, gains of $31.0 million and $5.9 million, respectively, were included in income in *Gain (loss) on gold commodity derivative instruments, net* for the ineffective portion of derivative instruments designated as cash flow hedges, and a gain of $40.6 million and a loss of $9.0 million, respectively, for the change in fair value of gold commodity contracts that do not qualify as hedges. The amount anticipated to be reclassified from *Accumulated other comprehensive income (loss),* to income for derivative instruments during the next 12 months is a gain of approximately $18.7 million. The maximum period over which hedged forecasted transactions are expected to occur is five years.

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Gold Forward Sales Contracts

Newmont had no gold forward sales contracts outstanding at June 30, 2003 (unaudited), although positions existed at December 31, 2002. The fair values of these contracts at December 31, 2002 were as follows:

Gold Forward Contracts	
(A$ denominated)	**US $ (000)**
Fixed Forwards	$ (138,095)
Floating Rate Forwards	(37,401)
Synthetic Forwards	(34,222)
Total:	$ (209,718)

Gold Put Option Contracts

Newmont had the following gold put option contracts at June 30, 2003 (unaudited):

	Expected Maturity Date or Transaction Date							**Fair Value**	
Put Option Contracts:	**2003**	**2004**	**2005**	**2006**	**2007**	**Thereafter**	**Total/ Average**	**June 30, 2003**	**December 31, 2002**
								US$ (000)	
US$ Denominated Fixed Purchased Puts:									
Ounces	105	203	205	100	20		633	$ (7,591)	$ (6,773)
Average price	$ 292	$ 292	$ 292	$ 338	$ 397	$	$ 303		
A$ Denominated Fixed Purchased Puts:									
Ounces								$	$ (3,690)
Average price									
A$ Denominated Floating Forward Purchased Puts:									
Ounces								$	$ (12,140)
Average price									
Total:									

Ounces	105	203	205	100	20		633	$ (7,591)	$ (22,603)
Average price	$ 292	$ 292	$ 292	$ 338	$ 397	$	$ 303		

Note: Through December 31, 2002, the floating forward purchased put option contracts were accounted for as cash flow hedges as they were statistically proven to qualify as highly effective cash flow hedges through that date. However, due to changes in market conditions during the first quarter of 2003, these contracts were no longer considered highly effective cash flow hedges. The effect of this change was gains of $5.3 million and $10.7 million that were recorded in *Gain (loss) on gold commodity derivative instruments, net* in income during the three and six months ended June 30, 2003, respectively.

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Convertible Put Options and Other Instruments

Newmont had the following gold convertible put option contracts and other instruments outstanding at June 30, 2003 (unaudited):

	Expected Maturity Date or Transaction Date							Fair Value	
Convertible Put Options and Other Instruments	**2003**	**2004**	**2005**	**2006**	**2007**	**Thereafter**	**Total/ Average**	**June 30, 2003**	**December 31, 2002**
(A$ denominated)								**US$ (000)**	
Floating Convertible Put Options:									
Ounces								$	$ (102,952)
Average price									
Knock-out/knock-in Contracts:									
Ounces								$	$ (6,794)
Average price									
Indexed Forward Contracts:									
Ounces			33	65	65	32	195	$ (4,937)	$ (15,740)
Average price	$	$	$ 361	$ 361	$ 361	$ 361	$ 361		
Total:									
Ounces			33	65	65	32	195	$ (4,937)	$ (125,486)
Average price	$	$	$ 361	$ 361	$ 361	$ 361	$ 361		

Sold Convertible Put Options

Newmont had no sold convertible put option contracts outstanding at June 30, 2003, although a position did exist at December 31, 2002. The fair value of the position at December 31, 2002 was positive $14.3 million.

Sold Put Options

Newmont had no sold put option contracts outstanding at June 30, 2003 or December 31, 2002. A sold put position was created during the first quarter of 2003 and was closed out as part of the YBCL transaction during the second quarter (see Note 10, Extinguishment of NYOL Obligations).

Price-Capped Sales Contracts

Newmont had the following price-capped forward sales contracts outstanding at June 30, 2003 (unaudited):

	Expected Maturity Date or Transaction Date							Fair Value	
Price-capped Contracts:	**2003**	**2004**	**2005**	**2006**	**2007**	**Thereafter**	**Total/ Average**	**June 30, 2003**	**December 31, 2002**
(US$ Denominated)								**US$ (000)**	
Ounces			500			1,850	2,350	N/A	N/A
Average price	$	$	$ 350	$	$	$ 384	$ 377		

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

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

US$/Gold Swap Contracts

Newmont Australia entered into a US$/gold swap contract whereby principal payments on US$ bonds are swapped into gold-denominated payments of 600,000 ounces in 2008. Newmont Australia also receives US$ fixed interest payments and pays gold lease rates, which are indexed to market rates. This instrument was marked to market at each period end, with the change reflected in income up until the contract was closed out during the YBCL buy back transaction (see Note 10, Extinguishment NYOL Obligations). However, the indexed portion of the transaction was held with the one counterparty who did not take up the offer. As such this portion of the transaction continues to be marked-to-market at each period end, with the change reflected in income. As at June 30, 2003 and December 31, 2002 the instrument had a negative fair value of $6.2 million and $47.8 million, respectively.

Other Sales Contracts, Commodity and Derivative Instruments

Foreign Currency Contracts

Newmont acquired certain currency swap contracts in the Normandy transaction intended to hedge the currency risk on repayment of US$-denominated debt. These contracts were closed out during the quarter ended June 30, 2002 for net proceeds of $50.8 million. The contracts were accounted for on a mark-to-market basis until closed out, resulting in a loss of $10.9 million for the three months ended March 31, 2002.

Newmont also acquired currency swap contracts to receive A$ and pay US$ designated as hedges of A$ denominated debt. The A$-denominated debt was repaid during the quarter ended June 30, 2002 and the contracts are currently undesignated. The contracts are accounted for on a mark-to-market basis. At June 30, 2003 and December 31, 2002 they had a negative fair value of $2.7 million and $21.9 million, respectively.

Interest Rate Swap Contracts

During the last half of 2001, Newmont entered into contracts to hedge the interest rate risk exposure on a portion of its $275 million 8.625% notes and its $200 million 8.375% debentures. Newmont receives fixed-rate interest payments at 8.625% and 8.375% and pays floating-rate interest amounts based on periodic LIBOR settings plus a spread, ranging from 2.60% to 4.25%. The notional principal amount of these transactions (representing the amount of principal tied to floating interest rate exposure) was $200 million at both June 30, 2003 and December 31, 2002. Half of these contracts expire in July 2005 and half expire in May 2011. For the quarters ended June 30, 2003 and June 30, 2002, these transactions resulted in a reduction in interest expense of $1.9 million and $1.4 million, respectively, and $3.6 million ad $2.9 million for the first halves of 2003 and 2002, respectively. These transactions have been designated as fair value hedges and had a fair value of $21.1 million and $13.8 million at June 30, 2003 and December 31, 2002, respectively.

26

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(14) STATEMENT OF COMPREHENSIVE INCOME

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
	(unaudited, in thousands)			
Net income	$ 90,847	$ 68,990	$ 208,102	$ 62,192
Other comprehensive income, net of tax:				
Sale of marketable securities of Lihir, net of tax $17,053 and $10,732, respectively		(29,036)		(18,273)
Unrealized (loss) gain on marketable equity securities, net of tax of $678, $(1,071), $12,655 and $(1,163), respectively	(3,307)	2,499	(49,068)	2,714
Foreign currency translation adjustments	26,146	17,288	32,109	18,125
Changes in fair value of cash flow hedge instruments, net of tax of $1,589, $(16,747), $(20,441) and $(23,631), respectively	(3,709)	39,077	72,546	55,140
Exchange of Echo Bay shares for Kinross shares			4,572	
Total other comprehensive income, net of tax	19,130	29,828	60,159	57,706
Comprehensive income	$ 109,977	$ 98,818	$ 268,261	$ 119,898

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
	(unaudited, in thousands)			
Interest income	$ 2,815	$ 5,102	$ 5,020	$ 7,898
Foreign currency exchange gains (losses)	27,178	6,144	51,884	(1,482)
Gain on sale of exploration properties	189	4,649	1,462	6,402
Other	2,136	(1,052)	5,791	2,440
Total	$ 32,318	$ 14,843	$ 64,157	$ 15,258

(16) ACCOUNTING CHANGES

Depreciation, Depletion and Amortization

During the third quarter of 2002, Newmont changed its accounting policy, retroactive to January 1, 2002, with respect to depreciation, depletion and amortization (DD&A) of Property, plant and mine development to exclude future estimated development costs expected to be incurred for certain underground operations. Previously, the Company had included these costs and associated reserves in its DD&A calculations at certain of its underground mining operations. In addition, the Company further revised its policy such that costs incurred to access specific ore blocks or areas that only provide benefit over the life of that area are depreciated, depleted or amortized over the reserves associated with the specific ore area. These changes were made to better match DD&A with the associated ounces of gold sold and to remove the inherent uncertainty in estimating future development costs in arriving at DD&A rates. The cumulative effect of this change in accounting principle through December 31, 2001 increased net income during the six months ended June 30, 2003 by $7.7 million, net of tax of $4.1 million, and earnings per common share, basic and diluted, by $0.02 per share.

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Reclamation and Remediation

In August 2001, the Financial Accounting Standards Board (FASB) issued SFAS No. 143, which established uniform methodology for accounting for estimated reclamation and abandonment costs. The statement was adopted as required on January 1, 2003. See Note 12, Reclamation and Remediation, for complete disclosure of the impact of adopting SFAS 143.

(17) SEGMENT INFORMATION

Financial information relating to Newmont s segments is as follows:

Three Months Ended June 30, 2003

(Unaudited, in millions)

	North America			South America			Australia		
	Nevada	Other North America	Total North America	Yanacocha	Other South America	Total South America	Pajingo	Other Australia	Total Australia
Sales, net	$ 185.6	$ 35.7	$ 221.3	$ 231.7	$ 19.2	$ 250.9	$ 32.7	$ 160.3	$ 193.0
Gain on investments, net	$	$	$	$	$	$	$	$	$
Gain on extinguishment of debt and other obligations, net	$	$	$	$	$	$	$	$	$
Royalties	$	$	$	$	$	$	$	$	$
Interest income	$	$	$	$ 0.1	$	$ 0.1	$	$ 2.3	$ 2.3
Interest expense	$ 0.1	$	$ 0.1	$ 1.0	$ 0.1	$ 1.1	$	$ 5.4	$ 5.4
Exploration and research expense	$ 5.5	$	$ 5.5	$ 3.7	$ 0.1	$ 3.8	$ 1.2	$ 2.1	$ 3.3
Depreciation, depletion and amortization	$ 34.7	$ 8.0	$ 42.7	$ 40.4	$ 1.8	$ 42.2	$ 6.9	$ 20.5	$ 27.4
Pre-tax income (loss) before minority interest, equity income (loss) and cumulative effect	$ 6.3	$ 2.4	$ 8.7	$ 101.0	$ 5.3	$ 106.3	$ 12.0	$ 6.0	$ 18.0
Equity loss and impairment of Australian Magnesium Corporation	$	$	$	$	$	$	$	$	$
Equity income (loss) of affiliates	$	$	$	$	$	$	$	$ (0.7)	$ (0.7)
Cumulative effect of a change in accounting principal, net of tax	$	$	$	$	$	$	$	$	$
Amortization of deferred stripping, net	$ (5.4)	$ (0.2)	$ (5.6)	$	$	$	$	$ 0.1	$ 0.1
Write-down of long-lived assets	$	$	$	$ 1.2	$	$ 1.2	$	$ 0.6	$ 0.6

Capital expenditures (restated - see Note 23)	$ 30.4	$ 1.8	$ 32.2	$ 64.4	$ 0.1	$ 64.5	$ 4.7	$ 14.4	$ 19.1
Deferred stripping costs	$ 49.4	$ 6.6	$ 56.0	$	$	$	$	$ 9.2	$ 9.2
Total assets	$ 1,539.2	$ 142.0	$ 1,681.2	$ 1,208.0	$ 27.5	$ 1,235.5	$ 178.4	$ 1,591.1	$ 1,769.5

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Three Months Ended June 30, 2003

(Unaudited, in millions)

	Zarafshan-Newmont, Uzbekistan	Other International Operations	Total Gold	Base Metals	Exploration	Merchant Banking	Corporate and Other	Consolidated
Sales, net	$ 21.4	$ 37.4	$ 724.0	$ 12.8	$	$	$	$ 736.8
Gain on investments, net	$	$	$	$	$	$	$	$
Gain on extinguishment of debt and other obligations, net	$	$	$	$	$	$ 171.0	$	$ 171.0
Royalties	$	$	$	$	$	$ 10.4	$	$ 10.4
Interest income	$	$	$ 2.4	$	$	$	$ 0.4	$ 2.8
Interest expense	$ 0.2	$	$ 6.8	$	$	$	$ 15.9	$ 22.7
Exploration and research expense	$	$ 2.1	$ 14.7	$ 1.0	$ 8.3	$	$ 6.2	$ 30.2
Depreciation, depletion and amortization	$ 2.9	$ 8.1	$ 123.3	$ 6.7	$ 0.9	$ 5.6	$ 2.8	$ 139.3
Pre-tax income (loss) before minority interest, equity income (loss) and cumulative effect	$ 9.0	$ 4.8	$ 146.8	$ (5.1)	$ (9.7)	$ 175.1	$ (1.4)	$ 305.7
Equity loss and impairment of Australian Magnesium Corporation	$	$	$	$	$	$	$ (107.8)	$ (107.8)
Equity income (loss) of affiliates	$	$	$ (0.7)	$	$	$	$ 18.4	$ 17.7
Cumulative effect of a change in accounting principal, net of tax	$	$	$	$	$	$	$	$
Amortization of deferred stripping, net	$	$ (2.2)	$ (7.7)	$	$	$	$	$ (7.7)
Write-down of long-lived assets	$	$	$ 1.8	$	$	$	$	$ 1.8
Capital expenditures (restated - see Note 23)	$ 0.1	$ 12.3	$ 128.2	$ 4.1	$	$	$ 4.1	$ 136.4
Deferred stripping costs	$	$ 2.8	$ 68.0	$	$	$	$	$ 68.0
Total assets	$ 101.7	$ 189.9	$ 4,983.1	$ 244.2	$ 1,217.4	$ 2,279.6	$ 1,427.3	$ 10,151.6

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Three Months Ended June 30, 2002

(Unaudited, in millions)

	North America			South America			Australia		
	Nevada	Other North America	Total North America	Yanacocha	Other South America	Total South America	Pajingo	Other Australia	Total Australia
Sales, net	$ 186.6	$ 40.9	$ 227.5	$ 149.0	$ 23.5	$ 172.5	$ 23.1	$ 129.7	$ 152.8
Gain on investments, net	$	$	$	$	$	$	$	$	$
Royalties	$	$	$	$	$	$	$	$	$
Interest income	$	$	$	$ 0.1	$	$ 0.1	$ 0.2	$ 4.0	$ 4.2
Interest expense	$	$	$	$ 2.5	$ 0.1	$ 2.6	$	$ 10.0	$ 10.0
Exploration and research expense	$ 3.9	$	$ 3.9	$ 2.5	$ 0.2	$ 2.7	$ 0.4	$ 2.5	$ 2.9
Depreciation, depletion and amortization	$ 25.2	$ 9.1	$ 34.3	$ 26.2	$ 3.8	$ 30.0	$ 6.4	$ 23.3	$ 29.7
Pre-tax income (loss) before minority interest, equity income (loss) and cumulative effect	$ (0.1)	$ 7.7	$ 7.6	$ 47.7	$ 8.2	$ 55.9	$ 10.1	$ 7.5	$ 17.6
Equity income (loss) of affiliates	$	$	$	$	$	$	$	$ 3.1	$ 3.1
Amortization of deferred stripping, net	$ 3.2	$ (0.3)	$ 2.9	$	$	$	$	$	$
Write-down of long-lived assets	$ 7.4	$	$ 7.4	$	$	$	$	$ 0.1	$ 0.1
Capital expenditures	$ 12.0	$ 3.7	$ 15.7	$ 43.3	$ 0.4	$ 43.7	$ 3.6	$ 16.3	$ 19.9
Deferred stripping costs	$ 76.6	$ 6.1	$ 82.7	$	$	$	$	$	$
Total assets	$ 1,895.7	$ 175.8	$ 2,071.5	$ 1,089.6	$ 41.4	$ 1,131.0	$ 209.8	$ 2,121.9	$ 2,331.7

	Zarafshan-Newmont, Uzbekistan	Other International Operations	Total Gold	Base Metals	Exploration	Merchant Banking	Corporate and Other	Consolidated
Sales, net	$ 22.2	$ 34.6	$ 609.6	$ 22.9	$	$	$	$ 632.5
Gain on investments, net	$	$	$	$	$	$ 47.3	$	$ 47.3
Royalties	$	$	$	$	$	$ 11.2	$	$ 11.2
Interest income	$	$	$ 4.3	$	$	$ 0.3	$ 0.5	$ 5.1
Interest expense	$ 0.2	$	$ 12.8	$	$	$	$ 22.3	$ 35.1
Exploration and research expense	$	$ 0.6	$ 10.1	$ 1.1	$ 4.0	$	$ 3.6	$ 18.8
Depreciation, depletion and amortization	$ 3.1	$ 10.6	$ 107.7	$ 6.7	$ 2.0	$ 6.0	$ 1.2	$ 123.6
Pre-tax income (loss) before minority interest, equity income (loss) and cumulative effect	$ 9.1	$ 6.6	$ 96.8	$ 7.8	$ (5.9)	$ 52.2	$ (50.1)	$ 100.8
Equity income (loss) of affiliates	$	$	$ 3.1	$	$	$ 1.2	$ 13.0	$ 17.3
Amortization of deferred stripping, net	$	$	$ 2.9	$	$	$	$	$ 2.9
Write-down of long-lived assets	$	$	$ 7.5	$ 0.1	$	$	$	$ 7.6
Capital expenditures	$ 0.8	$ 5.1	$ 85.2	$ 2.5	$ 0.0	$ 0.6	$ 0.7	$ 89.0
Deferred stripping costs	$	$	$ 82.7	$	$	$	$	$ 82.7
Total assets	$ 105.1	$ 530.1	$ 6,169.4	$ 488.9	$ 226.6	$ 2,073.9	$ 878.7	$ 9,837.5

30

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Six Months Ended June 30, 2003

(Unaudited, in millions)

	North America			South America			Australia		
	Nevada	Other North America	Total North America	Yanacocha	Other South America	Total South America	Pajingo	Other Australia	Total Australia
Sales, net	$ 406.6	$ 76.0	$ 482.6	$ 461.2	$ 39.9	$ 501.1	$ 58.5	$ 284.9	$ 343.4
Gain on investments, net	$	$	$	$	$	$	$	$	$
Gain on extinguishment of debt and other obligations, net	$	$	$	$	$	$		$	$
Royalties	$	$	$	$	$	$	$	$	$
Interest income	$	$	$	$ 0.5	$	$ 0.5	$	$ 3.6	$ 3.6
Interest expense	$ 0.1	$	$ 0.1	$ 2.4	$ 0.1	$ 2.5	$	$ 14.3	$ 14.3
Exploration and research expense	$ 8.8	$	$ 8.8	$ 5.6	$ 0.1	$ 5.7	$ 1.5	$ 3.5	$ 5.0
Depreciation, depletion and amortization	$ 66.3	$ 18.2	$ 84.5	$ 75.9	$ 3.9	$ 79.8	$ 12.5	$ 40.3	$ 52.8
Pre-tax income (loss) before minority interest, equity income and cumulative effect of a change in accounting principle	$ 43.7	$ 5.4	$ 49.1	$ 205.1	$ 11.0	$ 216.1	$ 23.1	$ 2.5	$ 25.6
Equity loss and impairment of Australian Magnesium Corporation	$	$	$	$	$	$	$	$	$
Equity income of affiliates	$	$	$	$	$	$	$	$ 0.5	$ 0.5
Cumulative effect of a change in accounting principal, net of tax	$ (14.4)	$ (3.4)	$ (17.8)	$ (32.4)	$ (0.2)	$ (32.6)	$ 0.8	$ (1.1)	$ (0.3)
Amortization of deferred stripping, net	$ (12.0)	$ (0.3)	$ (12.3)	$	$	$	$	$ (0.9)	$ (0.9)
Write-down of long-lived assets	$	$	$	$ 1.2	$	$ 1.2	$	$ 0.6	$ 0.6
Capital expenditures	$ 52.6	$ 2.2	$ 54.8	$ 99.7	$ 0.6	$ 100.3	$ 6.4	$ 23.5	$ 29.9
Deferred stripping costs	$ 49.4	$ 6.6	$ 56.0	$	$	$	$	$ 9.2	$ 9.2
Total assets	$ 1,539.2	$ 142.0	$ 1,681.2	$ 1,208.0	$ 27.5	$ 1,235.5	$ 178.4	$ 1,591.1	$ 1,769.5

	Zarafshan-Newmont, Uzbekistan	Other International Operations	Total Gold	Base Metals	Exploration	Merchant Banking	Corporate and Other	Consolidated
Sales, net	$ 42.6	$ 68.9	$ 1,438.6	$ 32.2	$	$	$	$ 1,470.8
Gain on investments, net	$	$	$	$	$	$ 84.3	$	$ 84.3
Gain on extinguishment of debt and other obligations, net	$	$	$	$	$	$ 151.5	$	$ 151.5
Royalties	$	$	$	$	$	$ 24.9	$	$ 24.9
Interest income	$	$	$ 4.1	$	$	$ 0.1	$ 0.8	$ 5.0
Interest expense	$ 0.4	$	$ 17.3	$	$	$	$ 35.3	$ 52.6
Exploration and research expense	$	$ 3.9	$ 23.4	$ 1.7	$ 15.7	$	$ 10.9	$ 51.7
Depreciation, depletion and amortization	$ 5.5	$ 15.3	$ 237.9	$ 13.8	$ 1.7	$ 10.3	$ 6.2	$ 269.9
Pre-tax income (loss) before minority interest, equity income and	$ 18.8	$ 7.0	$ 316.6	$ (8.9)	$ (17.8)	$ 248.6	$ 22.5	$ 561.0

cumulative effect of a change in accounting principle								
Equity loss and impairment of Australian Magnesium Corporation	$	$	$	$	$	$	$ (119.5)	$ (119.5)
Equity income of affiliates	$	$	$ 0.5	$	$	$	$ 25.8	$ 26.3
Cumulative effect of a change in accounting principal, net of tax	$ (1.3)	$ (3.2)	$ (55.2)	$ (0.2)	$	$	$ 20.9	$ (34.5)
Amortization of deferred stripping, net	$	$ (0.9)	$ (14.1)	$	$	$	$	$ (14.1)
Write-down of long-lived assets	$	$	$ 1.8	$	$	$	$	$ 1.8
Capital expenditures	$ 0.6	$ 19.4	$ 205.0	$ 6.1	$	$	$ 8.0	$ 219.1
Deferred stripping costs	$	$ 2.8	$ 68.0	$	$	$	$	$ 68.0
Total assets	$ 101.7	$ 189.9	$ 4,983.1	$ 244.2	$ 1,217.4	$ 2,279.6	$ 1,427.3	$ 10,151.6

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Six Months Ended June 30, 2002

(Unaudited, in millions)

	North America			South America			Australia		
	Nevada	Other North America	Total North America	Yanacocha	Other South America	Total South America	Pajingo	Other Australia	Total Australia
Sales, net	$ 362.9	$ 76.5	$ 439.4	$ 289.2	$ 43.4	$ 332.6	$ 39.9	$ 185.9	$ 225.8
Gain on investments, net	$	$	$	$	$	$	$	$	$
Royalties	$	$	$	$	$	$	$	$	$
Interest income	$	$	$	$ 0.2	$	$ 0.2	$ 0.4	$ 5.4	$ 5.8
Interest expense	$ 0.1	$	$ 0.1	$ 5.4	$ 0.2	$ 5.6	$ 0.2	$ 15.9	$ 16.1
Exploration and research expense	$ 6.3	$	$ 6.3	$ 4.3	$ 0.6	$ 4.9	$ 0.6	$ 3.1	$ 3.7
Depreciation, depletion and amortization	$ 52.0	$ 17.7	$ 69.7	$ 61.2	$ 6.9	$ 68.1	$ 9.9	$ 35.3	$ 45.2
Pre-tax income (loss) before minority interest, equity income and cumulative effect of a change in accounting principle	$ (9.0)	$ 10.1	$ 1.1	$ 75.4	$ 13.1	$ 88.5	$ 17.9	$ (3.8)	$ 14.1
Equity income (loss) of affiliates	$	$	$	$	$	$	$	$ 3.1	$ 3.1
Cumulative effect of a change in accounting principal, net of tax	$ 0.9	$ 7.2	$ 8.1	$	$	$	$ (0.4)	$	$ (0.4)
Amortization of deferred stripping, net	$ 9.5	$ (0.6)	$ 8.9	$	$	$	$	$	$
Write-down of long-lived assets	15.3		15.3					0.3	0.3
Capital expenditures	$ 20.7	$ 6.9	$ 27.6	$ 69.7	$ 0.6	$ 70.3	$ 5.7	$ 21.6	$ 27.3
Deferred stripping costs	$ 76.6	$ 6.1	$ 82.7	$	$	$	$	$	$
Total assets	$ 1,895.7	$ 175.8	$ 2,071.5	$ 1,089.6	$ 41.4	$ 1,131.0	$ 209.8	$ 2,121.9	$ 2,331.7

	Zarafshan-Newmont, Uzbekistan	Other International Operations	Total Gold	Base Metals	Exploration	Merchant Banking	Corporate and Other	Consolidated
Sales, net	$ 37.4	$ 56.6	$ 1,091.8	$ 32.3	$	$	$	$ 1,124.1
Gain on investments, net	$	$	$	$	$	$ 47.3	$	$ 47.3
Royalties	$	$	$	$	$	$ 15.0	$	$ 15.0
Interest income	$	$	$ 6.0	$	$	$ 1.1	$ 0.8	$ 7.9
Interest expense	$ 0.3	$	$ 22.1	$	$	$	$ 44.1	$ 66.2
Exploration and research expense	$	$ 0.6	$ 15.5	$ 1.2	$ 7.4	$	$ 6.3	$ 30.4
Depreciation, depletion and amortization	$ 5.4	$ 16.0	$ 204.4	$ 7.0	$ 3.5	$ 8.2	$ 2.7	$ 225.8
Pre-tax income (loss) before minority interest, equity income (loss) and cumulative effect	$ 14.5	$ 8.9	$ 127.1	$ 6.2	$ (10.8)	$ 53.1	$ (79.0)	$ 96.6
Equity income (loss) of affiliates	$	$	$ 3.1	$	$	$ 0.7	$ 14.9	$ 18.7
Cumulative effect of a change in accounting principal, net of tax	$	$	$ 7.7	$	$	$	$	$ 7.7
Amortization of deferred stripping, net	$	$	$ 8.9	$	$	$	$	$ 8.9

Write-down of long-lived assets	$		$		$	15.6	$	0.3	$		$		$		$	15.9
Capital expenditures	$	2.7	$	5.9	$	133.8	$	4.1	$	0.2	$	0.6	$	2.1	$	140.8
Deferred stripping costs	$		$		$	82.7	$		$		$		$		$	82.7
Total assets	$	105.1	$	530.1	$	6,169.4	$	488.9	$	226.6	$	2,073.9	$	878.7	$	9,837.5

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(18) COMMITMENTS AND CONTINGENCIES

General

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

Operating Segments

The Company s operating segments are identified in Note 17. Except as noted in this paragraph, all of the Company s commitments and contingencies specifically described in this Note 18 relate to the Corporate and Other category. The Newmont Madencilik A.S. matters are related to the *Other International* operating segment. The Nevada Operations matters under Newmont USA Limited are related to the *Nevada* operating segment. The Minera Yanacocha matters are related to the *Yanacocha* operating segment. The Yandal Gold Pty Ltd. and the Newmont Australia Limited matters are related to the *Other Australia* operating segment.

Environmental

The Company s mining and exploration activities are subject to various federal and state laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Company conducts its operations so as to protect the public health and environment and believes its operations are in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations, but cannot predict the amount of such future expenditures. Estimated future reclamation costs are based principally on legal and regulatory requirements. At June 30, 2003 and at December 31, 2002, $379.8 million and $254.1 million, respectively, were accrued for reclamation costs relating to currently producing mineral properties. On January 1, 2003, the Company adopted SFAS 143, Asset Retirements Obligations (see Accounting Changes).

In addition, the Company is involved in several matters concerning environmental obligations associated with former mining activities. Generally, these matters concern developing and implementing remediation plans at the various sites involved. The Company believes that the related environmental obligations associated with these sites are similar in nature with respect to the development of remediation plans, their risk profile and the compliance required to meet general environmental standards. Based upon the Company s best estimate of its liability for these matters, $62.5 million and $48.1 million were accrued for such obligations at June 30, 2003 and December 31, 2002, respectively. These amounts are included in *Other accrued liabilities* and *Reclamation and remediation*. Depending upon the ultimate resolution of these matters, the Company believes that it is reasonably possible that the liability for these matters could be as much as 49% greater or 32% lower than the amount accrued at June 30, 2003. The amounts accrued for these matters are reviewed periodically based upon facts and circumstances available at the time. Changes in estimates are charged to *Costs and expenses, Other* in the period estimates are revised.

Details about certain of the more significant sites involved are discussed below.

Battle Mountain Resources, Inc. 100% Newmont Owned

San Luis, Colorado: The San Luis open-pit gold mine in southern Colorado was operated by Battle Mountain Resources, Inc. and ceased operations in November 1996. Since then, substantial closure and reclamation work has been performed. In August 1999, the Colorado Department of Public Health and Environment (CDPHE) issued a

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

notice of violation of the Water Quality Control Act and in October 1999 amended the notice to authorize operation of a water treatment facility and the discharge of treated water. Battle Mountain Resources has made all submittals required by the CDPHE notice and conducted the required response activities. Battle Mountain Resources negotiated a settlement with CDPHE resolving alleged violations that became effective September 1, 2000. In October 2000, the CDPHE received an Application for Reconsideration of Order for Civil Penalty filed by project opponents, seeking to appeal the terms of the settlement. The application was denied by CDPHE. Project opponents filed a judicial appeal in the District Court for Costilla County, Colorado, and Battle Mountain Resources intervened to protect its interest in the settlement. In May 2002 this matter was resolved and the settlement was upheld in favor of CDPHE and Battle Mountain Resources.

Dawn Mining Company LLC (Dawn) 51% Newmont Owned

Midnite Mine Site: Dawn previously leased an open-pit uranium mine, currently inactive, on the Spokane Indian Reservation in the State of Washington. The mine site is subject to regulation by agencies of the U.S. Department of Interior (the Bureau of Indian Affairs and the Bureau of Land Management), as well as the United States Environmental Protection Agency (EPA).

In 1991, Dawn s mining lease at the mine was terminated. As a result, Dawn was required to file a formal mine closure and reclamation plan. The Department of Interior commenced an analysis of Dawn s proposed plan and alternate closure and reclamation plans for the mine. Work on this analysis has been suspended indefinitely. In mid-2000, the mine was included on the National Priorities List under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA). In March 2003, the EPA notified Dawn and Newmont that it had thus far expended $11.5 million on the remedial investigation/feasibility study under CERCLA.

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

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

Dawn Mill: Dawn also owns a uranium mill site facility, located on private land near Ford, Washington, which is subject to state and federal regulation. In late 1999, Dawn sought state approval for a revised mill closure plan that, if implemented, would expedite the reclamation process at the mill. The State of Washington has approved this revised plan. The currently approved plan for the mill is secured by a $14.1 million bond, which is guaranteed by Newmont.

Idarado Mining Company (Idarado) 80.1% Newmont Owned

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

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

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

addition, Idarado settled natural resources damages and past and future response costs, and agreed to habitat enhancement work under the consent decree. All of this work is substantially completed.

Newmont Madencilik A.S. 100% Newmont Owned

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

Newmont Capital Limited 100% Newmont Owned

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

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

Newmont USA Limited 100% Newmont Owned

Pinal Creek: Newmont is a defendant in a lawsuit brought in U.S. District Court in Arizona by the Pinal Creek Group, alleging that the company and others are responsible for some portion of costs incurred to address groundwater contamination emanating from copper mining operations located in the area of Globe and Miami, Arizona. Two former subsidiaries of Newmont, Pinto Valley Copper Corporation and Magma Copper Company (now known as BHP Copper Inc.), owned some of the mines in the area between 1983 and 1987. The court has dismissed plaintiffs claims seeking to hold Newmont liable for the acts or omissions of its former subsidiaries. Based on information presently available, Newmont believes it has strong defenses to plaintiffs remaining claims, including, without limitation, that Newmont s agents did not participate in any pollution causing activities; that Newmont s liabilities, if any, were contractually transferred to one of the plaintiffs; that portions of plaintiffs claimed damages are not recoverable; and that Newmont s equitable share of liability, if any, would be immaterial to Newmont. While Newmont has denied liability and is vigorously defending these claims, we cannot reasonably predict the final outcome of this lawsuit.

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

In October 2002, Great Basin Mine Watch (Appellant) filed an appeal with the Nevada State Environmental Commission, challenging the Nevada Division of Environmental Protection s (NDEP) renewal of the Clean Water Act discharge permit for Newmont s Gold Quarry Mine. This permit governs the conditions under which Newmont may discharge mine-dewatering water in connection with its ongoing mining operations. Appellant alleges that the terms of the renewed permit violate the Clean Water Act and Nevada water quality laws. Newmont has intervened in this action on behalf of the NDEP. A hearing before the Nevada State Environmental Commission was held in June 2003 in Elko, Nevada. At the end of the hearing, the Commission ruled in favor of NDEP on all claims and affirmed NDEP s renewal of the Clean Water Act discharge permit. It is unclear at this time whether Great Basin Mine Watch will appeal this decision. While Newmont believes that this appeal is without merit, an unfavorable outcome could result in additional conditions on operations that could have a material adverse effect on the company s financial position or results of operations.

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

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

Resurrection Mining Company (Resurrection) 100% Newmont Owned

Leadville, Colorado: Newmont, Resurrection and other defendants were named in lawsuits filed by the State of Colorado under CERCLA in 1983, which were subsequently consolidated with a lawsuit filed by EPA in 1986. These proceedings sought to compel the defendants to remediate the impacts of pre-existing, historic mining activities near Leadville, Colorado, which date back to the mid-1800s, and which the government agencies claim are causing substantial environmental problems in the area.

In 1988 and 1989, the EPA issued administrative orders with respect to one area on the site and the defendants have collectively implemented those orders by constructing a water treatment plant, which was placed

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

in operation in early 1992. Remaining remedial work for this area primarily consists of water treatment plant operation and continuing environmental monitoring and maintenance activities. Newmont and Resurrection are currently responsible for 50% of these costs, but their share of such costs could increase in the event other defendants become unable to pay their share of such costs.

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

Other Legal Matters

Newmont USA Limited 100% Newmont Owned

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

Minera Yanacocha 51.35% Newmont Owned

Choropampa: In June 2000, a transport contractor of Minera Yanacocha spilled approximately 151 kilograms of elemental mercury near the town of Choropampa, Peru, which is located 53 miles (85 kilometers) southwest of the mine. Elemental mercury is a byproduct of gold mining and was sold to a Lima firm for use in medical instruments and industrial applications. A comprehensive health and environmental remediation program was undertaken by Minera Yanacocha in response to the incident. In August 2000, Minera Yanacocha paid under protest a fine of 1,740,000 soles (approximately $500,000) to the Peruvian government. Mineral Yanacocha has entered into settlement agreements with a number of individuals impacted by the incident. In addition, it has entered into agreements with three of the communities impacted by this incident to provide a variety of public works as compensation for the disruption and inconvenience caused by the incident.

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

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

In July 2002, other lawsuits were served against Minera Yanacocha, various wholly owned subsidiaries of Newmont and/or other defendants in the Denver District Court for the State of Colorado and in the United States District Court for the District of Colorado, by approximately 140 additional Peruvian plaintiffs and by the same plaintiffs who filed the September 2001 lawsuit. These actions also seek compensatory and punitive damages based on claims associated with the elemental mercury spill incident. All of these lawsuits have been stayed pending the outcome of the appeal in the September 2001 matter.

Additional lawsuits relating to the Choropampa incident were filed against Minera Yanacocha in two of the local courts of Cajamarca, Peru, in May 2002 by over 900 Peruvian citizens. A significant number of the plaintiffs in these lawsuits previously have entered into settlement agreements with Minera Yanacocha. The two courts issued opposite rulings on the validity of these agreements. Resolution of the matter is now pending before a higher court.

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

Cerro Quilish: Minera Yanacocha is involved in a dispute with the Provincial Municipality of Cajamarca regarding the authority of that governmental body to regulate the development of the Cerro Quilish ore deposit (which contains reserves of 1.9 million equity ounces). Cerro Quilish is located in the same watershed in which the City of Cajamarca is located. The Municipality has enacted an ordinance declaring Cerro Quilish and its watershed to be a reserved and natural protected area. Minera Yanacocha challenged this ordinance on the grounds that, under Peruvian law, local governments lack authority to create such areas. The case was heard in early 2003, and on April 30, 2003, the Constitutional Tribunal issued a decision holding that, because Minera Yanacocha acquired the mining concessions in the Cerro Quilish area many years before the adoption of the contested ordinance, its rights were not impacted by the ordinance. On May 8, 2003, the Constitutional Tribunal reaffirmed its ruling in this mater.

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

Newmont Australia Limited 100% Newmont Owned

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

Yandal Gold Pty Ltd. 100% Newmont Owned

Newmont Yandal Operations: In a Federal Court action brought by the Australian Securities and Investment Commission (ASIC) against Yandal Gold Pty Ltd., a subsidiary of Newmont Australia Limited,

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

Income Taxes

The Company operates in numerous countries around the world and accordingly it is subject to, and pays annual income taxes with under the various income tax regimes in the countries in which it operates. Some of these tax regimes are defined by contractual agreements with the local government, but many of which are the general corporate income tax laws of the country. The Company has historically filed, and continues to file, all required income tax returns and to pay the taxes reasonably determined to be due. The tax rules and regulations in many countries are highly complex and subject to interpretation. From time to time the Company will undergo a review of its historic income tax filings and in connection with such reviews, disputes can arise with the taxing authorities over the interpretation of the rules or the application of certain rules to the Company s business conducted within the country involved. As of June 30, 2003 and December 31, 2002 the Company has accrued income taxes (and related interest and penalties, if applicable) in the amount of $321.5 million. This amount represents what the Company believes will be the probable outcome from the settlement of such disputes for all tax years for which additional income taxes can be assessed.

Guarantee of Third Party Indebtedness

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

Other Commitments and Contingencies

In a 1993 asset exchange, a wholly owned subsidiary transferred a coal lease under which the subsidiary had collected advance royalty payments totaling $484 million. From 1994 to 2018, remaining advance payments under the lease to the transferee total $390 million. In the event of title failure as stated in the lease, this

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

subsidiary has a primary obligation to refund previously collected payments and has a secondary obligation to refund any of the $390 million collected by the transferee, if the transferee fails to meet its refund obligation. The subsidiary has no direct liability to the lessor and has title insurance on the leased coal deposits of $240 million covering the secondary obligation. The Company and the subsidiary regard the circumstances entitling the lessor to a refund as remote. The Company has agreed to maintain the subsidiary s net worth at $108 million until July 1, 2025.

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

As part of its ongoing business and operations, the Company and its affiliates are required to provide surety bonds, bank letters of credit and bank guarantees as financial support for various purposes, including environmental reclamation, exploration permitting, workers compensation programs and other general corporate purposes. At June 30, 2003 and December 31, 2002, there were $199.1 million and $177.0 million of outstanding letters of credit, surety bonds and bank guarantees (excluding the surety bond supporting the prepaid forward transaction described in the Financing Activities section of Management s Discussion and Analysis of Results of Operations and Financial Condition). The surety bonds, letters of credit and bank guarantees reflect fair value as a condition of their underlying purpose and are subject to fees competitively determined in the market place. The obligations associated with these instruments are generally related to performance requirements that the Company addresses through its ongoing operations. As the specific requirements are met, the beneficiary of the associated instrument cancels and/or returns the instrument to the issuing entity. Certain of these instruments are associated with operating sites with long-lived assets and will remain outstanding until closure. Generally, bonding requirements associated with environmental regulation are becoming more restrictive. In addition, the surety markets for certain types of environmental bonding used by the Company have become increasingly constrained. The Company, however, believes it is in compliance with all applicable bonding obligations and will be able to satisfy future bonding requirements, through existing or alternative means, as they arise.

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

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(19) PRO FORMA STOCK OPTION COMPENSATION EXPENSE

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
Net income applicable to common shares				
As reported	$ 90.8	$ 67.1	$ 208.1	$ 58.4
SFAS 123 expense	(5.4)	(1.7)	(8.2)	(4.7)
Pro forma	$ 85.4	$ 65.4	$ 199.9	$ 53.7
Net income (loss) per share, basic				
As reported	$ 0.22	$ 0.17	$ 0.52	$ 0.17
SFAS 123 expense	(0.01)	(0.01)	(0.02)	(0.01)
Pro forma	$ 0.21	$ 0.16	$ 0.50	$ 0.16
Net income (loss) per share, diluted				
As reported	$ 0.22	$ 0.17	$ 0.51	$ 0.17
SFAS 123 expense	(0.01)	(0.01)	(0.02)	(0.01)
Pro forma	$ 0.21	$ 0.16	$ 0.49	$ 0.16

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(20) CONDENSED CONSOLIDATING FINANCIAL STATEMENTS

	Three Months Ended June 30, 2003				
Consolidating Statement of Operations	**Newmont Mining Corporation**	**Newmont USA**	**Other Subsidiaries**	**Eliminations**	**Newmont Mining Corporation Consolidated**
	(unaudited, in millions)				
Revenues					
Sales gold	$	$ 519.6	$ 204.4	$	$ 724.0
Sales base metals, net			12.8		12.8
Royalties		0.1	10.7	(0.4)	10.4
		519.7	227.9	(0.4)	747.2
Costs and expenses					
Costs applicable to sales (exclusive of depreciation, depletion and amortization shown separately below)					
Gold		281.6	142.8	(0.7)	423.7
Base metals			10.0		10.0
Depreciation, depletion and amortization		93.7	45.6		139.3
Exploration and research		16.6	13.6		30.2
General and administrative		23.2	7.7	0.4	31.3
Write-down of long-lived assets		1.2	0.6		1.8
Other		4.0	(1.6)		2.4
		420.3	218.7	(0.3)	638.7
Other income (expense)					
Gain on gold commodity derivative instruments, net		(18.6)	111.8	(76.6)	16.6
Gain on extinguishment of NYOL bonds, net				94.4	94.4
Gain on extinguishment of NYOL derivatives liability, net				76.6	76.6
Dividends, interest income, foreign currency exchange and other income (loss) intercompany	5.3	8.4	2.0	(15.7)	
Dividends, interest income, foreign currency exchange and other income (loss)	31.2	8.5	(7.4)		32.3
Interest expense intercompany	(2.4)	(1.5)	(11.8)	15.7	
Interest expense, net of capitalized interest	(0.6)	(16.7)	(5.4)		(22.7)
	33.5	(19.9)	89.2	94.4	197.2
Pre-tax income (loss) before minority interest, equity income (loss) and impairment of affiliates	33.5	79.5	98.4	94.3	305.7
Income tax expense	(11.8)	(28.2)	(18.5)	(30.5)	(89.0)

Minority interest in (income) loss of subsidiaries		(36.9)	12.9	(11.8)	(35.8)
Equity loss and impairment of Australian Magnesium Corporation			(107.8)		(107.8)
Equity income (loss) of affiliates	69.2	18.4	138.0	(207.8)	17.8
Net income (loss)	90.9	32.8	123.0	(155.8)	90.9
Preferred stock dividends					
Net income (loss) applicable to common shares	$ 90.9	$ 32.8	$ 123.0	$ (155.8)	$ 90.9

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Consolidating Statement of Operations	Newmont Mining Corporation	Newmont USA	Other Subsidiaries	Eliminations	Newmont Mining Corporation Consolidated
	Three Months Ended June 30, 2002				
	(unaudited, in millions)				
Revenues					
Sales gold	$	$ 436.8	$ 172.7	$	$ 609.5
Sales base metals, net			22.9		22.9
Royalties		0.6	12.4	(1.8)	11.2
		437.4	208.0	(1.8)	643.6
Costs and expenses					
Costs applicable to sales (exclusive of depreciation, depletion and amortization shown separately below)					
Gold		276.1	109.6	(2.3)	383.4
Base metals			8.7		8.7
Depreciation, depletion and amortization		68.3	55.3		123.6
Exploration and research		10.9	7.9		18.8
General and administrative		20.8	6.9		27.7
Other		(0.5)	(1.3)		(1.8)
		375.6	187.1	(2.3)	560.4
Other income (expense)					
Gain on investments		47.3			47.3
Gain (loss) on gold commodity derivative instruments, net		0.4	(9.9)		(9.5)
Dividends, interest income, foreign currency exchange and other income (loss) intercompany	5.0	1.4	8.5	(14.9)	
Dividends, interest income, foreign currency exchange and other income		3.6	11.3		14.9
Interest expense intercompany	(5.6)	(2.8)	(6.2)	14.6	
Interest expense, net of capitalized interest		(25.1)	(10.0)		(35.1)
	(0.6)	24.8	(6.3)	(0.3)	17.6
Pre-tax (loss) income before minority interest and equity income (loss)	(0.6)	86.6	14.6	0.2	100.8
Income tax (expense) benefit		(18.5)	(15.4)	4.1	(29.8)
Minority interest in (income) loss of subsidiaries	(7.4)	(18.3)	(0.1)	6.5	(19.3)
Equity loss of Australian Magnesium Corporation			(0.7)		(0.7)
Equity income (loss) of affiliates	77.0	13.5	15.0	(87.5)	18.0
Net income (loss)	69.0	63.3	13.4	(76.7)	69.0
Preferred stock dividends	(1.9)				(1.9)

Net income (loss) applicable to common shares	$ 67.1	$ 63.3	$ 13.4	$ (76.7)	$ 67.1

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Consolidating Statement of Operations	Newmont Mining Corporation	Newmont USA	Other Subsidiaries	Eliminations	Newmont Mining Corporation Consolidated
	Six Months Ended June 30, 2003				
	(unaudited, in millions)				
Revenues					
Sales gold	$	$ 1,077.2	$ 361.4	$	$ 1,438.6
Sales base metals, net			32.2		32.2
Royalties		0.1	25.7	(0.9)	24.9
		1,077.3	419.3	(0.9)	1,495.7
Costs and expenses					
Costs applicable to sales (exclusive of depreciation, depletion and amortization shown separately below)					
Gold		573.6	250.4	(1.3)	822.7
Base metals			25.3		25.3
Depreciation, depletion and amortization		181.2	88.7		269.9
Exploration and research		27.4	24.3		51.7
General and administrative		43.1	14.1	0.5	57.7
Write-down of long-lived assets		1.2	0.6		1.8
Other		28.8	3.4	(7.6)	24.6
		855.3	406.8	(8.4)	1,253.7
Other income (expense)					
Gain (loss) on investments, net			91.9	(7.6)	84.3
Gain on gold commodity derivative instruments, net		(18.6)	166.8	(76.6)	71.6
Gain on extinguishment of NYOL bonds, net				94.4	94.4
Gain on extinguishment of NYOL derivatives liability, net				76.6	76.6
Loss on extinguishment of debt		(14.3)	(5.2)		(19.5)
Dividends, interest income, foreign currency exchange and other income (loss) intercompany	10.2	12.5	6.1	(28.8)	
Dividends, interest income, foreign currency exchange and other income (loss)	56.1	11.2	(3.1)		64.2
Interest expense intercompany	(4.6)	(4.9)	(19.3)	28.8	
Interest expense, net of capitalized interest	(1.1)	(37.3)	(14.2)		(52.6)
	60.6	(51.4)	223.0	86.8	319.0
Pre-tax income (loss) before minority interest, equity income (loss) and impairment of affiliates and cumulative effect of a change in accounting principle	60.6	170.6	235.5	(94.3)	561.0
Income tax expense	(21.2)	(49.1)	(50.8)	(30.5)	(151.6)
Minority interest in (income) loss of subsidiaries		(75.9)	9.4	(7.1)	(73.6)

Equity loss and impairment of Australian Magnesium Corporation			(119.5)		(119.5)
Equity income (loss) of affiliates	168.7	25.8	154.0	(322.2)	26.3
Net income (loss) before cumulative effect of a change in accounting principle	208.1	71.4	228.6	(265.5)	242.6
Cumulative effect of a change in accounting principle, net of tax		(31.5)	(3.0)		(34.5)
Net income (loss)	208.1	39.9	225.6	(265.5)	208.1
Preferred stock dividends					
Net income (loss) applicable to common shares	$ 208.1	$ 39.9	$ 225.6	$ (265.5)	$ 208.1

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Consolidating Statement of Operations	Newmont Mining Corporation	Newmont USA	Other Subsidiaries	Eliminations	Newmont Mining Corporation Consolidated
	Six Months Ended June 30, 2002				
	(unaudited, in millions)				
Revenues					
Sales gold	$	$ 840.8	$ 251.0	$	$ 1,091.8
Sales base metals, net			32.3		32.3
Royalties		1.2	16.2	(2.4)	15.0
		842.0	299.5	(2.4)	1,139.1
Costs and expenses					
Costs applicable to sales (exclusive of depreciation, depletion and amortization shown separately below)					
Gold		552.4	162.3	(2.7)	712.0
Base metals			19.4		19.4
Depreciation, depletion and amortization		149.4	76.4		225.8
Exploration and research		19.8	10.6		30.4
General and administrative		37.6	11.4		49.0
Other		2.4	(3.3)		(0.9)
		761.6	276.8	(2.7)	1,035.7
Other income (expense)					
Gains on investments		47.3			47.3
Gain (loss) on gold commodity derivative instruments, net		0.4	(3.5)		(3.1)
Dividends, interest income, foreign currency exchange and other income (loss) intercompany	5.0	1.9	10.6	(17.5)	
Dividends, interest income, foreign currency exchange and other income (loss)		8.6	6.6		15.2
Interest expense intercompany	(5.6)	(2.8)	(9.1)	17.5	
Interest expense, net of capitalized interest		(50.2)	(16.0)		(66.2)
	(0.6)	5.2	(11.4)		(6.8)
Pre-tax (loss) income before minority interest, equity income (loss) and cumulative effect of a change in accounting principle	(0.6)	85.6	11.3	0.3	96.6
Income tax (expense) benefit		(16.8)	(18.3)	4.1	(31.0)
Minority interest in (income) loss of subsidiaries	(7.4)	(28.8)	1.4	5.0	(29.8)
Equity loss of Australian Magnesium Corporation			(0.7)		(0.7)
Equity income (loss) of affiliates		15.0	4.4		19.4
Equity income (loss) of subsidiaries	70.2		9.1	(79.3)	

Net income (loss) income before cumulative effect of a change in accounting principle	62.2	55.0	7.2	(69.9)	54.5
Cumulative effect of a change in accounting principle, net of tax		7.7			7.7
Net income (loss)	62.2	62.7	7.2	(69.9)	62.2
Preferred stock dividends	(3.8)				(3.8)
Net income (loss) applicable to common shares	$ 58.4	$ 62.7	$ 7.2	$ (69.9)	$ 58.4

45

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Consolidating Balance Sheets	Newmont Mining Corporation	Newmont USA	Other Subsidiaries	Eliminations	Newmont Mining Corporation Consolidated
	At June 30, 2003				
	(unaudited, in millions)				
Assets					
Cash and cash equivalents	$	$ 181.7	$ 93.0	$	$ 274.7
Marketable securities short-term		1.5	10.5		12.0
Accounts receivable	154.0	36.3	284.0	(429.3)	45.0
Inventories		131.6	38.9		170.5
Stockpiles and ore on leach pads		255.4	21.6		277.0
Prepaid taxes		19.3			19.3
Deferred stripping costs short term		24.0	4.7		28.7
Deferred income tax assets		(3.8)	57.3		53.5
Newmont Australia infrastructure bonds			114.3		114.3
Other current assets	390.1	20.7	155.7	(503.2)	63.3
Current assets	544.1	666.7	780.0	(932.5)	1,058.3
Property, plant and mine development, net		1,955.7	387.4		2,343.1
Mineral interests and other intangible assets, net		253.2	1,151.9		1,405.1
Investments		684.9	869.8	(859.6)	695.1
Investment in subsidiaries	4,901.3		2,078.6	(6,979.9)	
Marketable securities long-term			291.0		291.0
Deferred stripping costs long term		32.0	7.3		39.3
Long-term stockpiles and ore on leach pads		260.2	22.3		282.5
Deferred income tax assets	15.1	538.4	325.8		879.3
Other long-term assets	0.8	554.6	4.8	(471.0)	89.2
Goodwill		93.7	2,975.0		3,068.7
Total assets	$ 5,461.3	$ 5,039.4	$ 8,893.9	$ (9,243.0)	$ 10,151.6
Liabilities					
Current portion of long-term debt	$	$ 58.9	$ 117.5	$	$ 176.4
Accounts payable	129.5	208.2	101.7	(288.4)	151.0
Deferred income tax liabilities		8.8	0.4		9.2
Derivative instruments		(5.7)	13.6		7.9
Employee-related benefits short-term		77.6	39.6		117.2
Other accrued liabilities	20.7	541.1	499.7	(641.4)	420.1
Current liabilities	150.2	888.9	772.5	(929.8)	881.8
Long-term debt	19.0	993.6	264.6		1,277.2
Reclamation and remediation liabilities		295.9	126.1		422.0
Deferred revenue from sale of future production		53.8			53.8
Derivative instruments		(53.3)	70.6		17.3
Deferred income tax liabilities	64.0	145.8	501.9	30.5	742.2
Employee related benefits long-term		214.7			214.7
Other long-term liabilities	294.2	107.2	546.3	(568.1)	379.6
Total liabilities	527.4	2,646.6	2,282.0	(1,467.4)	3,988.6
Minority interest in subsidiaries		409.6	346.5	(393.9)	362.2

Stockholders equity					
Preferred stock			60.7	(60.7)	
Common stock	579.7		0.1	(0.1)	579.7
Additional paid-in capital	4,284.6	2,045.1	5,785.6	(6,962.0)	5,153.3
Accumulated other comprehensive (loss) income	(3.9)	(43.6)	(10.6)	54.2	(3.9)
Retained (deficit) earnings	73.5	(18.3)	429.6	(413.7)	71.7
Total stockholders equity	4,933.9	1,983.2	6,265.4	(7,381.7)	5,800.8
Total liabilities and stockholders equity	$ 5,461.3	$ 5,039.4	$ 8,893.9	$ (9,243.0)	$ 10,151.6

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Consolidating Balance Sheets	Newmont Mining Corporation	Newmont USA	Other Subsidiaries	Eliminations	Newmont Mining Corporation Consolidated
	At December 31, 2002				
	(unaudited, in millions)				
Assets					
Cash and cash equivalents	$	$ 165.1	$ 236.6	$	$ 401.7
Marketable securities short-term		0.6	12.6		13.2
Accounts receivable	14.2	43.1	184.4	(197.2)	44.5
Inventories		126.4	42.9		169.3
Stockpiles and ore on leach pads		308.9	20.1		329.0
Prepaid taxes		28.3			28.3
Deferred stripping costs short term		25.1	7.0		32.1
Deferred income tax assets		4.6	46.9		51.5
Other current assets	331.9	163.8	221.0	(673.0)	43.7
Current assets	346.1	865.9	771.5	(870.2)	1,113.3
Property, plant and mine development, net		1,916.5	370.5		2,287.0
Mineral interests and other intangible assets, net		243.6	1,171.7		1,415.3
Marketable securities long-term		661.0	3,276.7	(2,731.0)	1,206.7
Investment in subsidiaries	4,516.9			(4,516.9)	
Deferred stripping costs long term		18.6	4.7		23.3
Long-term stockpiles and ore on leach pads		171.1	28.7		199.8
Deferred income tax assets		481.1	280.3		761.4
Other long-term assets	1.0	318.3	28.0	(227.2)	120.1
Goodwill		93.7	2,933.9		3,027.6
Total assets	$ 4,864.0	$ 4,769.8	$ 8,866.0	$ (8,345.3)	$ 10,154.5
Liabilities					
Current portion of long-term debt	$	$ 91.5	$ 23.8	$	$ 115.3
Accounts payable	115.9	81.4	104.9	(196.9)	105.3
Deferred income tax liabilities		26.9	1.6		28.5
Derivative instruments			75.0		75.0
Employee-related benefits short-term		63.8	37.2		101.0
Other accrued liabilities	48.3	422.5	471.0	(673.4)	268.4
Current liabilities	164.2	686.1	713.5	(870.3)	693.5
Long-term debt		1,090.1	611.2		1,701.3
Reclamation and remediation liabilities		168.0	120.5		288.5
Deferred revenue from sale of future production		53.8			53.8
Derivative instruments			388.7		388.7
Deferred income tax liabilities	49.0	155.2	452.2		656.4
Employee related benefits long-term		232.8	1.3		234.1
Other long-term liabilities	161.0	95.1	335.6	(227.3)	364.4
Total liabilities	374.2	2,481.1	2,623.0	(1,097.6)	4,380.7
Minority interest in subsidiaries		379.3	365.1	(389.8)	354.6

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

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Statement of Consolidating Cash Flows	Newmont Mining Corporation	Newmont USA	Other Subsidiaries	Eliminations	Newmont Mining Corporation Consolidated
	Six Months Ended June 30, 2003				
	(unaudited, in millions, as restated - see Note 23)				
Operating activities:					
Net income	$ 208.1	$ 39.9	$ 225.6	$ (265.5)	$ 208.1
Adjustments to reconcile net income to net cash provided by operating activities	(224.8)	212.2	(151.2)	265.4	101.6
Change in working capital	15.3	(14.1)	(91.6)	(24.8)	(115.2)
Net cash (used in) provided by operating activities	(1.4)	238.0	(17.2)	(24.9)	194.5
Investing activities:					
Additions to property, plant and mine development		(167.0)	(52.1)		(219.1)
Proceeds from sale of short-term investments		10.0	(56.2)		(46.2)
Proceeds from sale of TVX Newmont Americas			180.0		180.0
Investments in affiliates and other	0.6	10.1	(49.4)		(38.7)
Net cash provided by (used in) investing activities	0.6	(146.9)	22.3		(124.0)
Financing activities:					
Net borrowings (repayments)	4.5	(75.6)	(136.3)		(207.4)
Dividends paid on common and preferred stock	(28.6)		(3.7)		(32.3)
Proceeds from stock issuance and other	24.9		(24.9)	24.9	24.9
Net cash provided by (used in) financing activities	0.8	(75.6)	(164.9)	24.9	(214.8)
Effect of exchange rate changes on cash		1.1	16.2		17.3
Net change in cash and cash equivalents		16.6	(143.6)		(127.0)
Cash and cash equivalents at beginning of period		165.1	236.6		401.7
Cash and cash equivalents at end of period		181.7	93.0		274.7

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Statement of Consolidating Cash Flows	Newmont Mining Corporation	Newmont USA	Other Subsidiaries	Eliminations	Newmont Mining Corporation Consolidated
	Six Months Ended June 30, 2002				
	(unaudited, in millions, as restated - see Note 23)				
Operating activities:					
Net income	$ 62.2	$ 62.7	$ 7.2	$ (69.9)	$ 62.2
Adjustments to reconcile net income to net cash provided by operating activities	0.3	114.9	77.5	(0.3)	192.4
Change in working capital		12.4	(67.1)		(54.7)
Net cash provided by operating activities	62.5	190.0	17.6	(70.2)	199.9
Investing activities:					
Additions to property, plant and mine development		(100.1)	(40.7)		(140.8)
Proceeds from sale of short-term investments			406.7		406.7
Proceeds from sale of marketable securities of Lihir		84.0			84.0
Proceeds from settlement of cross currency swaps			50.8		50.8
Net cash effect of acquisitions	(87.9)				(87.9)
Investments in affiliates	(70.2)			70.2	
Proceeds from asset sales and other		(19.2)	14.4		(4.8)
Net cash provided by (used in) investing activities	(158.1)	(35.3)	431.2	70.2	308.0
Financing activities:					
Net borrowings (repayments)	58.8	(180.6)	(300.9)		(422.7)
Dividends paid on common and preferred stock	(22.6)		(3.3)		(25.9)
Proceeds from stock issuance	59.3	3.6			62.9
Other	0.1	(0.7)			(0.6)
Net cash provided by (used in) financing activities	95.6	(177.7)	(304.2)		(386.3)
Effect of exchange rate changes on cash		0.3	14.1		14.4
Net change in cash and cash equivalents		(22.7)	158.7		136.0
Cash and cash equivalents at beginning of period		149.4			149.4
Cash and cash equivalents at end of period	$	$ 126.7	$ 158.7	$	$ 285.4

(21) SUBSEQUENT EVENTS

NYOL

On July 3, 2003, the board of directors of NYOL resolved to place the company into VA as it was insolvent or likely to become insolvent. Under Australian VA law, the powers of all NYOL officers have been suspended and control of NYOL has been transferred to an Independent Administrator. During the VA process, the role of the directors of NYOL is to assist the Independent Administrator and provide certain information. The Independent Administrator s role is to manage the operations of NYOL during such time as the Independent Administrator investigates whether NYOL s creditors and NYOL can work out a solution to NYOL s financial position such that NYOL may be returned to the control of the original board of directors, reorganized or liquidated. The Independent Administrator is responsible for soliciting and accessing proposed deeds of company arrangement (DOCA), with the creditors role essentially limited to consulting with the administrator and then voting on the proposed DOCA. Under Australian VA law, the court is called upon only when disputes require adjudication during the process. VA is governed by strict timeframes, with a decision on the future of the company made at a meeting a maximum of 28 days from the commencement of the administration (with extensions allowed with court approval). As a result of NYOL s placement into VA on July 3, 2003, Newmont does not have the unilateral ability to control or effectively control NYOL during the VA process, and accordingly, Newmont concluded that, in accordance with paragraph 4 of Statement of Financial Accounting Standards No. 94, it is appropriate to deconsolidate NYOL from the consolidated group effective on that date.

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

In conjunction with the VA process, Newmont has made an offer to the Independent Administrator that, if accepted, would bring NYOL out of VA. The offer effectively values the assets at $200 million and may result in NYOL s outstanding third-party Senior Note holders and the remaining hedge contract counterparty receiving not more than $0.40 on the dollar. If Newmont s offer is accepted, NYOL would be returned to the control of its directors, and its employees would continue their employment as usual. In addition, Newmont would honor any prior unpaid obligations to NYOL s employees and offer trade creditors payment in full.

In order to comply with applicable requirements and to allow holders of NYOL s outstanding 8 7/8% Senior Notes more time to assess these developments, YBCL extended the expiration of the offer to acquire the Senior Notes to July 11, 2003. YBCL subsequently extended the deadline to July 18, 2003. Since June 30, 2003, YBCL has received tenders for an additional $40.2 million of principal, such that YBCL has now received tenders for a total of $237.0 million of principal, or 99.9% of the original $237.2 million outstanding third-party principal at the date of its initial offer.

Mesquite Mine

On July 3, 2003, Newmont signed a letter of intent with Western Goldfields, Inc. (WGI) to sell its Mesquite mine. Under the terms of the proposed transaction, Newmont would sell the majority of the assets of the operation to WGI in exchange for restricted common stock and warrants to purchase common stock of WGI, a 50% net profits interest, royalty on future production from existing leach pads, net of smelter return, royalties on production from future expansion, and the assumption of reclamation and remediation liabilities by WGI associated with the operation. Newmont would also be released from the performance bonds for reclamation, remediation, mine closure and other obligations associated with the assets being sold. The transaction is subject to certain conditions precedent before closing, including the completion of due diligence by WGI. The transaction is not expected to have a significant impact on Newmont s results of operations, cash flows or financial position.

Australian Magnesium Corporation (AMC)

On July 22, 2003, AMC issued 16,115,754 of ordinary shares to a shareholder other than Newmont. As a result of the issuance, Newmont s holdings in AMC were diluted to a 26.9% interest in the company. The transaction did not have a significant impact on Newmont s results of operations, cash flows or financial position.

(22) SUPPLEMENTARY DATA

Ratio of Earnings to Fixed Charges

The ratio of earnings to fixed charges for the six months ended June 30, 2003 was 9.2%. The ratio of earnings to fixed charges represents income before income taxes and interest expense divided by interest expense. Interest expense includes amortization of capitalized interest and the portion of rent expense representative of interest. Newmont guarantees certain third party debt; however, it has not been and does not expect to be required to pay any amounts associated with such debt. Therefore, related interest on such debt has not been included in the ratio of earnings to fixed charges.

(23) RESTATEMENT OF STATEMENTS OF CONSOLIDATED CASH FLOWS

The Statements of Consolidated Cash Flows for the six month periods ended June 30, 2003 and 2002 have been restated. The Company has determined that it had incorrectly classified the impact of foreign currency

NEWMONT MINING CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

exchange rate changes among *Net cash provided by operating activities* and *Effect of exchange rate changes on cash* in the Statements of Consolidated Cash Flows and, therefore, a restatement is required to classify the impact of foreign currency exchange rate changes to the proper line items. In addition, for the six-month period ended June 30, 2003, the Company corrected certain misclassifications between *Net cash provided by operating activities* and *Net cash used in investing activities*.

The following Condensed Statements of Consolidated Cash Flows for the six month periods ended June 30, 2003 and 2002 set forth the effects of these restatements:

	Six Months Ended June 30, 2003		
	As Previously Reported	Adjustments	As Restated
		(in thousands)	
Net cash provided by operating activities	$ 224,946	$ (30,360)	$ 194,586
Net cash used in investing activities	(119,206)	(4,805)	(124,011)
Net cash used in financing activities	(214,817)		(214,817)
Effect of exchange rate changes on cash	(17,865)	35,165	17,300
Net change in cash and cash equivalents	(126,942)		(126,942)
Cash and cash equivalents at the beginning of period	401,683		401,683
Cash and cash equivalents at the end of period	$ 274,741	$	$ 274,741

	Six Months Ended June 30, 2002		
	As Previously Reported	Adjustments	As Restated
		(in thousands)	
Net cash provided by operating activities	$ 198,084	$ 1,848	$ 199,932
Net cash provided by investing activities	307,992		307,992
Net cash used in financing activities	(386,350)		(386,350)
Effect of exchange rate changes on cash	16,248	(1,848)	14,400
Net change in cash and cash equivalents	135,974		135,974
Cash and cash equivalents at the beginning of period	149,431		149,431
Cash and cash equivalents at the end of period	$ 285,405	$	$ 285,405

ITEM 2. MANAGEMENT S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The following provides information that management believes is relevant to an assessment and understanding of the consolidated results of operations and financial condition of Newmont Mining Corporation and its subsidiaries (collectively, Newmont or the Company). The discussion should be read in conjunction with the Consolidated Financial Statements and Management s Discussion and Analysis included in Newmont s Annual Report on Form 10-K/A for the year ended December 31, 2002. References to A$ refer to Australian currency, CDN$ to Canadian currency, and US$ or $ to United States currency.

Restatements

As further described in Note 23 to the Consolidated Financial Statements, Newmont has determined that certain adjustments are required to restate the Statements of Consolidated Cash Flows for the six-month periods ended June 30, 2003 and 2002. The Company has determined that it incorrectly classified the impact of foreign currency exchange rate changes among *Net cash provided by operating activities* and *Effect of exchange rate changes on cash* in the Statements of Consolidated Cash Flows and, therefore, a restatement is required to classify the impact of foreign currency exchange rate changes to the proper line items. In addition, for the six-month period ended June 30, 2003, the Company corrected certain misclassifications between *Net cash provided by operating activities* and *Net cash used in investing activities*.

In total, the restatements decreased *Net cash provided by operating activities* by $30.4 million, increased *Net cash used in investing activities* by $4.8 million and increased *Effect of exchange rate changes on cash* by $35.2 million for the six-month period ended June 30, 2003. The restatements increased *Net cash provided by operating activities* by $1.8 million and decreased *Effect of exchange rate changes on cash* by $1.8 million for the six-month period ended June 30, 2002. The restatements had no effect on the Statements of Consolidated Operations and Comprehensive Income or the Consolidated Balance Sheets at or for the six-month periods ended June 30, 2003 and 2002.

Accounting Changes

Depreciation, depletion and amortization

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

Reclamation

In August 2001, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 143, Accounting for Asset Retirement Obligations, which established uniform methodology for accounting for estimated reclamation and abandonment costs. Newmont adopted the statement on January 1, 2003 when the Company recorded the estimated fair value of reclamation liabilities (asset retirement obligation or ARO) and increased the carrying amount of the related assets (asset retirement cost or ARC) to be retired in the future. The ARC will be depreciated over the life of the related assets and will be adjusted for changes resulting from revisions to either the timing or amount of the original ARO fair value estimate. The cumulative effect of this change in accounting principle decreased net income during the six months ended June 30, 2003 by $34.5 million, net of tax of $11.2 million, and decreased net income per share, basic by $0.08.

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

The table below presents the impact of the accounting change for the three- and six-month periods ended June 30, 2003 and the pro forma effect for the three- and six-month periods ended June 30, 2002 as if the change had been in effect for that period (unaudited, in thousands, except per share data):

	Three months ended June 30,		Six months ended June 30,	
	2003	2002 (pro forma)	2003	2002 (pro forma)
Increase/(decrease) to net income				
Costs applicable to sales (exclusive of depreciation, depletion and amortization shown separately below)				
Gold	$ 4,815	$ 1,752	$ 10,112	$ 1,905
Base metals	89		179	
Depreciation, depletion, and amortization	(3,420)	(3,307)	(6,833)	(6,614)
Income tax (expense) benefit	(519)	544	(1,210)	1,648
Minority interest	(995)	577	(1,953)	1,204
Equity loss of affiliate	(319)	(201)	(799)	(541)
Net loss before cumulative effect of a change in accounting principle	$ (349)	$ (635)	$ (504)	$ (2,398)
Net loss before cumulative effect of a change in accounting principle per common share, basic and diluted	$ 0.00	$ 0.00	$ 0.00	$ (0.01)

The table below presents pro forma net income and earnings per share before cumulative effect of a change in accounting principle for the three- and six-month periods ended June 30, 2002 as if the Company had adopted the SFAS No. 143 as of January 1, 2002 (unaudited, in thousands, except per share data):

	Three months ended June 30, 2002		Six months ended June 30, 2002	
	Net income applicable to common shares	Income per share	Net Income applicable to common shares	Income per share
As reported	$ 67,121	$ 0.17	$ 50,753	$ 0.15
Change in accounting method SFAS No. 143	(635)		(2,398)	(0.01)

Pro forma	$ 66,486	$ 0.17	$ (48,355)	$ 0.14

Acquisitions

Normandy Mining Limited and Franco-Nevada Mining Corporation Limited

On February 16, 2002, pursuant to a Canadian Plan of Arrangement, Newmont acquired 100% of Franco-Nevada Mining Corporation Limited (Franco-Nevada) in a stock-for-stock transaction in which Franco-Nevada common stockholders received 0.8 of a share of Newmont common stock, or 0.8 of a Canadian exchangeable share (exchangeable for Newmont common), for each common share of Franco-Nevada. The exchangeable shares are substantially equivalent to Newmont common shares. On February 20, 2002, Newmont obtained control of Normandy Mining Limited (Normandy) through a tender offer for all of the ordinary shares in the capital of Normandy. For accounting purposes, the effective date of the Normandy acquisition was the close of business on February 15, 2002, when Newmont received the irrevocable tender from shareholders for more than 50% of the outstanding shares of Normandy. Accordingly, the results of operations of Normandy and Franco-Nevada have been included in the accompanying financial statements from February 16, 2002 forward. On

February 26, 2002, when the tender offer for Normandy expired, Newmont controlled more than 96% of Normandy s outstanding shares. Newmont exercised its rights to acquire the remaining shares of Normandy in April 2002. Consideration paid for Normandy included 3.85 shares of Newmont common stock for every 100 ordinary shares of Normandy (including ordinary shares represented by American depository receipts) plus A$0.50 per Normandy share, or the U.S. dollar equivalent of that amount for Normandy stockholders outside Australia.

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

The purchase price for these acquisitions totaled $4.3 billion, composed of 197.0 million Newmont shares (or share equivalents), $461.7 million in cash and approximately $90.3 million of direct costs. The value of Newmont shares (or share equivalents) was $19.01 per share based on the average market price of the shares over the two-day period before and after January 2, 2002, the last trading day before the final and revised terms for the Normandy and Franco-Nevada acquisitions were announced.

The combination of Newmont, Normandy and Franco-Nevada was designed to create a platform for growth and for delivering superior returns to shareholders. With a larger global operating base, a broad and balanced portfolio of development projects and a stable income stream from mineral royalties and investments, the combined company has opportunities to optimize returns, realize synergies through rationalization of corporate overhead and exploration programs, realize operating efficiencies, reduce operating and procurement costs and reduce interest expense and income taxes. The acquisitions resulted in approximately $3.0 billion of goodwill primarily related to the merchant banking business, the combined global exploration expertise and the synergies discussed above.

The acquisitions were accounted for using the purchase method of accounting whereby assets acquired and liabilities assumed were recorded at their fair market values as of the date of acquisition. The excess of the purchase price over such fair value was recorded as goodwill. In accordance with SFAS No. 142, Goodwill and Other Intangible Assets, goodwill was assigned to specific reporting units. Goodwill and other identifiable intangibles not subject to amortization will be reviewed for possible impairment at least annually or more frequently when an event or change in circumstances indicates that a reporting unit s carrying amount is greater than its fair value. In conjunction with the preparation of the Consolidated Financial Statements for 2002, the Company finalized the purchase price allocation for the Normandy and Franco-Nevada acquisitions. The final purchase price allocation resulted in an increase in goodwill from approximately $2.6 billion to approximately $3.0 billion.

Newmont NFM Limited Scheme of Arrangement

On April 2, 2003, the shareholders of Normandy NFM Limited (an Australian corporation trading as Newmont NFM on the Australian Stock Exchange or ASX) voted to approve the proposed scheme of arrangement under which Newmont NFM would become a wholly-owned subsidiary of Newmont Australia Limited, a wholly-owned subsidiary of Newmont Mining Corporation, through the acquisition of the remaining minority interest of Newmont NFM. The Federal Court in Sydney, Australia approved the scheme on April 11, 2003 and the scheme became effective on April 14, 2003 after the orders of the Federal Court were filed with the Australian Securities and Investments Commission. Under the terms of the scheme, Newmont NFM shareholders could receive 4.40 ASX listed Newmont Mining Corporation CHESS Depositary Interests (CDIs), with each CDI equivalent to 0.1 Newmont Mining Corporation common shares. As an alternative to receiving Newmont Mining Corporation CDIs, shareholders could sell their Newmont NFM shares back to the company under a concurrent buy-back offer of A$16.50 per Newmont NFM share. On April 29, 2003, Newmont Mining

Corporation issued 4,437,506 common shares to the CHESS Depository Nominees Pty Ltd, and in turn, 44,375,060 CDIs were issued to former Newmont NFM shareholders. The market value of the issued Newmont Mining Corporation shares was approximately $105 million, based on the average quoted value of the shares of $23.58 two days before and after November 28, 2002, the date the terms of the transaction were agreed upon and announced. The market value of the issued shares, together with the cash consideration paid to those shareholders who elected to accept the buy-back offer and acquisition costs of approximately $10 million (including transaction costs), gave rise to a total purchase price of approximately $115 million. The transaction was accounted for as a purchase of minority interest in accordance with SFAS No. 141 Business Combinations in the second quarter of 2003. Newmont NFM was delisted from the ASX in April 2003. Newmont has performed a preliminary purchase price allocation based on independent appraisals and valuations that gave rise to goodwill of $77.1 million. The final purchase price allocation is not expected to vary significantly from the preliminary allocation.

Summary

Newmont recognized net income applicable to common shares of $90.8 million ($0.22 per share, basic) for the three months ended June 30, 2003 compared to net income of $67.1 million ($0.17 per share, basic) for the same period in 2002. The second quarter of 2003 includes, net of tax, a $63.9 million gain ($0.16 per share, basic) on the extinguishment of the bonds of Newmont Yandal Operations Pty Ltd (NYOL), a Newmont Australia Limited subsidiary; $53.6 million gain ($0.13 per share, basic) on extinguishment of a NYOL derivatives liability; $11.7 million ($0.03 per share, basic) for non-cash gains on derivative instruments; and, a write-down of the investment in Australian Magnesium Corporation (AMC) of $107.8 million ($0.27 per share, basic). The six months ended June 30, 2003 included, net of tax, a $63.9 million gain ($0.16 per share, basic) on the extinguishment of the NYOL bonds; $53.6 million gain ($0.13 per share, basic) on the extinguishment of the NYOL derivatives liability; $53.9 million ($0.13 per share, basic) for non-cash gains on derivative instruments; $68.0 million gain ($0.17 per share, basic) for the exchange of Echo Bay Mines Ltd. (Echo Bay) shares for shares of Kinross; a $13.0 million ($0.03 per share, basic) loss on extinguishment of debt; and an equity loss and write-down of the AMC investment of $119.5 million ($0.30 per share, basic). Total equity gold sales ounces (ounces attributable to Newmont s ownership or economic interest), total cash costs, total production costs and average realized gold prices per ounce were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	**2002**	**2003**	**2002**
Equity gold sales ounces (000)	1,824	1,863	3,604	3,328
Total cash costs per ounce	$ 212	$ 196	$ 207	$ 195
Total costs per ounce	277	$ 255	269	$ 256
Average price realized per ounce	$ 353	$ 314	$ 352	$ 304

See reconciliation of total cash costs per ounce to *Costs applicable to sales gold* starting on page 47.

Results of Operations

Gold Sales and Total Cash Costs

	Equity Ounces		Total Cash Costs	
	Three Months Ended June 30,			
	2003	2002	2003	2002
	(unaudited, in thousands)			
North America:				
Nevada	535.3	599.0	$ 254	$ 243
Golden Giant, Canada	53.8	78.5	248	166
Holloway, Canada	14.6	23.1	310	218
Mesquite, California	15.6	12.4	153	164
La Herradura, Mexico	17.8	15.2	201	180
Total/Weighted Average	637.1	728.2	251	231
South America:				
Yanacocha, Peru	343.7	245.4	118	141
Kori Kollo, Bolivia	48.9	66.4	188	146
Total/Weighted Average	392.6	311.8	127	142
Australia:				
Pajingo	93.8	74.4	132	95
Yandal	141.9	166.6	305	227
Tanami	190.7	131.2	232	199
Kalgoorlie	104.2	85.4	272	219
Total/Weighted Average	530.6	457.6	242	196
Other Operations:				
Minahasa, Indonesia	26.4	44.0	267	193
Zarafshan-Newmont, Uzbekistan	61.6	71.3	150	142
Martha, New Zealand	27.7	32.1	237	104
Ovacik, Turkey	51.2	31.2	123	120
Total/Weighted Average	166.9	178.6	175	144
Equity Investments and other:				
Batu Hijau, Indonesia	91.9	63.0	N/A	N/A
Echo Bay	0.0	62.9	N/A	N/A
TVX Newmont Americas	0.0	52.0	N/A	N/A
Golden Grove	4.8	9.1	N/A	N/A
Newmont Total/Weighted Average	1,823.9	1,863.2	$ 212	$ 196

56

	Equity Ounces		Total Cash Costs	
	Six Months Ended June 30,			
	2003	2002	2003	2002
	(unaudited, in thousands)			
North America:				
Nevada	1,168.2	1,205.1	$ 239	$ 240
Golden Giant, Canada	119.0	140.8	249	188
Holloway, Canada	32.7	51.0	301	205
Mesquite, California	30.2	27.9	163	160
La Herradura, Mexico	34.4	30.8	166	181
Total/Weighted Average	1,384.5	1,455.6	238	231
South America:				
Yanacocha, Peru	678.8	493.5	121	139
Kori Kollo, Bolivia	100.7	127.0	180	154
Total/Weighted Average	779.5	620.5	129	142
Australia:				
Pajingo	167.8	131.4	124	88
Yandal	281.2	253.7	290	212
Tanami	296.2	184.7	242	198
Kalgoorlie	193.2	126.5	261	217
Total/Weighted Average	938.4	696.3	239	186
Other Operations:				
Minahasa, Indonesia	58.1	85.8	250	188
Zarafshan-Newmont, Uzbekistan	121.7	123.7	146	142
Martha, New Zealand	47.3	46.6	229	129
Ovacik, Turkey	86.2	48.0	125	132
Total/Weighted Average	313.3	304.1	172	152
Equity Investments and other:				
Batu Hijau, Indonesia	146.2	103.3	N/A	N/A
Echo Bay	21.2	62.9	N/A	N/A
TVX Newmont Americas	14.5	76.2	N/A	N/A
Golden Grove	6.8	9.1	N/A	N/A
Newmont Total/Weighted Average	3,604.4	3,328.0	$ 207	$ 195

For all periods presented, total cash costs include charges for mining ore and waste associated with current period gold production, processing ore through milling and leaching facilities, by-product credits, production taxes, royalties and other cash costs. Certain gold mines produce silver as a by-product. Proceeds from the sale of by-products are reflected as credits to total cash costs. With the exception of Nevada, Yanacocha, Kori Kollo, Martha, and Golden Grove, such by-product sales have not been significant to the economics or profitability of the Company s mining operations. All of these charges and by-product credits are included in *Costs applicable to sales.* Charges for reclamation/accretion expense and write downs of inventories, stockpiles and ore on leach pads are also included in *Costs applicable to sales,* but are not included in total cash costs. A reconciliation of total cash costs to *Costs applicable to sales* in total and by segment is provided below.

Disclosure of total cash costs per ounce is 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 gold mining operations. This information differs from measures of performance determined in accordance with generally accepted accounting policies (GAAP) and should not be considered in isolation or as a substitute for measures of performance determined in accordance with GAAP. This measure was developed in conjunction with gold mining companies associated with the Gold Institute in an effort to provide a level of comparability; however, Newmont s measures may not be comparable to similarly titled measures of other companies.

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

For the Three Months Ended June 30,	Nevada		Mesquite		La Herradura		Golden Giant	
	2003	2002	2003	2002	2003	2002	2003	2002
				(in millions)				
Costs applicable to sales per financial statements	$ 138.3	$ 155.1	$ 2.4	$ 2.1	$ 3.5	$ 2.8	$ 13.7	$ 13.6
Minority interest								
Reclamation/accretion expense	(1.5)	(1.4)				(0.1)	(0.3)	(0.5)
Non-cash inventory adjustment		(0.7)						
Write-downs of inventories, stockpiles and ore on leach pads		(7.4)						
Other	(3.1)				0.1			
Total cash cost for per ounce calculation	$ 133.7	$ 145.6	$ 2.4	$ 2.1	$ 3.6	$ 2.7	$ 13.4	$ 13.1
Equity ounces sold (000)	535.3	599.0	15.6	12.4	17.8	15.2	53.8	78.5
Equity cash cost per ounce sold	$ 254	$ 243	$ 153	$ 164	$ 201	$ 180	$ 248	$ 166

	Holloway		Total North America		Yanacocha		Kori Kollo	
	2003	2002	2003	2002	2003	2002	2003	2002
				(in millions)				
Costs applicable to sales per financial statements	$ 4.7	$ 5.1	$ 162.6	$ 178.7	$ 83.5	$ 69.5	$ 11.2	$ 11.3
Minority interest					(42.2)	(34.6)	(1.3)	(1.3)
Reclamation/accretion expense	(0.2)	(0.2)	(2.0)	(2.2)	(0.9)	(0.7)	(0.7)	(0.3)
Non-cash inventory adjustment				(0.7)				
Write-downs of inventories, stockpiles and ore on leach pads				(7.4)				
Other			(3.0)		0.1	0.3		
Total cash cost for per ounce calculation	$ 4.5	$ 4.9	$ 157.6	$ 168.4	$ 40.5	$ 34.5	$ 9.2	$ 9.7
Equity ounces sold (000)	14.6	23.1	637.1	728.2	343.7	245.4	48.9	66.4
Equity cash cost per ounce sold	$ 310	$ 218	$ 251	$ 231	$ 118	$ 141	$ 188	$ 146

	Total South America		Pajingo		Yandal		Tanami	
	2003	2002	2003	2002	2003	2002	2003	2002
				(in millions)				
Costs applicable to sales per financial statements	$ 94.7	$ 80.8	$ 12.2	$ 7.6	$ 45.4	$ 39.0	$ 46.7	$ 32.3
Minority interest	(43.5)	(35.9)					0.1	(4.7)
Reclamation/accretion expense	(1.6)	(1.0)		(0.3)	(0.4)	(1.0)	(0.5)	(0.8)
Non-cash inventory adjustment				(0.2)		0.2		(0.8)
Write-downs of inventories, stockpiles and ore on leach pads					(1.7)	(0.1)	(2.1)	
Other	0.1	0.3	0.1	(0.1)		(0.3)	0.4	
Total cash cost for per ounce calculation	$ 49.7	$ 44.2	$ 12.3	$ 7.0	$ 43.3	$ 37.8	$ 44.6	$ 26.0
Equity ounces sold (000)	392.6	311.8	93.8	74.4	141.9	166.6	190.7	131.2
Equity cash cost per ounce sold	$ 127	$ 142	$ 132	$ 95	$ 305	$ 227	$ 232	$ 199

	Kalgoorlie		Total Australia		Minahasa		Martha	
	2003	2002	2003	2002	2003	2002	2003	2002

				(in millions)				
Costs applicable to sales per financial statements	$ 29.7	$ 19.6	$ 134.0	$ 98.5	$ 7.7	$ 9.0	$ 7.8	$ 3.9
Minority interest			0.1	(4.7)				
Reclamation/accretion expense	(0.4)	(0.5)	(1.3)	(2.6)	(0.2)	(0.3)		
Non-cash inventory adjustment		(0.4)		(1.2)				(0.4)
Write-downs of inventories, stockpiles and ore on leach pads	(1.0)		(4.8)	(0.1)			(1.2	
Other	0.1		0.6	(0.4)	(0.5)	(0.3)		(0.1)
Total cash cost for per ounce calculation	$ 28.4	$ 18.7	$ 128.6	$ 89.5	$ 7.0	$ 8.4	$ 6.6	$ 3.4
Equity ounces sold (000)	104.2	85.4	530.6	457.6	26.4	44.0	27.7	32.1
Equity cash cost per ounce sold	$ 272	$ 219	$ 242	$ 196	$ 267	$ 193	$ 237	$ 104

	Ovacik		Zarafshan-Newmont		Total Other International		Total Gold	
	2003	2002	2003	2002	2003	2002	2003	2002
	(in millions)							
Costs applicable to sales per financial statements	$ 6.4	$ 4.2	$ 9.4	$ 9.9	$ 31.3	$ 27.0	$ 422.6	$ 385.0
Minority interest							(43.4)	(40.6)
Reclamation/accretion expense		(0.1)	(0.1)		(0.3)	(0.4)	(5.2)	(6.2)
Non-cash inventory adjustment		(0.3)				(0.7)		(2.6)
Write-downs of inventories, stockpiles and ore on leach pads					(1.2)		(6.0)	(7.5)
Other	(0.1)	(0.1)	(0.1)	0.3	(0.7)	(0.2)	(3.0)	(0.3)
Total cash cost for per ounce calculation	$ 6.3	$ 3.7	$ 9.2	$ 10.2	$ 29.1	$ 25.7	$ 365.0	$ 327.8
Equity ounces sold (000)	51.2	31.2	61.6	71.3	166.9	178.6	1,727.2	1,676.2
Equity cash cost per ounce sold	$ 123	$ 120	$ 150	$ 142	$ 175	$ 144	$ 212	$ 196

	Golden Grove		Kasese		Other Non-Gold		Consolidated	
	2003	2002	2003	2002	2003	2002	2003	2002
	(in millions)							
Costs applicable to sales per financial statements	$ 9.7	$ 4.5	$	$ 4.1	$ 1.3	$ (1.5)	$ 433.6	$ 392.1
Minority interest							(43.4)	(40.6)
Reclamation/accretion expense							(5.2)	(6.2)
Non-cash inventory adjustment								(2.6)
Write-downs of inventories, stock piles and ore on leach pads	(3.5)	(0.1)					(9.5)	(7.6)
Other	(6.2)	(4.4)		(4.1)	(1.3)	1.5	(10.5)	(7.3)
Total cash cost for per ounce calculation	$	$	$	$	$	$	$ 365.0	$ 327.8
Equity ounces sold (000)							1,727.2	1,676.2
Equity cash cost per ounce sold	$	$	$	$	$	$	$ 212	$ 196

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

	Nevada		Mesquite		La Herradura		Golden Giant	
For the Six Months Ended June 30,	2003	2002	2003	2002	2003	2002	2003	2002
	(in millions)							
Costs applicable to sales per financial statements	$ 283.8	$ 309.5	$ 5.0	$ 4.5	$ 5.7	$ 5.7	$ 30.4	$ 27.3
Minority interest								
Reclamation/accretion expense	(3.1)	(2.9)	(0.1)			(0.1)	(0.8)	(0.8)
Non-cash inventory adjustment		(1.5)						
Write-downs of inventories, stockpiles and ore on leach pads	(1.0)	(15.3)						
Other	(3.1)							
Total cash cost for per ounce calculation	$ 276.6	$ 289.8	$ 4.9	$ 4.5	$ 5.7	$ 5.6	$ 29.6	$ 26.5
Equity ounces sold (000)	1,168.2	1,205.1	30.2	27.9	34.4	30.8	119.0	140.8
Equity cash cost per ounce sold	$ 239	$ 240	$ 163	$ 160	$ 166	$ 181	$ 249	$ 188

	Holloway		Total North America		Yanacocha		Kori Kollo	

	2003	2002	2003	2002	2003	2002	2003	2002
				(in millions)				
Costs applicable to sales per financial statements	$ 10.1	$ 10.7	$ 335.0	$ 357.7	$ 169.0	$ 138.7	$ 21.8	$ 22.8
Minority interest					(85.4)	(69.6)	(2.6)	(2.7)
Reclamation/accretion expense	(0.3)	(0.3)	(4.3)	(4.1)	(1.7)	(1.5)	(1.1)	(0.5)
Non-cash inventory adjustment				(1.5)				
Write-downs of inventories, stockpiles and ore on leach pads			(1.0)	(15.3)				
Other			(3.1)		0.2	0.9		
Total cash cost for per ounce calculation	$ 9.8	$ 10.4	$ 326.6	$ 336.8	$ 82.1	$ 68.5	$ 18.1	$ 19.6
Equity ounces sold (000)	32.7	51.0	1,384.5	1,455.6	678.8	493.5	100.7	127.0
Equity cash cost per ounce sold	$ 301	$ 205	$ 238	$ 231	$ 121	$ 139	$ 180	$ 154

	Total South America		Pajingo		Yandal		Tanami	
	2003	2002	2003	2002	2003	2002	2003	2002
				(in millions)				
Costs applicable to sales per financial statements	$ 190.8	$ 161.5	$ 20.6	$ 12.8	$ 85.1	$ 56.2	$ 78.3	$ 45.1
Minority interest	(88.0)	(72.3)					(4.3)	(6.4)
Reclamation/accretion expense	(2.8)	(2.0)	(0.1)	(0.5)	(1.1)	(1.5)	(0.4)	(1.0)
Non-cash inventory adjustment				(0.8)		(0.3)		(1.1)
Write-downs of inventories, stockpiles and ore on leach pads					(2.4)	(0.3)	(2.1)	
Other	0.2	0.9	0.2	(0.1)		(0.3)	0.2	
Total cash cost for per ounce calculation	$ 100.2	$ 88.1	$ 20.7	$ 11.4	$ 81.6	$ 53.8	$ 71.7	$ 36.6
Equity ounces sold (000)	779.5	620.5	167.8	131.4	281.2	253.7	296.2	184.7
Equity cash cost per ounce sold	$ 129	$ 142	$ 124	$ 88	$ 290	$ 212	$ 242	$ 198

	Kalgoorlie		Total Australia		Minahasa		Martha	
	2003	2002	2003	2002	2003	2002	2003	2002
				(in millions)				
Costs applicable to sales per financial statements	$ 52.1	$ 30.4	$ 236.1	$ 144.5	$ 17.1	$ 17.3	$ 13.9	$ 6.8
Minority interest			(4.3)	(6.4)			(0.4)	
Reclamation/accretion expense	(0.8)	(0.7)	(2.4)	(3.7)	(0.3)	(0.6)	(0.1)	(0.2)
Non-cash inventory adjustment		(2.1)		(4.3)				(0.5)
Write-downs of inventories, stockpiles and ore on leach pads	(1.0)		(5.5)	(0.3)	(1.3)		(2.6)	
Other	0.1		0.5	(0.4)	(1.0)	(0.5)	0.1	(0.1)
Total cash cost for per ounce calculation	$ 50.4	$ 27.6	$ 224.4	$ 129.4	$ 14.5	$ 16.2	$ 10.9	$ 6.0
Equity ounces sold (000)	193.2	126.5	938.4	696.3	58.1	85.8	47.3	46.6
Equity cash cost per ounce sold	$ 261	$ 217	$ 239	$ 186	$ 250	$ 188	$ 229	$ 129

	Ovacik		Zarafshan-Newmont		Total Other International		Total Gold	
	2003	2002	2003	2002	2003	2002	2003	2002
				(in millions)				
Costs applicable to sales per financial statements	$ 10.8	$ 7.2	$ 18.0	$ 17.4	$ 59.8	$ 48.7	$ 821.7	$ 712.4
Minority interest					(0.4)		(92.7)	(78.7)
Reclamation/accretion expense	(0.1)	(0.2)	(0.2)	(0.1)	(0.7)	(1.1)	(10.2)	(10.9)
Non-cash inventory adjustment		(0.6)				(1.1)		(6.9)
Write-downs of inventories, stockpiles and ore on leach pads					(3.9)		(10.4)	(15.6)
Other		(0.1)		0.3	(0.9)	(0.4)	(3.3)	0.1
Total cash cost for per ounce calculation	$ 10.7	$ 6.3	$ 17.8	$ 17.6	$ 53.9	$ 46.1	$ 705.1	$ 600.4
Equity ounces sold (000)	86.2	48.0	121.7	123.7	313.3	304.1	3,415.7	3,076.5
Equity cash cost per ounce sold	$ 125	$ 132	$ 146	$ 142	$ 172	$ 152	$ 207	$ 195

	Golden Grove		Kasese		Other Non-Gold		Consolidated	
	2003	2002	2003	2002	2003	2002	2003	2002

				(in millions)				
Costs applicable to sales per financial statements	$ 24.9	$ 13.1	$	$ 6.1	$ 1.4	$ (0.2)	$ 848.0	$ 731.4
Minority interest							(92.7)	(78.7)
Reclamation/accretion expense							(10.2)	(10.9)
Non-cash inventory adjustment								(6.9)
Write-downs of inventories, stockpiles and ore on leach pads	(6.8)	(0.3)					(17.2)	(15.9)
Other	(18.1)	(12.8)		(6.1)	(1.4)	0.2	(22.8)	(18.6)
Total cash cost for per ounce calculation	$	$	$	$	$	$	$ 705.1	$ 600.4
Equity ounces sold (000)							3,415.7	3,076.5
Equity cash cost per ounce sold	$	$	$	$	$	$	$ 207	$ 195

North American Operations

Gold sales at the Nevada Operations in the second quarter of 2003 were 535,300 ounces at total cash costs of $254 per ounce, compared to 599,000 ounces in the second quarter of 2002 at total cash costs of $243 per ounce. Gold sales during the first half of 2003 were 1,168,200 ounces at total cash costs of $239 per ounce, compared to 1,205,100 ounces at total cash costs of $240 per ounce during the first half of 2002. The decline in gold sales of 63,700 in the second quarter of 2003, compared to the second quarter of 2002, is primarily attributable to lower-than-planned production from the Deep Post underground mine due to ground control issues, unplanned maintenance at the Twin Creeks Autoclave, and a 57% reduction in oxide production due to the temporary shutdown in January of 2003 of Mill 5 at Carlin and lower grade oxide ore at Twin Creeks. Mill 5 recommenced production in June 2003. Refractory production also decreased 13% in the second quarter of 2003 compared to the same quarter in 2002 due to lower throughput attributable to a 23% reduction in milled ore mined from redeployment of the mining fleet for stripping of the Gold Quarry South Layback project. The reduction in throughput was partially offset by a 17% increase in mill feed grade and a 5% increase in recovery. Leach production in Nevada declined 15% in the second quarter of 2003, compared to the same period in 2002, primarily because of a 14% decrease in ore grade, partially offset by a 30% increase in ore placed on the leach pads. During the first half of 2003, Nevada s gold sales declined by 36,900 ounces compared to the first half of 2003 primarily due to a 41% decline in oxide production from the Mill 5 shutdown in January of 2003 and lower grade and recoveries at Twin Creeks, partially offset by 42% higher throughput from a full six months of production from the high-grade Midas operation that was acquired as part of the Normandy acquisition in February of 2002. Refractory production during the first half of 2003 was consistent with the same period in 2002. Production from increased efficiencies at the Carlin Roaster and higher grade ore at the Twin Creeks autoclaves were offset by lower grade ore at the Lone Tree Complex. Leach production declined 20% during the first half of 2003, compared to the same period in 2002, primarily due to less tons placed on the leach pads and lower grade ore. Total cash costs per ounce during the second quarter of 2003 increased $11 per ounce over the same period in 2002 because of the decrease in gold ounces sold, combined with higher pension costs and higher costs related to maintenance for major component rebuilds on equipment and operating supplies associated with stripping activity at GQSL and Section 30 at Twin Creeks. Contracted services also increased to boost production at the Chukar underground mine and for the north/south haul to free up Newmont equipment operators for stripping activity. During the first half of 2003, total cash costs per ounce were consistent with the same period in 2002. The negative impact of reduced gold ounces sold was offset by improved by-product credits. Nevada s silver by-product credits totaled $3.6 million and $0.0 for the three months ended June 30, 2003 and 2002, respectively, and $6.9 million and $1.9 million for the first halves of 2003 and 2002, respectively. Nevada s gold sales for the year 2003 are expected to total approximately 2.55 million ounces at total cash costs per ounce of $228.

Hourly waged employees at Newmont s Carlin, Nevada operations are represented by the Operating Engineers Local Union No. 3 of the International Union of Operating Engineers, AFL-CIO. On September 30, 2002, the Carlin labor agreement expired. During the last ten months, Newmont has been actively negotiating with the union and has undergone federal mediation in attempts to reach an acceptable contract. On July 23, 2003, with approximately 30% of the represented employees voting, the union rejected Newmont s proposed contract which would have provided represented employees with more than $17 million in increased compensation and benefits over the three-year life of the proposed agreement. Future meetings between Newmont and the union bargaining teams have not been scheduled at this time. Newmont s Carlin Trend mines continue normal operations, as they have since contract negotiations began in September 2002. Furthermore, Newmont 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.

Golden Giant reported gold sales of 53,800 ounces during the second quarter of 2003 at total cash costs of $248 per ounce, compared to 78,500 ounces at total cash costs of $166 per ounce during the same period in 2002. For the first half of 2003, Golden Giant sold 119,000 ounces at total cash costs of $249 per ounce, compared to 140,800 ounces at total cash costs of $188 per ounce during the first half of 2002. Second quarter 2003 gold sales declined by 24,700 ounces primarily from a 26% decline in tons milled from less flexibility in stope sequencing in the mine caused by limited fronts and a 7% decline in ore grade. Gold sales declined by 21,800 ounces during the first half of 2003 compared to the same period in 2002 primarily due to a 24% decrease in mill throughput also from diminishing mining fronts and increased stopes being mined simultaneously, partially offset by a 17% increase in mill ore grade. The increase in total cash costs per ounce for both the second quarter and first half of 2003, compared with the same periods in 2002, resulted primarily from appreciation in the Canadian dollar (see *Foreign Currency Exchange Rates* below) that had the effect of inflating local-currency denominated costs, combined with the declines in gold ounces sold. Golden Giant s gold sales for the year 2003 are expected to total approximately 230,000 ounces at total cash costs per ounce of $235.

Gold sales from the 84.65%-owned Holloway underground mine in Canada declined to 14,600 equity ounces in the second quarter of 2003, compared to 23,100 equity ounces in the second quarter of 2002, and total cash costs increased to $310 per equity ounce in 2003 compared to $218 per equity ounce in 2002. Gold sales were 32,700 equity ounces in the first half of 2003, compared to 51,000 equity ounces in the first half of 2002, and total cash costs increased to $301 per equity ounce in 2003 compared to $205 per equity ounce in 2002. Higher total cash costs in the second quarter and first half of 2003 resulted from declining production attributable to an approximately 25% decline in ore grade due to stope sequencing and a strengthening Canadian dollar (see *Foreign Currency Exchange Rates* below). Equity gold sales and total cash costs per equity ounce are expected to be approximately 65,000 ounces at $300 respectively, for the year 2003.

Gold sales at the Mesquite heap leach mine in southern California were 15,600 ounces at total cash costs of $153 per ounce in the second quarter of 2003, compared to 12,400 ounces at total cash costs of $164 per ounce in the same period of 2002. Gold sales were 30,200 ounces at total cash costs of $163 per ounce in the first half of 2003, compared to 27,900 ounces at total cash costs of $160 per ounce in the same period of 2002. Mining activities ceased in the second quarter of 2001 with the depletion of the ore body, and final gold production from ore on the leach pads is expected in 2004. Gold sales for the year 2003 are expected to total approximately 40,000 ounces at total cash costs of about $160 per ounce, assuming the sale of Mesquite to Western Goldfields Inc. is completed in August 2003 (see Investing Activities).

La Herradura, a 44%-owned joint venture in Mexico not operated by the company, sold 17,800 equity ounces in the second quarter of 2003 at total cash costs of $201 per equity ounce compared to 15,200 ounces at total cash costs of $180 per ounce in the second quarter of 2002. Gold sales were 34,400 equity ounces in the first half of 2003 at total cash costs of $166 per equity ounce compared to 30,800 ounces at total cash costs of $181 per ounce in the first half of 2002. Gold sales for the second quarter and the first half of 2003 increased over the same periods in 2002 from capital investment that led to faster mining rates and increased ore placement on the leach pads. Total cash costs per ounce in the second quarter of 2003 increased over the same period in 2002 from increased mining and leaching costs, while total cash costs for the first half of 2003 decreased compared to 2002 primarily due to the increase in gold ounces sold and from reduced manpower, purchasing lower cost consumables and initiating a new recirculation system that reduced the consumption of cyanide. Gold sales for the year 2003 are expected to be approximately 70,000 equity ounces at total cash costs of about $175 per equity ounce.

South American Operations

Sales at the 51.35%-owned Minera Yanacocha S.R.L. (Yanacocha) in Peru increased 40% in the second quarter of 2003 to 343,700 equity ounces from 245,400 equity ounces in the second quarter of 2002. Total cash costs per equity ounce decreased to $118 in the second quarter of 2003 from $141 in 2002. For the first half of 2003, equity gold sales were 678,800 ounces at total cash costs of $121 per ounce, compared to 493,500 ounces at total cash costs of $139 per ounce during the first half of 2002. The second quarter 2003 increase in production is primarily attributable to a 19% increase in ore grade, primarily from La Quinua and Carachugo, and a 12% increase in ore placed on the leach pads. The increase during the first half of 2003 compared to 2002 is primarily attributable to a 27% increase in ore grade and a 9% increase in ore placed on the leach pads; both variances are primarily related to the La Quinua pit. Total cash costs per ounce in the second quarter of 2003 dropped in comparison with the same period in 2002 because of the increase in gold ounces sold, partially offset by higher diesel fuel prices, higher consumption of lime and cyanide, lower by-product credits and an increase in workers participation bonuses. Total cash costs per equity ounce for the first half of 2003 decreased compared to the same period in 2002 primarily due to the increase in gold ounces sold, partially offset by higher workers participation bonuses. By-product credits for the three months ended June 30, 2003 and 2002 were $4.1 million and $1.9 million, respectively, and $6.8 million and $3.6 million for the first halves of 2003 and 2002, respectively. Yanacocha is expected to sell approximately 1.4 million equity ounces of gold for the year 2003 at total cash costs of about $117 per equity ounce.

At the 88%-owned Kori Kollo open-pit mine in Bolivia, gold sales totaled 48,900 equity ounces in the second quarter of 2003 at total cash costs of $188 per equity ounce, compared to 66,400 equity ounces in the second quarter of 2002 at a total cash costs of $146 per equity ounce. Gold sales and total cash costs were 100,700 equity ounces and $180 per equity ounce, respectively, in the first half of 2003, compared to 127,000 equity ounces at $154 per equity ounce in the first half of 2002. 25% lower mill feed grade and 25% lower ore placed on the leach pads were the primary factors contributing to lower production during the second quarter of 2003. Similar factors led to the decline in production for the first half of 2003. Total cash costs per ounce increased by $42 per ounce during the second quarter of 2003 compared to the same period in 2002 because of the decline in equity gold sales and higher fuel, maintenance and contracted services costs. The increase in total cash costs per equity ounce during the first half of 2003 compared to the first half of 2002 was primarily attributable to the reduction in equity gold ounces sold, partially offset by reduced consumption of reagents and spare parts. By-product credits for the three months ended June 30, 2003 and 2002 were $0.8 million and $0.6 million, respectively, and $1.6 million and $1.2 million for the first halves of 2003 and 2002, respectively. For the year 2003, equity gold sales are expected to total approximately 150,000 equity ounces at total cash costs of about $200 per equity ounce.

Australian Operations

Information related to Australian operations for the first half of 2002 reflects activity from February 16, 2002 (as the Normandy acquisition was effective February 15, 2002) through June 30, 2002, with the exception of Pajingo, which was 50% owned by Newmont prior to the acquisition of Normandy. In general, total cash costs per ounce at Australian operations increased in 2003 due to a strengthening Australian dollar, higher fuel costs and higher shared service and administrative costs.

At the Pajingo mine in North Queensland, gold sales for the second quarter of 2003 were 93,800 ounces at total cash costs of $132 per ounce, compared to 74,400 equity ounces and total cash costs of $95 per equity ounce in the second quarter of 2002. Gold sales were 167,800 ounces for the first half of 2003 at total cash costs of $124 per ounce, compared to the first half of 2002 sales and total cash costs of 131,400 ounces and $88 per ounce, respectively. Production in 2003 reflects 100% ownership of Pajingo for the entire first quarter, whereas Newmont owned only 50% of Pajingo for half of the first quarter in 2002 prior to the Normandy acquisition. Gold sales increased in the second quarter of 2003 by 19,400 ounces compared to the same period in 2002 primarily due to a 23% increase in mill ore grade and a 14% increase in mill throughput attributable to poor ground conditions in 2002 in one of the production stopes that reduced ore availability, causing low-grade ore to be milled. Gold sales for the first half of 2003 increased by 36,400 ounces primarily due to an 11% increase in ore grade and a 16% increase in mill throughput. Total cash costs per ounce at Pajingo increased by $37 during the second quarter of 2003 compared to the same period in 2002. In addition to the effects of appreciation of the Australian dollar, the operation incurred higher mining costs from 13% increase in the volume of ore mined, along with higher grinding media costs from higher mill throughput and increased overhead charges, partially offset by increased gold ounces sold. Total cash costs per ounce for the first half of 2003 increased by $36 for the same factors, including an 18% increase in the volume of ore mined. In addition, production and cash costs at Pajingo were adversely affected in the first quarter of 2003 by a shortfall of high-grade ore due to a delay in the development schedule of the Jandam and Vera South Deeps areas, resulting in supplemental production from lower-grade ore stockpiles. For the year 2003, gold sales are estimated at approximately 325,000 ounces at total cash costs of $135 per ounce.

At the Yandal operations, which consist of the Bronzewing, Jundee and Wiluna mines in Western Australia, gold sales for the second quarter of 2003 totaled 141,900 ounces at a total cash cost of $305 per ounce, compared to 166,600 ounces at $227 per ounce in second quarter of 2002. Total cash costs were $290 per ounce for the first half of 2003 on sales of 281,200 ounces, compared to $212 per ounce for the first half of 2003 on sales of 253,700 ounces. The decrease in gold ounces sold in the second quarter of 2003 of 24,700 ounces compared to the second quarter of 2002 resulted primarily from a 34% decrease in mill ore grade at Jundee and the closure of underground operations at the higher grade Lotus ore body at Bronzewing. The increase in gold ounces sold of 27,500 ounces during the first half of 2003 compared to the same period in 2002 resulted primarily from a 31% increase in mill throughput from a full six months of production in 2003, partially offset by a 21% decrease in mill ore grade driven by lower grades at all three sites. The increase in total cash costs per ounce of $78 per ounce during the second quarter of 2003 compared to the same period in 2002 is primarily due to the appreciation in the Australian dollar, decreased gold ounces sold, unplanned maintenance at Wiluna and the Nimary plant, higher power costs at Wiluna, increased underground activities at both Jundee and Wiluna and draw downs of higher cost stockpiles and other inventories. Total cash costs per ounce increased $78 per ounce for the first half of 2003 compared to the same period in 2003 primarily due to increased underground activities at Jundee and Wiluna, partially offset by higher gold ounces sold. Sales for 2003 are expected to total 595,000 ounces at cash costs per ounce of about $275 per ounce.

The Tanami operations in the Northern Territory sold 190,700 equity gold ounces at total cash costs of $232 per equity ounce during the second quarter of 2003, compared to 131,200 equity ounces at $199 per equity ounce in the second quarter of 2002. Gold sales were 296,200 equity ounces for the first half of 2003 at total cash costs of $242 per ounce, compared to 184,700 equity ounces at total cash costs of $198 per ounce during the first half of 2002. During the second quarter of 2003, gold sales increased by 59,500 ounces compared to the second quarter of 2002 primarily due to an increase in ownership resulting from the second quarter Newmont NFM Limited Scheme of Arrangement (see *Other Investing Activities*) and a 10% increase in mill ore grade. For the first half of 2003, gold sales increased by 111,500 ounces compared to the same period in 2002 due to the increase in ownership and a 39% increase in mill throughput and moderately higher mill ore grade. Total cash costs per equity ounce increased by $33 in the second quarter of 2003 primarily due to the appreciation of the Australian dollar, higher royalties from higher gold prices and increases in the severance accrual and overhead charges, partially offset by increased gold ounces sold. Total cash costs per ounce for the first half of 2003 increased by $44 compared to the same period in 2002 primarily from the appreciation of the Australian dollar and additional underground haulage costs as the mining operations at Callie to extend deeper into the ore body, partially offset by increased gold ounces sold. For the year 2003, Tanami operations are expected to sell approximately 580,000 equity ounces of gold at total cash costs of approximately $260 per equity ounce.

For the second quarter of 2003, equity gold sales at the 50%-owned Kalgoorlie operations in Western Australia totaled 104,200 ounces at total cash costs of $272 per equity ounce. Equity gold sales for the second quarter of 2002 were 85,400 ounces at total cash costs of $219 per equity ounce. For the six months ended June 30, 2003, equity gold sales were 193,200 ounces at total cash costs of $261 per ounce, compared to the six months ended June 30, 2002 equity sales of 126,500 at total cash costs of $217 per ounce. Second quarter 2003 gold sales increased by 18,800 ounces compared to the same period in 2002 primarily because of a 30% increase in mill ore grade and a 3% increase in recoveries from mill optimization work completed in 2002. Gold sales for the first half of 2003 increased by 66,700 ounces primarily due to a 26% increase in mill throughput and a 20% increase in mill ore grade, as well as having a full six months of production compared to a partial period in 2002. Total cash costs per ounce were $53 higher in the second quarter of 2003 compared to the same period in 2002 primarily due to the appreciation of the Australian dollar, increased activity at the Mt. Charlotte underground mine, increased open pit costs from unplanned equipment rental, additional drilling in preparation for a new shovel and increased processing costs from the acceleration of maintenance, partially offset by higher gold ounces sold. For the first half of 2003, total cash costs per ounce increased by $44 primarily due to the appreciation of the Australian dollar and the increase in mining activity at the Mt. Charlotte underground mine, partially offset by increased gold ounces sold. Equity gold sales and total cash costs per equity ounce for 2003 are expected to total approximately 380,000 equity ounces at total cash costs of about $290, respectively.

Other Mining Operations

Gold Operations

Information related to Martha, Ovacik, Golden Grove and TVX Newmont Americas for the first half of 2002 reflects activity from February 16, 2002 (as the Normandy acquisition was effective February 15, 2002) through June 30, 2002. Information related to Echo Bay in 2002 only reflects activity from April 3, 2002 (the date Newmont s investment was converted from capital debt securities to common shares of Echo Bay) through June 30, 2002. Information related to TVX Newmont Americas and Echo Bay for 2003 reflects activity from January 1, 2003, to January 31, 2003 only when the investments were sold and exchanged, respectively, as part of the Kinross transaction (See *Other Investing Activities*).

At the Minahasa mine in Indonesia, Newmont has an 80% interest but receives a greater percent of the gold production until recouping the bulk of its investment including interest. For the second quarter of 2003, sales decreased to 26,400 equity ounces at a total cash cost of $267 per equity ounce from 44,000 equity ounces at a total cash cost of $193 per ounce in the second quarter of 2002. Sales for the first half of 2003 decreased to 58,100 equity ounces and total cash costs of $250 per ounce, from 85,800 equity ounces with total cash costs of $188 per ounce in the first half of 2002. Gold sales declined by 17,600 ounces in the second quarter of 2003 compared to the same period in 2002 primarily due to a 35% decrease in ore grade. The decrease of 27,700 ounces during the first half of 2003 compared to the same period in 2002 resulted primarily from a 29% decrease in ore grade, partially offset by an 8% increase in mill throughput. Total cash costs per ounce increased by $74 in the second quarter of 2003 compared to the second quarter of 2002 primarily due to higher consumables, higher diesel fuel prices and higher contracted services, as well as the decline in gold ounces sold. Total cash costs per ounce for the first half of 2003 increased by $62 per ounce primarily due to the same factors as described for the second quarter. Mining activities ceased late in 2001; however, it is expected that processing of the remaining stockpiles will continue until April 2004. Production for the year 2003 is expected at approximately 100,000 equity ounces, with total cash costs of approximately $260 per equity ounce.

The Zarafshan-Newmont Joint Venture (Zarafshan) in the Central Asian Republic of Uzbekistan, in which Newmont has a 50% interest, sold 61,600 equity ounces in the second quarter of 2003 at total cash costs of $150 per equity ounce. In the second quarter of 2002, Zarafshan sold 71,300 equity ounces at total cash costs of $142 per equity ounce. Gold sales were 121,700 equity ounces with total cash costs of $146 per equity ounce during the first half of 2003, compared to equity sales of 123,700 ounces at total cash costs of $142 per equity ounce during the first half of 2002. The decline in gold sales of 9,700 ounces in the second quarter of 2003 compared to the second quarter of 2002 resulted primarily from a 17% decline in ore grade, partially offset by a 4% increase in tons placed on the pads. For the first half of 2003, gold sales were comparable with the same period of 2002 as a 13% decline in ore grade was largely offset by a 5% increase in ore placed on the leach pads. The lower ore grade is expected to continue during 2003. The $8 per equity ounce increase in total cash costs in the second quarter of 2003 compared to the same period in 2002 is primarily a result of the decrease in gold ounces sold. Total cash costs per equity ounce for the first half of 2003 are consistent with the costs for the first half of 2002. Zarafshan is expected to sell approximately 220,000 equity ounces at total cash costs of $150 per equity ounce for the year 2003.

Equity sales at Martha, located in New Zealand, were 27,700 equity ounces at total cash costs per equity ounce of $237 during the second quarter of 2003 compared to 32,100 equity ounces at total cash costs of $104 per equity ounce during the second quarter of 2002. Equity sales during the six months ended June 30, 2003 were 47,300 ounces at total cash costs of $229 per equity ounce, compared to equity sales for the six months ended June 30, 2002 of 46,600 ounces at total cash costs of $129 per equity ounce. The reduction in gold sales during the second quarter of 2003 compared to the second quarter of 2002 of 4,400 equity ounces resulted primarily from a 33% decline in ore grade, partially offset by a 3% increase in tons milled. Gold sales for the first half of 2003 were consistent with the same period in 2002, despite the fact that 2002 included only four and one-half months of production. This is attributable to an 18% decline in ore grade, partially offset by a 27% increase in mill throughput. The increase in total cash costs per equity ounce of $133 in the second quarter of 2003 compared to the same period in 2002 resulted primarily from appreciation of the New Zealand dollar (see *Foreign Currency Exchange Rates*), decreased gold ounces sold, increased milling costs from higher electricity rates, higher consumption of grinding media, an earlier than planned SAG mill liner replacement and higher cyanide consumption. Total cash costs for the first half of 2003 increased by $100 per equity ounce compared to the same period in 2002 for the same reasons, except that gold ounces sold did not decline. By-product credits for the three months ended June 30, 2003 and 2002 were $0.8 million and $0.8 million, respectively, and $1.7 million and $1.2 million for the first halves of 2003 and 2002, respectively. Gold sales in 2003 at Martha are expected to be approximately 95,000 equity ounces at total cash costs of about $265 per equity ounce.

At the Ovacik mine in Turkey, gold sales for the second quarter of 2003 were 51,200 ounces at total cash costs per ounce of $123, compared to 31,200 ounces at a total cash costs of $120 per ounce in 2002. Gold sales for the first half of 2003 were 86,200 ounces at total cash costs of $125 per ounce, compared to 48,000 ounces at total cash costs of $132 per ounce during the first half of 2002. The increase in gold sales of 20,000 ounces in the second quarter of 2003 compared to the second quarter of 2002 was primarily attributable to a 64% increase in mill throughput resulting from a revised mine plan that incorporates an open pit extension and increased mill efficiencies. For the first half of 2003, Ovacik increased gold sales by 38,200 ounces primarily from a 107% increase in mill throughput due to the same factors. Total cash costs per ounce were consistent in the second quarter and first half of 2003 compared to the same periods in 2002 as the positive impact of increased gold sales was offset by higher processing costs associated with increased throughput. Gold sales for the year 2003 are expected to be approximately 160,000 ounces at total cash costs of about $130 per ounce.

Newmont acquired certain Echo Bay Mines Ltd. (Echo Bay) capital securities in connection with its acquisition of Franco-Nevada. Subsequent to this acquisition, an agreement was reached with Echo Bay and the capital securities holders to exchange the capital securities for common stock of Echo Bay. This exchange of capital securities debt obligations for common stock occurred on April 3, 2002 and resulted in Newmont Mining Corporation of Canada Limited (a wholly-owned subsidiary of Newmont) owning 48.8% of Echo Bay. From April 3, 2002, Newmont accounted for its investment in Echo Bay under the equity method. On January 31, 2003, Kinross Gold Corporation, Echo Bay and TVX Gold Inc. were combined, and TVX Gold acquired Newmont s 49.9% interest in the TVX Newmont Americas joint venture. Under the terms of the combination and acquisition, Newmont received a 13.8% interest in the restructured Kinross in exchange for its then 45.67% interest in Echo Bay and $180 million for its interest in the TVX Newmont Americas joint venture. Cash proceeds of $170.6 million were received in the three month period ended March 31, 2003, with the remaining $9.4 million held in escrow until received in April 2003. Newmont recorded a gain of approximately $84.3 million on the sale of Echo Bay.

The TVX Newmont Americas joint venture was 49.9%-owned by Newmont and 50.1%-owned by TVX Gold Inc. and was treated as an equity investment for reporting purposes in 2002 and through January 31, 2003. The principal assets of TVX Newmont Americas are interests in operating gold mines in South America (Paracatu, Crixas and La Coipa) and Canada (Musselwhite and New Britannia). On January 31, 2003, Newmont sold its 49.9% interest in TVX Newmont Americas to TVX Gold Inc. for $180 million as described above.

Base Metal Operations

At the Batu Hijau mine in Indonesia, copper sales totaled 91.2 million equity pounds (pounds attributable to Newmont s economic interest) in the second quarter of 2003, compared to 89.3 million equity pounds in the second quarter of 2002. Net cash costs were $0.21 and $0.31 per equity pound, after gold and silver by-product credits, in the second quarter of 2003 and 2002, respectively. For the first halves of 2003 and 2002, copper sales and cash costs were 161.0 million and 156.9 million equity pounds and $0.25 and $0.36 per pound, after gold sales credits, respectively.

Newmont holds an indirect 45% equity interest in the mine, but is attributed 56.25% of production until recouping loans to minority interest holders, including interest. Equity copper sales improved in the second quarter of 2003 compared to the second quarter of 2002 by 1.9 million pounds primarily from a 7% increase in ore grade, partially offset by 7% reduction in dry tons processed. Equity copper sales for the first half of 2003 improved by 4.1 million pounds due primarily to a 7% increase in ore grade. Net cash costs improved in 2003 as

compared to 2002 primarily due to higher gold by-product credits reflecting higher gold prices, improvement in ore grade and lower smelting and refining charges. Gold sales, accounted for as by-product credits, totaled 91,900 and 146,200 equity ounces for the second quarter and first half of 2003, respectively, compared to 63,000 and 103,300 ounces for the same periods in 2002. The Company s equity income from Batu Hijau includes gold and silver revenues that are credited against costs applicable to sales as by-product credits in the determination of net income for each period presented in the *Statements of Consolidated Operations and Comprehensive Income*. These by-product credits represented 57% and 40% of sales, net of smelting and refining charges, and reduced production costs by 79% and 57% for the second quarters of 2003 and 2002, respectively. By-product credits represented 52% and 36% of sales, net of smelting and refining charges, and reduced production costs by 71% and 49% for the first halves of 2003 and 2002, respectively. Such by-product credits are expected to continue through the end of 2020. These by-product credits are expected to vary from time to time and are significant to the economics of the Batu Hijau operation. At current copper prices, the Batu Hijau operation would not be profitable without these credits. Sales for the year 2003 are expected to total approximately 340 million to 360 million equity pounds of copper and 290,000 equity ounces of gold. Total cash costs of copper for the year 2003 are expected to be between $0.26 and $0.28 per equity pound.

The wholly-owned Golden Grove copper/zinc operation in Western Australia, which was acquired as part of the Normandy acquisition, sold 16.2 million pounds of copper and 28.7 million pounds of zinc in the second quarter of 2003, compared to 14.9 million pounds of copper and 69.4 million pounds of zinc in the second quarter of 2002. For the first half of 2003, copper and zinc sales were 37.5 million pounds and 53.6 million pounds, respectively, compared to copper and zinc sales of 25.1 million pounds and 69.4 million pounds, respectively, during the first half of 2002. Total cash costs during the second quarter of 2003 were $0.22 and $0.34 per pound for copper and zinc, respectively, compared to $0.44 and $0.11 for copper and zinc, respectively, in the second quarter of 2002. Total cash costs during the first half of 2003 were $0.39 and $0.36 per pound for copper and zinc, respectively, compared to $0.68 and $0.11 for copper and zinc, respectively, in the first half of 2002. Lead and gold by-product credits at Golden Grove were $6.6 million and $8.3 million during the three months ended June 30, 2003 and 2002, respectively, and $8.1 million and $8.3 million for the first halves of 2003 and 2002, respectively. Newmont anticipates Golden Grove will sell between 65 million and 75 million pounds of copper and 130 million to 140 million pounds of zinc for the year 2003 at total cash costs per pound of between $0.63 and $0.68, and between $0.28 and $0.34, respectively.

Merchant Banking

Newmont s Merchant Banking Segment is focused on managing the Company s portfolio of operating, property and equity interests. In addition, Merchant Banking manages the Company s royalty business and provides investment banking services to the Company.

On January 31, 2003, Kinross Gold Corporation (Kinross), Echo Bay Mines Ltd. (Echo Bay) and TVX Gold Inc. (TVX Gold) 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 and through the efforts of the Merchant Banking Segment, Newmont received a 13.8% interest in the restructured Kinross in exchange for its then 45.67% interest in Echo Bay and $180 million for its interest in TVX Newmont Americas. Cash proceeds of $170.6 million were received immediately after the close of the transaction. The remaining $9.4 million, originally held in escrow, were received subsequent to the end of the first quarter. Newmont recognized a pre-tax gain of $84.3 million on the transaction in *Gain on investments, net* in the *Statement of Consolidated Operations*. Newmont classifies its investment in Kinross as a long-term, available-for-sale marketable security. At June 30, 2003, the fair value of the Kinross investment was $291 million. During the three months ended March 31, 2003, a loss of $45.3 million, net of tax, was recorded in *Other comprehensive income, net of tax* for the change in market value of the investment. During the second quarter of 2003, a loss of $3.2 million, net of tax, was recorded in *Other comprehensive income, net of tax* for the change in market value of the investment. Newmont will continue to monitor the market value of its investment in Kinross. In the event that the decline in the market value of the Kinross shares continues in future periods, the Company will evaluate the need to recognize a loss for an other-than-temporary decline in the value of the investment.

Through the efforts of the Merchant Banking Segment, Newmont sold its 9.74% equity holding in Lihir Gold during the second quarter of 2002 through a block trade to Macquarie Equity Capital Markets Limited in Australia for approximately $84 million, resulting in the recognition of a pre-tax gain of approximately $47.3 million.

Merchant Banking also managed the process of extinguishing the majority of NYOL s bonds and derivatives liability during the second quarter of 2003. On May 29, 2003, Newmont, through its subsidiary Yandal Bond Company Pty Ltd (YBCL), made an offer to acquire all of NYOL s outstanding 8 $^{7}/8$% Senior Notes due in April 2008 at a price of $500 per $1,000 principal amount. As of June 30, 2003, YBCL had received binding tender offers for the Senior Notes totaling $196.8 million, representing 83% of the original $237.2 million outstanding principal amount (see Note 10 to the Consolidated Financial Statements, Extinguishment of NYOL Obligations). Newmont recorded a *Gain on extinguishment of NYOL bonds, net* of $94.4 million for the transaction. Furthermore, on May 28, 2003, YBCL made an offer to acquire all of NYOL s gold hedge contracts from the counterparties at a rate of $0.50 per $1.00 of net mark-to-market hedge liability as of May 22, 2003. Six of the total of seven counterparties to the gold hedge contracts, representing 94% of the gold ounces in the NYOL hedge book and 76% of the mark-to-market May 22, 2003 hedge liability, had assigned their hedge contracts to YBCL as of June 30, 2003 (see Note 10 to the Consolidated Financial Statements, Extinguishment of NYOL Obligations). Newmont recorded a *Gain on extinguishment of NYOL derivatives liability, net* of $76.6 million for the transaction.

Newmont s Merchant Banking Segment holds royalty interests, which were acquired as a result of the Franco-Nevada acquisition. Royalty interests are generally in the form of a net smelter return (NSR) royalty that provides for the payment either in cash or in-kind physical metal of a specified percentage of production, less certain specified transportation and refining costs. In some cases, Newmont owns a net profit interest (NPI) entitling Newmont to a specified percentage of the net profits, as defined in each case, from a particular mining operation. The majority of NSR royalty revenue and NPI revenue can be received in kind at the option of Newmont. Newmont earned $10.5 million of royalty revenue for the second quarter of 2003, compared to $11.2 million in the second quarter of 2002 and $24.9 during the first half of 2003, compared to $15.0 during the first half of 2002. The increase in the first half of 2003 is primarily attributable to a full first quarter of operations compared to a partial first quarter in 2002 and higher prevailing gold and oil and gas market prices. Newmont expects to earn $40 million to $50 million in royalties for the full year 2003.

Exploration

Exploration and research expenditures were $30.2 million and $51.7 million for the three and six months ended June 30, 2003 and $18.8 million and $30.4 million for the three and six months ended June 30, 2002. Of these amounts, $24.0 million and $40.8 million, respectively, related to the activities of the Exploration Segment for the three and six months ended June 30, 2003, with the balance in each year relating primarily to research and advanced project activities not managed by Newmont s Exploration Segment. For the three and six months ended June 30, 2002, $15.2 million and $24.1 million, respectively, related to the activities of the Exploration Segment.

Exploration expenditures reflect a full six months of exploration activity in 2003 for the combined Newmont and Normandy exploration programs, as compared to four and one-half months in 2002. Expenditures in 2003 also reflect higher funding of exploration activities by Newmont due to higher prevailing gold prices. Newmont is forecasting expenditures of approximately $85 million for the full year 2003. Exploration activities during the first half of 2003 have primarily focused on the Antonio and Corimayo deposits at Minera Yanacocha, the Gold Quarry and Dos Equis deposits in Nevada and various deposits at the Company s Australian operations. Newmont updates its public disclosure of proven and probable reserves annually as of December 31 of each year. The Company will therefore discuss the additions to proven and probable reserves resulting from its 2003 exploration program in the Company s 2003 Annual Report on Form 10-K. Newmont believes that exploration results to date in 2003 indicate the Company is on track to achieve its goal of replacing depletion of approximately 9.0 million ounces during the year.

Foreign Currency Exchange Rates

In addition to its domestic operations in the United States, Newmont has operations in Australia, New Zealand, Peru, Indonesia, Canada, Uzbekistan, Bolivia, Turkey and other foreign locations. The Company s foreign operations sell their metal production based on an U.S. dollar gold price.

Fluctuations in the local currency exchange rates in relation to the U.S. dollar can increase or decrease profit margins and total cash costs per ounce to the extent costs are paid in local currency at foreign operations. Such fluctuations do not have a material impact on the Company s revenue since gold is sold throughout the world principally in U.S. dollars. Approximately 44% and 39%, of Newmont s total cash costs were paid in local currency in the three months ended June 30, 2003 and June 30, 2002, respectively. Approximately 42% and 36% of Newmont s total cash costs were paid in local currency in the six months ended June 30, 2003 and June 30, 2002, respectively. The Company s total cash costs are most impacted by variations in the Australian dollar/U.S. dollar exchange rate. However, variations in the Australian dollar/U.S. dollar exchange rate have historically been strongly correlated to variations in the U.S. dollar gold price over the long-term. Increases or decreases in costs at Australian locations due to exchange rate changes have therefore tended to be mitigated by changes in sales reported in U.S. dollars at Australian locations in the Company s Consolidated Financial Statements. No assurance, however, can be given that the Australian dollar/U.S. dollar exchange rate will continue to be strongly correlated to the U.S. dollar gold price in the future. The following chart demonstrates the impacts of variations in the local currency exchange rates in relation to the U.S. dollar at Newmont s foreign operations during each of the three months and six months ended June 30, 2003 and June 30, 2002.

Three months ended June 30, 2003 and 2002:

	Three months ended June 30, 2003			Three months ended June 30, 2002		
Operation	**Percentage change in average local currency exchange rate; appreciation (depreciation)**	**Increase (decrease) to total cash costs in US dollars**	**Increase (decrease) to total cash costs per ounce in US dollars**	**Percentage change in average local currency exchange rate; appreciation (depreciation)**	**Increase (decrease) to total cash costs in US dollars**	**Increase (decrease) to total cash costs per ounce in US dollars**
			(unaudited)			
North America:						
La Herradura	(10)%	$ (89,054)	$ (5)	(3)%	$ (33,701)	$ (2)
Golden Giant	10%	$ 1,177,762	$ 22	(1)%	$ (113,524)	$ (1)
Holloway	10%	$ 488,440	$ 33	(1)%	$ (39,683)	$ (2)
South America:						
Minera Yanacocha	(1)%	$ (68,183)	$	3%	$ 308,329	$ 1
Kori Kollo	(8)%	$ (326,510)	$ (7)	(8)%	$ (463,503)	$ (7)
Australia(1):						
Pajingo	14%	$ 1,578,503	$ 17	7%	$ 425,135	$ 6
Kalgoorlie	14%	$ 4,116,374	$ 39	7%	$ 1,301,416	$ 15
Yandal	14%	$ 5,440,462	$ 38	7%	$ 2,372,959	$ 14
Tanami	14%	$ 5,068,265	$ 27	7%	$ 1,589,066	$ 12
Other International:						
Zarafshan-Newmont Joint Venture	(35)%	$ (1,409,104)	$ (23)	(104)%	$ (4,342,883)	$ (61)
Minahasa	7%	$ 33,988	$ 1	19%	$ 267,367	$ 6
Martha	14%	$ 1,292,392	$ 47	7%	$ 409,619	$ 13

Ovacik	(3)%	$	(77,287)	$	(2)	(21)%	$	(439,301)	$	(14)

Six months ended June 30, 2003 and 2002:

Operation	Six months ended June 30, 2003: Percentage change in average local currency exchange rate; appreciation (depreciation)	Six months ended June 30, 2003: Increase (decrease) to total cash costs in US dollars (000)	Six months ended June 30, 2003: Increase (decrease) to total cash costs per ounce in US dollars	Six months ended June 30, 2002 (1): Percentage change in average local currency exchange rate; appreciation (depreciation)	Six months ended June 30, 2002 (1): Increase (decrease) to total cash costs in US dollars (000)	Six months ended June 30, 2002 (1): Increase (decrease) to total cash costs per ounce in US dollars
			(unaudited)			
North America:						
La Herradura	(15)%	$ (243)	$ (7)	2 %	$ 31	$ 1
Golden Giant	12 %	$ 1,997	$ 19	(2)%	$ (665)	$ (4)
Holloway	12 %	$ 741	$ 25	(2)%	$ (225)	$ (5)
South America:						
Minera Yanacocha	%	$ (146)	$	2 %	$ 462	$ 1
Kori Kollo	(10)%	$ (705)	$ (7)	(10)%	$ (884)	$ (7)
Australia(1):						
Pajingo	19 %	$ 2,466	$ 13	4 %	$ 322	$ 2
Kalgoorlie	19 %	$ 7,351	$ 35	4 %	$ 1,099	$ 6
Yandal	19 %	$ 9,251	$ 33	4 %	$ 1,998	$ 6
Tanami	19 %	$ 8,501	$ 24	4 %	$ 1,370	$ 5
Other International:						
Zarafshan-Newmont Joint Venture	(40)%	$ (3,087)	$ (25)	(117)%	$ (9,321)	$ (65)
Minahasa	17 %	$ 66	$ 1	7 %	$ 189	$ 2
Martha	19 %	$ 2,059	$ 38	4 %	$ 359	$ 6
Ovacik	(11)%	$ (497)	$ (5)	(67)%	$ (888)	$ (14)

(1) For operations acquired as part of the acquisition of Normandy, amounts include the impact from February 15, 2002 through June 30, 2002.

In addition, the Company s total cash costs at Golden Grove varied due to changes in the local currency exchange rates in relation to the U.S. dollar as follows:

Period	Foreign Currency	Percentage change in average local currency exchange rate; appreciation	Increase (decrease) to total cash costs in US dollars (000)
Three months ended June 30, 2003	Australian Dollar	14%	$ 1,660
Three months ended June 30, 2002	Australian Dollar	7%	$ 372
Six months ended June 30, 2003	Australian Dollar	19%	$ 2,925
Six months ended June 30, 2002	Australian Dollar	4%	$ 332

In addition, the Company s *Equity income of affiliates* varied due to increases or decreases in costs from changes in the local currency exchange rates in relation to the U.S. dollar at the Batu Hijau copper mine in Indonesia as follows:

Period	Foreign Currency	Percentage change in average local currency exchange rate; appreciation (devaluation)	Income (loss) within Equity income (loss) in affiliates, net (000)
Three months ended June 30, 2003	Indonesian Rupiah	7%	$ (707)
Three months ended June 30, 2002	Indonesian Rupiah	19%	$ (1,273)
Six months ended June 30, 2003	Indonesian Rupiah	17%	$ (1,623)
Six months ended June 30, 2002	Indonesian Rupiah	7%	$ (1,046)

The Company does not believe that foreign currency exchange rates in relation to the U.S. dollar have had a material impact on its determination of proven and probable reserves in the past due, in part, to the Company s use of conservative cut-off grade assumptions for pit and/or mine design. However, in the event that a sustained weakening in the U.S. dollar in relation to the Australian dollar, and/or to other foreign currencies that impact the Company s cost structure, were not mitigated by offsetting increases in the U.S. dollar gold price or by other factors, the Company believes that the amount of proven and probable reserves in the applicable foreign country would be reduced. The extent of any such reduction would be dependent on a variety of factors including the length of time of any such weakening of the U.S. dollar, and management s long-term view of the applicable exchange rate. Future reductions of proven and probable reserves would result primarily in reduced gold sales and increased depreciation, depletion and amortization calculated using the units-of-production method and, depending on the level of reduction, could also result in impairments of long-lived assets, mineral reserves and other intangible assets and/or goodwill.

Financial Results

Newmont s *Statements of Consolidated Operations and Comprehensive Income* include the activities of Normandy and Franco-Nevada from February 16, 2002 through June 30, 2002 for the first half of 2002 and for the entire first half of 2003.

Sales gold were $724.0 million and $609.5 million for the three months ended June 30, 2003 and 2002, respectively. The following analysis demonstrates that the increase in consolidated sales revenue in the second quarter of 2003 compared to the second quarter of 2002 primarily resulted from higher gold prices and other production increases (unaudited):

	Three Months Ended June 30,	
	2003	**2002**
Consolidated gold sales (in millions)	$ 724.0	$ 609.5
Consolidated gold ounces sold (000)	2,065.7	1,951.6
Average price realized per ounce	$ 353	$ 314
Average spot price per ounce	$ 347	$ 312

Increase in consolidated gold sales due to:

	Three Months Ended June 30, 2003 vs. 2002 (in millions)
Consolidated production	$ 37.5
Average gold price received	77.0
	$ 114.5

Sales gold were $1,438.6 million and $1,091.8 million for the six months ended June 30, 2003 and 2002, respectively. The following analysis demonstrates that the increase in consolidated sales revenue in the first half of 2003 compared to first half of 2002 primarily resulted from higher gold prices, the inclusion of a full quarter of production from the acquired Normandy properties as compared to a partial quarter in 2002 and other production increases (unaudited):

	Six Months Ended June 30,	
	2003	**2002**
Consolidated gold sales (in millions)	$ 1,438.6	$ 1,091.8
Consolidated gold ounces sold (000)	4,101.7	3,606.3
Average price realized per ounce	$ 352	$ 304
Average spot price per ounce	$ 349	$ 301

Increase in consolidated gold sales due to:

	Six Months Ended June 30, 2003 vs. 2002 (in millions)
Consolidated production	$ 152.5
Average gold price received	194.3
	$ 346.8

Sales base metals, net totaled $12.7 million from the Golden Grove operation in Western Australia in the second quarter of 2003, compared to $22.9 million in the second quarter of 2002 and included $9.5 million from copper sales and $3.2 million from zinc sales, both net of smelting and refining charges, compared to $4.4 million from copper sales and $14.9 million from zinc sales, both net of smelting and refining charges, and $3.6 million from cobalt sales (from the Kasese operation) during quarter ended June 30, 2002. *Sales base metals, net* totaled $32.2 million for the six months ended June 30, 2003, compared to $32.3 million for the same period of 2002, and included $23.8 million from copper sales and $8.4 million from zinc sales, both net smelting and refining charges, compared to $13.8 million from copper sales and $14.9 million from zinc sales, both net of smelting and refining charges, and $3.6 million from cobalt sales (from the Kasese operation) during quarter ended June 30, 2002. The Kasese operation was sold during the second quarter of June 30, 2002.

Royalties of $10.5 million and $11.2 million were earned during the second quarters of 2003 and 2002, respectively, and $24.9 million and $15.0 million were earned during the first halves of 2003 and 2002, respectively. The year-to-date increase in 2003 relates primarily to six months of activity in 2003 compared to a four and one-half months in 2002, as most of the royalties were acquired as part of the acquisition of Franco-Nevada, and the higher prevailing gold and oil and gas prices for the six months ended June 30, 2003, as well as increased production from the Goldstrike property and a settlement of a royalty dispute. Newmont expects to earn $40 million to $50 million in royalties for the full year 2003.

Costs applicable to sales gold were $423.7 million and $383.5 million for the second quarters of 2003 and 2002, respectively, and $822.7 million and $712.1 million for the first halves of 2003 and 2002, respectively. The quarter-to-date and year-to-date 2003 increase is primarily attributable to increased consolidated gold ounces sold and an increase in consolidated total cash costs per ounce. The increase in ounces sold was primarily at Yanacocha and in Australia, offset by a slight decline in ounces sold in Nevada. Cash costs primarily increased at Nevada and Australia, offset by a decrease in cash costs in Yanacocha. See Results of Operations for a discussion of gold sales and total cash costs per ounce by operation for 2003 and 2002

Costs applicable to sales base metals and other was $10.0 million and $8.7 million in the second quarters of 2003 and 2002, respectively, and $25.3 million and $19.4 million in the first halves of 2003 and 2002, respectively. The second quarter of 2003 included $2.4 million for copper, $7.3 million for zinc and $0.3 million for other, while the second quarter of 2002 included $4.9 million for copper and $3.8 million for cobalt. Costs for Zinc production were offset by lead by-product credits. The increase for the three months ended June 30, 2003 relates primarily to increased production of copper and zinc at Golden Grove compared to the three months ended June 30, 2002, offset by the disposal of the Kasese cobalt operation during the second quarter of 2002. The first half of 2003 included $11.4 million for copper, $13.3 million for zinc and $0.6 for other, while the first half of 2002 included $13.5 million for copper and $5.9 million for cobalt and other. The increase for the six months ended June 30, 2003 compared to the same period of 2002 was attributable to the full six months of operations at Golden Grove, compared to four and one-half months of operations at Golden Grove in 2002, offset by the disposal of the Kasese operation during the second quarter of 2002.

Deferred Stripping

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

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

	Three Months Ended June 30,				**Six Months Ended June 30,**			
	Nevada(3)		**La Herradura(4)**		**Nevada(3)**		**La Herradura(4)**	
	2003	**2002**	**2003**	**2002**	**2003**	**2002**	**2003**	**2002**
Life-of-mine Assumptions Used as Basis For Deferred Stripping Calculations								
Stripping ratio(1)	125.0	125.5	146.4	141.3	125.0	128.1	146.4	141.3
Average ore grade (ounces of gold per ton)	0.049	0.073	0.030	0.031	0.049	0.073	0.030	0.031
Actuals for Year								
Stripping ratio(2)	121.3	81.3	161.1	167.1	108.9	82.3	159.3	166.5
Average ore grade (ounces of gold per ton)	0.081	0.072	0.026	0.026	0.093	0.067	0.026	0.026
Remaining Mine Life (years)	8	9	5	6	8	9	5	6

	Tanami(5,7)		**Kalgoorlie(5)**		**Tanami(5,7)**		**Kalgoorlie(5)**	
	2003	**2002**	**2003**	**2002**	**2003**	**2002**	**2003**	**2002**
Life-of-mine Assumptions Used as Basis For Deferred Stripping Calculations								
Stripping ratio(1)	54.9	69.8	104.1	104.1	54.9	69.8	104.1	104.1
Average ore grade (ounces of gold per ton)	0.120	0.120	0.065	0.065	0.120	0.120	0.065	0.065
Actuals for Year								
Stripping ratio(2)	81.5	82.5	89.4	98.0	80.9	78.8	90.4	98.0
Average ore grade (ounces of gold per ton)	0.100	0.110	0.069	0.054	0.110	0.110	0.064	0.054
Remaining Mine Life (years)	3	4	13	14	3	4	13	14

	Martha(6,8)		**Ovacik(6)**		**Martha(6,8)**		**Ovacik(6)**	
	2003	**2002**	**2003**	**2002**	**2003**	**2002**	**2003**	**2002**
Life-of-mine Assumptions Used as Basis For Deferred Stripping Calculations								
Stripping ratio(1)	29.1	28.8	26.3	26.3	29.1	28.8	26.3	26.3
Average ore grade (ounces of gold per ton)	0.093	0.093	0.356	0.362	0.093	0.093	0.356	0.362
Actuals for Year								
Stripping ratio(2)	63.6	21.6	23.2	26.0	36.9	21.6	21.5	25.8
Average ore grade (ounces of gold per ton)	0.073	0.098	0.346	0.376	0.083	0.098	0.361	0.371
Remaining Mine Life (years)	4	5	2	3	4	5	2	3

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

(2) Total tons mined divided by total ounces of gold recovered.

(3) The life-of-mine stripping ratio decreased slightly during 2003 from 2002 due to changes in the mining plan. The actual stripping ratio increased in 2003 from 2002 due to changes in the mining sequence to access higher-grade ore, which had a higher stripping ratio.

(4)

The life-of-mine stripping ratio increased slightly in 2003 from 2002 as a result of a slight decrease in ore grade. The actual stripping ratio decreased in 2003 due to more ore than waste being mined as the pit deepens. La Herradura is included in the Company s *Other North America* operating segment.

(5) Tanami and Kalgoorlie are included in the Company s *Other Australia* operating segment.

(6) Martha and Ovacik are included in the Company s *Other International* operating segment.

(7) The life-of mine strip ratio decreased during 2003 from 2002 due to a revised mine plan.

(8) The actual strip ratio increased in 2003 due to high waste removal during the period.

Depreciation, depletion and amortization was $139.3 million and $123.6 million for the second quarters of 2003 and 2002, respectively and $269.9 million and $225.8 million for the first halves of 2003 and 2002, respectively. The 13% increase in second quarter of 2003 relates primarily to the implementation of FAS 143 (see Accounting Changes) that resulted in an increase to *Property, plant and equipment* for the asset retirement costs which are depreciated over the life of each operation. The 20% increase in the first half of 2003 is attributable to a full six months of activity in 2003 from the acquired Normandy operations compared to four and one-half months in 2002, increased production and an increase in the depreciable base due to the adoption of SFAS 143 (see Accounting Changes). Newmont expects *Depreciation, depletion and amortization* to total between $560 million and $590 million for the full year 2003.

The following is a summary of Costs applicable to sales and *Depreciation, depletion and amortization* by operation:

	CostsApplicable of Sales				**Depreciation, Depletion and Amortization**			
	Three Months Ended June 30,		**Six Months Ended June 30,**		**Three Months Ended June 30,**		**Six Months Ended June 30,**	
	2003	**2002**	**2003**	**2002**	**2003**	**2002**	**2003**	**2002**
	(Unaudited and in millions)							
North America:								
Nevada	$ 138.3	$ 155.1	$ 283.8	$ 309.5	$ 34.7	$ 25.2	$ 66.3	$ 52.0
Mesquite, California	2.4	2.1	5.0	4.5	1.6	1.5	2.5	3.0
La Herradura, Mexico	3.5	2.8	5.7	5.7	0.9	0.7	1.7	1.5
Golden Giant, Canada	13.7	13.6	30.4	27.3	4.4	5.6	11.6	10.1
Holloway, Canada	4.7	5.1	10.1	10.7	1.1	1.3	2.4	3.1
Total North America	162.6	178.7	335.0	357.7	42.7	34.3	84.5	69.7
South America:								
Yanacocha, Peru	83.5	69.5	169.0	138.7	40.4	26.2	75.9	61.2
Kori Kollo, Bolivia	11.2	11.3	21.8	22.8	1.8	3.8	3.9	6.9
Total South America	94.7	80.8	190.8	161.5	42.2	30.0	79.8	68.1
Australia:								
Kalgoorlie	29.7	19.6	52.1	30.4	3.0	2.2	4.6	3.4
Yandal	45.4	38.7	85.1	55.9	7.4	9.6	18.0	15.8
Tanami	46.7	32.3	78.3	45.1	10.1	9.9	17.7	13.0
Pajingo	12.2	7.6	20.6	12.8	6.9	6.4	12.5	9.9
Other Australia						1.6		3.1
Total Australia	134.0	98.2	236.1	144.2	27.4	29.7	52.8	45.2
Other Operations:								
Minahasa, Indonesia	7.7	9.0	17.1	17.3	1.7	3.3	3.4	6.2
Zarafshan-Newmont, Uzbekistan	9.4	9.9	18.0	17.4	2.9	3.1	5.5	5.4
Martha, New Zealand	7.8	3.9	13.9	6.8	2.6	4.5	4.7	6.3
Ovacik, Turkey	6.4	4.2	10.8	7.2	3.8	2.8	7.2	3.5
Total Other Operations	31.3	27.0	59.8	48.7	11.0	13.7	20.8	21.4
Other:								
Merchant banking	0.2	0.1	0.4	0.2	5.6	6.0	10.3	8.2
Base metals operations	9.7	8.6	24.9	19.2	6.7	6.7	13.8	7.0
Corporate and other	1.1	(1.3)	1.0	(0.1	3.7	3.2	7.9	6.2

Total Other	11.0	7.4	26.3	19.3	16.0	15.9	32.0	21.4
Total Newmont	$ 433.6	$ 392.1	$ 848.0	$ 731.4	$ 139.3	$ 123.6	$ 269.9	$ 225.8

Exploration and research was $30.2 million and $18.8 million for the second quarters of 2003 and 2002, respectively, and $51.7 million and $30.4 million for the first halves of 2003 and 2002, respectively. These amounts reflect a full six months of exploration activity in 2003 for the combined Newmont, Franco-Nevada and Normandy exploration programs, as compared to four and one-half months in 2002. Newmont is forecasting exploration and research expenditures for the full year 2003 between $95 million and $100 million, compared to actual expenditures in for the full year 2002 of $88.9 million.

General and administrative expenses totaled $31.3 million and $27.7 million for the second quarters of 2003 and 2002, respectively, and $57.7 million and $49.0 million for the first halves of 2003 and 2002, respectively. The increase for the three and six months ended June 30, 2003 was attributable to higher legal expenses, increased expenses due to changes in actuarial pension assumptions, severance costs, and increased compliance and corporate governance costs. *General and administrative* expense has increased to 4.4% of *Sales and other income* for the second quarter of 2003, compared to 3.9% in the second quarter 2002 and decreased to 3.6% for the first half of 2003, compared to 4.1% for the first half of 2002. Newmont expects *General and administrative* expenses to total between $100 million and $105 million for the full year 2003.

Write-downs of assets totaled $1.8 million for the three and six months ended June 30, 2003 related to the write-down of a select number of vehicles in the mobile fleet at Yanacocha to their residual value. There were no write-downs during the three and six months ended June 30, 2002.

Other expenses (income) were $2.5 million and $(1.8) million for the second quarters of 2003 and 2002, respectively, and $24.5 million and $(0.9) million for the first halves of 2003 and 2002, respectively. The increase in the second quarter 2003 comparable to the second quarter of 2002 is due to $1.9 million of severance costs associated with the gradual winding down of operations at Kori Kollo, and $1.2 million of costs associated with implementation of the Sarbanes-Oxley Act of 2002, offset by insurance recoveries. *Other* expenses in the first half of 2003 included, in addition to various individually insignificant items, an $10.6 million accrual for certain environmental obligations, $1.0 million associated with the finalization of a de-watering agreement in Nevada, $3.3 million for severance at the Kori Kollo project in Bolivia, $1.2 million of costs associated with implementation of the Sarbanes-Oxley Act of 2002, $3.0 million for cost investment impairments and $5.4 million of other expenses.

Gain on investments, net was $84.3 million for the six months ended June 30, 2003, and $47.3 million for both the three and six months periods ended June 30, 2002. There were no gains or losses on investments during the three months ended June 30, 2003. During the first quarter of 2003, Newmont recorded a gain on exchange of Echo Bay shares for Kinross shares of $84.3 million. During the three and six months ended June 30, 2002, Newmont recorded a gain of $47.3 million of the sale of its investment of Lihir. (see Liquidity and Capital Resources, *Investing Activities*, for more information).

Gain (loss) on gold commodity derivative instruments, net representing non-cash, mark-to-market gains and losses recognized on ineffective and partially ineffective gold derivative instruments was $16.6 million and $(9.5) million in the second quarters of 2003 and 2002, respectively, and $71.7 million and $(3.1) million for the first halves of 2003 and 2002, respectively. The gains in the second quarter of 2003 resulted predominantly from a strengthening of the Australian dollar from approximately $0.60 to $0.67 per US dollar between March 31, 2003 to June 30, 2003. The majority of the acquired Normandy gold hedge books consist of contracts to receive Australian dollars and to deliver gold. Most of the contracts appreciate in value as the Australian dollar strengthens. The US dollar gold price increased from $337 per ounce to $345 per ounce between March 31, 2003 and June 30, 2003 which offset some of the positive impact from the strengthening Australian dollar. During the second quarter of 2002, the US dollar gold price per ounce increased from $303 to $314 and the Australian dollar increased from $0.54 to $0.56 per US dollar between March 31, 2002 and June 30, 2002. The change in the US dollar gold price in 2002 had a negative impact in the fair value of the contracts, and the strengthening of the Australian dollar had a slightly smaller offsetting positive impact, resulting in the net $(9.5) million result. The gain for the first half of 2003 resulted predominantly from a strengthening of the Australian dollar from approximately $0.56 to $0.67 per US dollar between December 31, 2002 and June 30, 2003. The US$ gold price increased from $343 per ounce to $345 per ounce between December 31, 2002 and June 30, 2003 which had a moderately negative impact on the value of the contracts. During the first half of 2002, the US dollar gold price increased from approximately $301 per ounce to $314 per ounce and the Australian dollar appreciated from approximately $0.52 to $0.56 per US dollar from February 15, 2002 (the date of acquisition of Normandy) to June 30, 2002.

Gain on extinguishment of NYOL bonds, net was $94.4 million for the three and six months ended June 30, 2003. On May 29, 2003, Newmont, through its subsidiary Yandal Bond Company Pty Ltd (YBCL) made an offer to acquire all of NYOL s outstanding 8 7/8% Senior Notes due in April 2008 at a price of $500 per $1,000 principal amount. As of June 30, 2003, YBCL had received binding tender offers for the Senior Notes totaling $196.8 million, representing 83% of the original $237.2 million outstanding principal amount (see Note 10 to the Consolidated Financial Statements, Extinguishment of NYOL Obligations).

Gain on extinguishment of NYOL derivatives liability, net was $76.6 for the three and six months ended June 30, 2003. On May 28, 2003, YBCL made an offer to acquire all of NYOL s gold hedge contracts from the counterparties at a rate of $0.50 per $1.00 of net mark-to-market hedge liability as of May 22, 2003. Six of the total of seven counterparties to the gold hedge contracts, representing 94% of the gold ounces in the NYOL hedge book and 76% of the mark-to-market May 22, 2003 hedge liability, had assigned their hedge contracts to YBCL as of June 30, 2003 (see Note 10 to the Consolidated Financial Statements, Extinguishment of NYOL Obligations).

Loss on extinguishment of debt was $19.5 million for the six months ended June 30, 2003. During the first quarter of 2003, Newmont repurchased $23.0 million, $52.3 million, $10.0 million, and $30.9 million face amount of its outstanding 8 3/8%, 8 5/8%, Newmont Australia Limited 7 ½%, and Newmont Australia Limited 7 5/8% debentures, respectively, for total cash consideration of $135.8 million, net of associated discounts, premiums and capitalized debt issuance costs. See Liquidity and Capital Resources, *Financing Activities.*

Dividends, interest income, foreign currency exchange and other income was $32.3 million and $14.8 million for the three months ended June 30, 2003 and 2002, respectively, and $64.2 million and $15.3 million for six months ended June 30, 2003 and 2002, respectively. The three months ended June 30, 2003 include a foreign currency exchange gain of $27.2 million primarily composed of the following Canadian and Australian gains and losses: (i) $31.2 million foreign exchange gain on a Canadian dollar-denominated inter-company loan to a subsidiary whose functional currency is the Canadian dollar, reflecting a strengthening of the Canadian dollar from $0.68 to $0.74 per US dollar, (ii) a $10.4 million mark-to-market gain on ineffective foreign currency swaps, and (iii) a $11.8 million foreign currency loss on the translation of Newmont Australia Limited s financial statements to US dollars due to the appreciation of the Australian dollar which increased during the quarter from $0.60 to $0.67 per US dollar. Also included in the 2003 first quarter were other foreign currency losses of $2.7 million, interest income of $2.8 million, a $0.2 million gain on the sale of exploration properties and income of $2.1 million for other various items. The three months ended June 30, 2002 include $5.1 million of interest income, $6.1 million of net foreign currency translation and exchange losses, a gain on the sale of exploration properties of $4.7 million and negative $1.0 million of other various items. The six months ended June 30, 2003 include a foreign currency translation gain of $51.9 million primarily composed of the following: an exchange gain of $56.1 million on the Canadian intercompany loan, an $18.2 million mark-to-market gain on ineffective foreign currency swaps, and a $17.8 million foreign currency translation loss primarily associated with the appreciation of the Australian dollar and other foreign currency losses of $4.6 million. The 2003 first half also includes a $1.5 million gain on the sale of exploration properties, interest income of $5.0 million and income of $5.8 million for various other items. The six months ended June 30, 2002 includes $7.9 million of interest income, $1.5 million of net foreign currency translation and exchange losses, a gain on the sale of exploration properties of $6.4 million and $2.4 million of income for various other items.